

The Future of China-US Relations

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China-US trade war and the phase one trade deal

- Goals of the Phase One Trade Deal - **\$200 billion** increase in US exports of energy, agricultural, manufacturing, and other goods to China over the next two years.
- Q1 2020 - China imported **\$5.05 billion worth of US agricultural goods**, a 110% increase from last year. Bought **\$3.1 billion worth of soybeans**, a 210% increase from last year, and **\$691 million worth of pork**.
- First five months of 2020 - China imported **\$600 million worth of covered energy products**.
- Chinese importers had **continued to increase** its US soy purchases, picking up **2.2 million metric tons of oilseed** in the two weeks to June 11, according to the USDA data.
- In the Government Work Report to the 3rd session of the 13th National People's Congress, **Chinese Premier Li Keqiang reaffirmed that Beijing will work with the U.S. to implement the phase one deal**.



- **Despite the trade war, China and the US remain important economic partners.**
- ❖ COVID-19 has shown the deep economic interdependence between China and the US
 - Trade between China and the US rose sharply in April from the prior month amid the COVID-19 pandemic, making China America's largest trading partner. Trade between the two countries increased to USD 39.7 billion in April, up over 40% from the prior month, surpassing Mexico and Canada.
 - US trade with Mexico, which remains the nation's top trade partner on a year-to-date basis, fell 46.17% compared to last April. US trade with Canada, which remains the US' No. 2-ranked trade partner both for the month of April and year-to-date, plummeted by 42.82%. In April, US trade was also significantly down on a yoy basis with India (-44.26%), France (-49.35%), Israel (-40.28%) and Russia -(44.65%).
 - With this fluctuation, China regained its position as the US' top trading partner, at least for April, as trade with the US was down only 6.79% yoy.

➤ **The huge potential of China's consumer market**

- In latest *Global Economic Prospects*, the World Bank forecasts that global GDP will shrink by 5.2% in 2020 and by 7% in the developed world, with China being the only major economy expected to grow positively at **1%**.



Ayhan Kose, director of the World Bank Group's Prospects Group says that despite the slowdown, China will likely be the only major economy to achieve positive growth (of 1%) in the current global environment at a webinar hosted by CCG.



- In September 2018, CCG and the Hudson Institute co-host a symposium titled “40 Years of Sino-US relations: Past, Present, Future and Policy Options”, and released a report.



- CCG report: China-US Trade Relations and Challenges: Past, Present, Future and Policy Options

➤ CCG's outlook for the future of China-US relations

- ◆ **Scenario 1: No major decoupling but relations remain fraught** - Economic interests between China and the US are inextricably linked :
 - Chinese and US enterprises are closely connected
 - China has a huge market of 1.4 billion consumers
 - Business cooperation is deeply interdependent
- ◆ **Scenario 2: Partial decoupling** – especially in high-tech fields such as 5G
- ◆ **Scenario 3: Complete decoupling and world divided into two camps**



Non-governmental cooperation between China and the US in fighting COVID-19

➤ During the COVID-19 outbreak, mutual support between Chinese and American people at all levels of civil society has shown the resilience of ties between the two countries.



CGCC US Medical Material Donation and Information Sharing —Updated on May 4		
Donor	Donated materials	Valuation(\$)
CGCC & China Construction America	2000 medical masks; 10,000 surgical masks	12000
COAMC New York office	50 medical masks	125
CGCC & HIKVISION	1000 medical masks	10000
CGCC & HONGKUN	10,000 surgical masks	10000
FOSUN Foundation	4000 surgical masks	4000
CGCC & Bank of China America & China Construction America	10,000 surgical masks	10000
CGCC & China Telecom America	10,000 surgical masks	10000
CGCC & CGCC Houston	10,000 surgical masks	10000
CGCC & CGCC Chicago	10,000 medical masks	8000
CGCC	10,000 surgical masks	40000

At the height of the outbreak, AmCham China member companies donated over **74 million dollars** in cash and PPE and other medical supplies to Wuhan and other affected areas.

CCG is working on a report on China-US non-governmental cooperation in response to COVID-19

Source: Taken from CCG's upcoming report

A glance of mutual support between China-US civil society

Donations to American States/Cities from Chinese Provinces/Cities (Incomplete, no Particular Order, to May 26 th)				
No.	Provinces/cities	Donator	Recipient	Donations
1	Shanghai	Shanghai City	San Francisco	N95/KN95 mask , 21200
			Chicago	N95/KN95 mask , 21200
			Huston	N95/KN95 mask , 21200
2	Beijing	Haidian District	Lansing city	Surgical Masks 5000
3	Chongqing	Chongqing City	Seattle	Surgical Mask 116000 、 protective cloth 500 、 Gloves 135600 pairs
			Sacramento	N95/KN95 mask 8936
4	Anhui	Anhui Province	Maryland	Surgical Mask 140000
5	Fujian	Fujian Province	Oregon State	Surgical mask 50000
			Virginia State	Surgical Mask 50000
			Commonwealth of Pennsylvania	Surgical Mask 50000
			New York State	Surgical Mask 50000
		Fuzhou City	Tacoma city	Surgical Mask 70000 , protective cloth 500
		Xiamen City	Honolulu city	Surgical Mask 20000
		Heren Foundation	Baltimore city	Surgical Mask 50000
			Ohio State	Mask 1000000 , protective cloth 10000 , goggles 30000 shoe cover 10000

6	Hunan	Hunan Province	Colorado State	Surgical Mask 10000
7	Heilongjiang	Heilongjiang	Wisconsin State	N95/KN95 mask 10000 、 protective cloth 1000
			Alaska State	Surgical Mask 15000 、 protective cloth 1000
		Haerbin	Anchorage City	Surgical mask 10000 , Protective cloth 1000
8	Shanxi	Shanxi province	Wyoming State	Surgical Mask 10000 、 Protective cloth 200 、 Mask 200 、 Goggles 200
9	Gansu	Gansu Province	University of Central Oklahoma	Surgical Mask 10000
10	Liaoning	Liaoning Province	Utah State	Mask 3000 、 Surgical 70000 、 N95/KN95 mask 7000
			State of North Carolina Department of Commerce in China	Surgical mask 2000
11	Hebei	Hebei Province	Luka Bellon and international friends	Surgical mask 20000 、 protective cloth 600
			Iowa Friendly committee	Surgical Mask 20000 、 N95/KN95 mask 2000
12	Inner Mongolia	Inner Mongolia district	Michigan State	N95/KN95 mask 10000
			Lansing city	N95/KN95 mask 10000
			California State	N95/KN95 mask 20000 , protective cloth 1000
13	Jiangxi	Jiangxi Province	Utah State	Surgical mask 100000 Protective cloth 5000

Source: Taken from CCG's upcoming report

A glance of mutual support between China-US civil society

US State /city supports to China (Incomplete)				
US State	US State/city	Receiver	Ways of Support	
Oklahoma	Oklahoma state	Gansu province	Letter	
Utah	Utah state	Jiangxi Province	Letter	
	Davis County	Huanggang City	Voice support	
Missouri	Kansas City	Changsha city	Voice support	
	St. Louis city	Nanjing City	Letter	
Ohio	Gahanna City	Ezhou city	Video	
	Cincinnati city	Liuzhou city	Letter	
		Chongqing City	Letter	
Minnesota	St. Paul city	Changsha City	Voice Support	
Georgia	Grange City	Liuzhou city	Letter	
California	San Francisco	Shanghai City	Call & email	
	Sacramento City	Chongqing City	letter	
	Alameda City	Jiangyin City	Letter	
	Dublin City	Wuxi City Xinwu district	Video	
Illinois	Chicago City	Shanghai City	Call & email	
Texas	Huston City	Shanghai City	Call & email	
Delaware	Delaware state	Yunnan province	Letter	

Condolence letters from China's province to sister states/cities in the United States (Incomplete)		
Number	Province/city	Receiver
1	Guangdong	California state
		Hawaii State
		Massachusetts State
		Michigan State
2	Yunnan	Texas State
		Delaware State
		Tyler city
		Roanoke City
3	Tianjin	Philadelphia
		Oregon state
4	Chongqing	Sacramento city
		Seattle City
		Nebraska State
		Cincinnati City
5	Beijing	New York City
6	Anhui	Washington dc.
7	Fujian	Maryland state
		Ohio State
		Pennsylvania State
8	Shanghai	Virginia State
		New York City
		San Francisco city
		Chicago city
9	Shandong	Huston city
		Connecticut state
		Georgia state
10	Zhejiang	Indiana state
		New Jersey State
		Valparaiso City
		Redwing City
		Richmond City

Source: Taken from CCG's upcoming report

A glance of mutual support between China-US civil society

Details of donations made by member companies of AmCham to fight COVID-19 pandemic (As of February 12, 2020)				
	Country	Company	Material donation	Cash donation
1.	USA	eBay		¥ 1000,000
2.	USA	Starbucks China		¥ 3000,000
3.	USA	dōTERRA	3200 bottles of hand sanitizer & 100 medical goggles with a total value of about ¥ 600,000	¥ 1400,000
4.	USA	PepsiCo		¥ 5000,000
5.	USA	Cargill	7 infrared thermometers; 5000 bottles of alcohol for hands-free washing; 286 boxes of cleaning wipes	¥ 2500,000
6.	USA	Walmart China		¥ 1000,000
7.	USA	ADM		\$ 150,000
8.	USA	Emerson		¥ 700,000
9.	USA	Mondelēz China	Food with a total value of about ¥ 1,500,000	¥ 2000,000
10.	USA	Schneider China	Interprovincial transportation	

Note: Some companies do not publish the detail of the donations due to their policies. The country where the company belongs is based on the location of the company's headquarters, and the location of the headquarters of the foreign company in a China-foreign joint venture company. If the following situations appear: the China-foreign joint venture company has multiple major foreign joint venture companies; the location of the actual holding company's headquarters is different from the location of the headquarters before the acquisition or China-foreign joint ventures have multiple headquarters in different countries, multiple countries will be listed in the table.

Jack Ma and Alibaba have actively provided medical supplies overseas. The Charity Foundation has donated medical supplies including masks, protective clothing and kits to Europe, Asia, North America, Oceania, South America, Africa and other countries. They also composed a manual for clinical treatment of COVID-19 Pneumonia in Chinese and English. Online publication of the manual has received wide recognition and been welcomed overseas, receiving nearly 1 million visits, covering more than 210 countries and regions, with 213,000 downloads, of which nearly half were downloaded overseas, and another 190,000 were read online.

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