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## CHINA UPDATE

**"Today, the United States and China share common strategic and common interest in advancing clean energy technology. As the world's largest energy producers and consumers, both face similar challenges and opportunities. Both countries depend on efficient use of energy and the innovative production of clean fuels and power. Both countries possess formidable capacities for research and innovation. History suggests that progress toward a clean energy future can be accelerated by working collaboratively and leveraging each country's strengths."**

– U.S.-China Clean Energy Research Center report, July 2014

### U.S.-CHINA RELATIONS

#### **2013 Report on International Religious Freedom**

On July 28, the State Department released the 2013 *Report on International Religious Freedom*. The report finds that the Chinese government "exercised state control over religion and restricted the activities and personal freedom of religious adherents when these were perceived, even potentially, to threaten state or Chinese Communist Party (CCP) interests, including social stability. The government harassed, assaulted, detained, arrested, or sentenced to prison a number of religious adherents for activities reported to be related to their religious beliefs and practices. There were also reports of abuse and torture in detention." The China section of the report can be found [here](#).

#### **State Department Official Previews ASEAN Regional Forum**

On July 28, Assistant Secretary of State for East Asian and Pacific Affairs Daniel R. Russel delivered remarks at the Commonwealth Club in San Francisco, CA. Focused on the U.S. role in the Asia Pacific region, Mr. Russel's remarks frequently touched on China and the U.S.-China relationship. The speech came in advance of a meeting of the South East Asian Nations (ASEAN) in Myanmar, also known as Burma. A transcript of the remarks, titled "ASEAN and America: Partners for the Future," can be found [here](#). On August 4, Assistant Secretary Russel participated in a press conference hosted by The Brookings Institution and the State Department Foreign Press Center in Washington, DC to discuss the upcoming ASEAN Regional Forum. A transcript can be found [here](#).

### **CECC Urges China to Drop Charges Against Rights Activist**

On August 1, Congressional-Executive Commission on China (CECC) chairman Senator Sherrod Brown (D-OH) and co-chairman Representative Chris Smith (R-NJ) issued a press release urging the Chinese government to drop all charges against Uyghur scholar and rights activist Ilham Tohti. The release can be found [here](#).

### **Statement from Ambassador Baucus on Chinese Earthquake**

On August 4, U.S. Ambassador to China released a statement regarding the previous day's earthquake, stating "My wife Melodee and I want to extend our heartfelt condolences to the people of China who lost their loved ones, whose homes and businesses were destroyed, or who were affected in other ways by the August 3 earthquake. We are praying for you in these trying times, and the United States stands ready to assist in any way that we can."

### **ASEAN Regional Forum**

On August 9, Secretary of State Kerry arrived in Naypyidaw, Burma to attend the U.S.-ASEAN, Lower Mekong Initiative, Friends of the Lower Mekong Initiative, ASEAN Regional Forum, and East Asia Summit ministerial meetings. He also participated in a series of bilateral meetings, including a meeting with Chinese Foreign Minister Wang Yi focused on the South China Sea and maritime security. A background and briefing from senior State Department officials on Secretary Kerry's participation in ASEAN can be found [here](#).

## **CHINESE EMBASSY NEWS**

### **87<sup>th</sup> Anniversary of the Founding of the PLA**

On July 31, Major General Xu Nanfeng, Defense Attaché of the Chinese Embassy, held a reception in celebration of the 87th anniversary of the founding of the People's Liberation Army (PLA) of China. Ambassador Cui Tiankai delivered remarks.

### **Young Ambassador Program Students Visit Embassy**

On July 29, a group of 60 students of the 2014 Young Ambassador Program led by Ms. Chiling Tong, CEO of the International Leadership Foundation (ILF), visited the Chinese Embassy. Minister Wu Xi briefed the students on China's foreign policy and U.S.-China relations and answered their questions.

## **ENERGY & ENVIRONMENT**

### **CERC Report on Recent Achievements**

Last month, the U.S.-China Clean Energy Research Center (CERC) released a report on recent achievements. The goal of CERC is to accelerate the development and deployment of clean energy technologies for the benefit of both countries. The report includes accomplishments from CERC's three joint consortia: the Advanced Coal Technology Consortium (ACTC), led by West Virginia University in the U.S. and Huazhong University of Science and Technology in China; the Building Energy Efficiency Consortium (BEE) led by Lawrence Berkeley National Laboratory in the U.S. and the Center of Science and Technology of Construction, Ministry of Housing and Urban-Rural Development (MOHURD) in China; and the Clean Vehicles Consortium led by the University of Michigan in the U.S. and Tsinghua University in China. The report can be found [here](#).

### **Asia Climate Partners Launched**

On August 4, the Asian Development Bank launched a \$400 million fund with two partners to make environmental investments in Asia, first focusing on China, India, and Southeast Asia. The Asia Climate Partners will invest in clean and renewable technologies, natural resource efficiency, water, agriculture, forestry, and climate companies.

## **China to Add 13 GW Solar**

China announced last week that it aims to install 13 GW of solar photovoltaic energy this year. The announcement came a day after Beijing announced its plan to ban the use and trade of coal in its inner districts by the end of 2020.

## **TRADE**

### **The Year in Trade 2013**

On July 31, the U.S. International Trade Commission (USITC) released *The Year in Trade 2013*, its annual overview of trade-related activities in the previous year. The report includes complete listings of antidumping, countervailing duty, safeguard, intellectual property rights infringement, and section 301 cases undertaken by the U.S. government in 2013. In addition, the 2013 report covers: 1) the operation of U.S. trade preference programs, including the U.S. Generalized System of Preferences, the African Growth and Opportunity Act, the Andean Trade Preference Act, and the Caribbean Basin Economic Recovery Act, including initiatives for Haiti; 2) significant activities in the WTO, including dispute settlement decisions; the Organization for Economic Cooperation and Development; and the Asia-Pacific Economic Cooperation forum; 3) developments regarding the North American Free Trade Agreement, other U.S. FTAs, and negotiations regarding the Trans-Pacific Partnership Agreement and the Transatlantic Trade and Investment Partnership; and 4) bilateral trade issues with major U.S. trading partners-the European Union, Canada, China, Mexico, Japan, Korea, Brazil, Taiwan, and India.

Specific to China, the report discusses Intellectual Property Rights Enforcement, Industrial Policies, Export Restraints on Raw Material Inputs, Agriculture, Services, and the U.S.-China Bilateral Investment Treaty.

The USITC report can be found [here](#).

### **EU-China Solar Trade Clash**

On August 1, the European Commission rejected EU-based ProSun's accusations that it has adopted a more lenient attitude towards Chinese solar panel imports compared to the United States and that it has consented to Chinese requests to reduce 2013 dumping duties. The commission says that the agreement with China clarifies the relationship, but does not change the substance of the minimum import price.

### **USITC Review of Duty Order on Chinese Saccharin**

On August 4, the USITC announced that it would conduct a full five-year ("sunset") review concerning the antidumping duty order on saccharin from China. As a result of this vote, the Commission will conduct a full review to determine whether revocation of this order would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.

### **China Solar Trade Case**

On August 6, defending its draft proposal, the Solar Energy Industries Association called on SolarWorld Industries America to offer its own solution to settle a trade dispute on solar products with China. SolarWorld President Mukesh Dulani criticized the association's plan two days prior.

### **USCC August Trade Bulletin**

On August 6, the U.S.-China Economic and Security Review Commission (USCC) released its monthly Trade Bulletin. According to the USCC, the "U.S. trade deficit in goods with China was \$30.1 billion in June, the highest monthly deficit so far this year, and \$3.4 billion higher than a year ago. The cumulative bilateral deficit through the first six months reached \$155.3 billion, an increase of \$7 billion over the same point last year. The

bilateral trade deficit is on track for a new annual record. U.S. goods exports to China grew by 1.4 percent month-on-month, and 1.5 percent year-on-year. Exports lost the momentum they had in May. Worse still, U.S. goods imports from China outpaced exports substantially, expanding by 3.7 percent month-on-month and 9 percent year-on-year.”

The USCC monthly Trade Bulletin can be found [here](#).

### **Public Private Partnership on Renewable and Clean Energy Trade and Investment**

On August 11, the Committee on Trade Investment of Asia Pacific Economic Cooperation (APEC) hosted a dialogue in Beijing on the first Public-Private Partnership on Renewable and Clean Energy (RCE) Trade and Investment. Along with China, participating countries are the United States, Chile, Japan, New Zealand, and Singapore. In 2013, APEC endorsed the proposal of a Public Private Partnership on Environmental Goods and Services (PPEGS). As a kick off activity of PPEGS, the dialogue was designed to raise understanding and awareness of opportunities for trade and investment within APEC economies in environmental goods and services, particularly RCE; share experience, lessons and opinions on the role of trade and investment in increasing utilization RCE and dissemination of RCE technologies; and facilitation and promotion of RCE trade and investment.

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