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SEPTEMBER 30, 2014

CHINA UPDATE

Doing Business in China

The U.S.-China Business Council has released the results of its 2014 China Business Environment Survey, identifying the following Top 10 issues: Competition with companies in China; IPR enforcement, Foreign investment restrictions; Human resources: Talent recruitment and retention; Cost increases; Uneven enforcement/implementation of Chinese laws; Licensing; Transparency; Nondiscrimination/national treatment; and Overcapacity in the Chinese market. According to the USBC, "Doing business in China can be a study in contrast for American companies. On the one hand, it remains a strong and growing market for American goods and services. On the other, it is a challenging and sometimes frustrating place to do business for multinational companies, with numerous regulatory barriers preventing the market from being as accessible — and large — as it should be." The results of the 2014 survey can be found [here](#).

U.S.-CHINA RELATIONS

National Security Advisor on U.S.-China Relations

On September 22, National Security Advisor Susan Rice delivered remarks on Southeast Asia at the Brookings Institution in Washington, DC. Noting that President Obama will be traveling to the region in November, including stops in China to participate in APEC, Burma for the East Asia Summit, and Australia for the G-20 meeting, Ms. Rice remarked upon China's rise and their relationship with the U.S. A transcript of her remarks can be found [here](#).

North Korean Policy Talks in Beijing

A U.S. delegation led by Special Representative for North Korea Policy Glyn Davies is visiting China, the Republic of Korea (ROK), and Japan for meetings with senior officials in each country to discuss North Korea policy. Ambassador Davies is accompanied by Special Envoy for Six-Party Talks Sydney Seiler and by Director for Korea at the National Security Council Allison Hooker. Ambassador Davies was in Beijing on September 28 for meetings with senior Chinese Government officials, including Special Representative for Korean

Peninsula Affairs Wu Dawei. The delegation travels today to Seoul for meetings with senior ROK Government officials, including Special Representative for Korean Peninsula Peace and Security Affairs Hwang Joon-kook. Ambassador Davies will visit Tokyo on October 1 for meetings with senior Japanese Government officials, including Director General for Asian and Oceanian Affairs Junichi Ihara. The delegation returns to Washington, D.C. on October 3.

Treasury Secretary Notes Slow Economic Growth in China

At a meeting of G-20 ministers in Canberra, Australia last week, Treasury Secretary Jacob Lew delivered remarks in which he noted that China, like many emerging markets, is experiencing slow growth. A transcript of the remarks can be found [here](#).

Chinese Foreign Minister Meets Former U.S. Secretaries of State

On September 24, Chinese Foreign Minister Wang Yi met with former Secretary of State Hillary Clinton in New York City at the Clinton Global Initiative. A press release from the Chinese Ministry of Foreign Affairs can be found [here](#).

Also on September 24, Foreign Minister Wang met with former Secretary of State Henry Kissinger in New York City during the U.N. General Assembly. A press release from the Chinese Embassy can be found [here](#).

ENERGY & ENVIRONMENT

Short Term Chinese Climate Plan

On September 19, China's National Development and Reform Commission Deputy Director Xie Zhenhua said that the country is preparing to establish standards for energy consumption and CO2 emissions as part of the 13th Five Year Plan, which runs 2016-2020. He also announced a national action plan on climate change from 2014-2020, reaffirming China's commitment to reach a 40-45 percent carbon intensity reduction by the end of 2020 compared to 2005 levels. By the end of last year, China had reduced national carbon intensity by 28.56 percent compared to 2005 levels.

On September 23, speaking at the U.N. Climate Change Summit in New York City, Chinese Vice Premier Zhang Gaoli said that, "China will advance a revolution in energy production and consumption, cap total energy consumption, raise energy efficiency and vigorously develop non-fossil fuels."

President Obama on Climate Change and Engagement with China

On September 23, President Obama addressed the United Nations (U.N.) Climate Change Summit at U.N. headquarters in New York City. In his remarks, the president stated that "This is something that President Xi of China and I have worked on together. Just a few minutes ago, I met with Chinese Vice Premier Zhang Gaoli, and reiterated my belief that as the two largest economies and emitters in the world, we have a special responsibility to lead. That's what big nations have to do."

Also on September 23, President Obama spoke at a Democratic Senatorial Campaign Committee (DSCC) event at a private home in New York City. In his remarks, he stated that, with regard to climate change, the U.S. is "going to be taking the lead and, in fact, potentially engaging with China in making sure that we move boldly and aggressively in confronting that significant threat." A transcript of his remarks can be found [here](#).

FOOD SECURITY

On September 19, the 3rd APEC Ministerial on Food Security concluded in Beijing with the issuance of the Beijing Declaration on Food Security by the region's Agriculture and Food ministers. The Beijing Declaration details measures to achieve the following objectives: Boost agricultural productivity and food production; Improve post-harvest management to reduce food loss; and Strengthen regional cooperation to promote food security. The Declaration states that, "The vast majority of the world's hungry people (827 million) live in developing countries, mainly countries in South Asia, East Asia and Sub Saharan Africa. Being home to 65.6% of the global hungry population, Asia has the largest number of hungry people across all regions: 552 million or 13.5% of its total population; if the food security of the Asia-Pacific region is undermined, it will have a significant impact on global food security." You can view the Beijing Declaration on APEC Food Security [here](#).

HEALTH CARE

U.S. Working with China to Strengthen Laboratory Systems

On September 26, National Security Advisor Susan Rice delivered opening remarks at the Global Health Security Agenda Conference in Washington, DC, in which she noted that the U.S. is working with China and other countries to strengthen laboratory systems. Her remarks can be found [here](#).

TRADE

USITC Determination on Brown Aluminum Oxide from China

On September 16, the U.S. International Trade Commission (USITC) determined that revoking the existing antidumping duty (AD) order on refined brown aluminum oxide from China would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. As a result of the Commission's affirmative determination, the existing order on imports of this product from China will remain in place.

Deputy USTR at WTO Trade Policy Review for Chinese Taipei

Also on September 16, Ambassador Michael Punke, Deputy U.S. Trade Representative, delivered remarks at the World Trade Organization (WTO) Trade Policy review of the separate customs territory of Taiwan, Penghu, Kinmen, and Matsu (Chinese Taipei), in which he stated, "The United States and Chinese Taipei continue to have strong and diverse trade and investment ties. Chinese Taipei is currently the United States' 12th largest goods trading partner with \$63 billion in total two-way trade." Ambassador Punke's full remarks can be found [here](#).

Department of Commerce AD/CVD Determinations

Also on September 16, the Department of Commerce (Commerce) announced the initiation of AD and countervailing duty (CVD) investigations of imports of boltless steel shelving units prepackaged for sale from China. The USITC is scheduled to make its preliminary injury determinations on or before October 10, 2014. If the USITC determines that there is reasonable indication that imports of boltless steel shelving from China materially injure, or threaten material injury to, the domestic industry, the investigations will continue and Commerce will be scheduled to make its preliminary CVD and AD determinations in November 2014 and February 2015, respectively, unless the statutory deadlines are extended. If the USITC's preliminary determinations are negative, the investigations will be terminated.

On September 23, Commerce announced its affirmative preliminary determination in the CVD investigation of imports of 53-foot domestic dry containers from China. Commerce is scheduled to announce its final determination in this investigation on or about February 2, 2015. If Commerce makes an affirmative determination, and the USITC makes an affirmative final determination that imports of containers from China materially injure, or threaten material injury to, the domestic industry, Commerce will issue a CVD order. If either Commerce or the USITC make a negative final determination, no CVD order will be issued. The USITC is scheduled to make its final injury determination approximately 45 days after Commerce issues its final determination, if affirmative.

Also on September 22, the Commerce announced its affirmative final determinations in the AD investigations of monosodium glutamate (MSG) from China and Indonesia. The USITC is scheduled to make its final injury determinations on or about November 6, 2014. If the USITC makes affirmative final determinations that imports of MSG from China and/or Indonesia materially injure, or threaten material injury to, the domestic industry, Commerce will issue AD orders. If the USITC makes negative injury determinations, the investigations will be terminated.

On September 25, Commerce announced its affirmative final determinations in the AD investigations of grain-oriented electrical steel (GOES) from China, South Korea, and Russia, and the CVD investigation of imports of GOES from China. The USITC is scheduled to make its final injury determinations on or before November 10, 2014. If the USITC makes affirmative final determinations that imports of GOES from China, South Korea, and/or Russia materially injure, or threaten to materially injure, the domestic industry, Commerce will issue AD and CVD orders, as applicable. If the USITC makes negative determinations of injury, the investigations will be terminated.

WTO Talks on Rare Earth Minerals

On September 30, the WTO announced that China has joined with the U.S., the European Union, and Japan for talks on the amount of time needed for a WTO ruling on export restrictions for rare earth minerals.

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