



China Primer: U.S.-China Relations

Introduction

Congressional oversight and legislative activities related to the People's Republic of China (PRC, or China) have expanded as Members' concerns about PRC policies, actions, and intentions have intensified. Members of the 118th Congress have so far introduced more than 400 bills and 70 resolutions with provisions related to China. Enacted laws include S. 619 (P.L. 118-2), the COVID Origin Act of 2023, requiring the declassification of all information related to potential links between the PRC's Wuhan Institute of Virology and the COVID-19 pandemic. Other adopted measures include H.Res. 11, establishing a Select Committee on the Strategic Competition between the United States and the Chinese Communist Party.

Strategic Competition

The Joseph R. Biden Jr. Administration describes the United States as engaged in competition with China over the shape of the future global order, part of a broader contest between democracies and autocracies. The Administration's October 2022 National Security Strategy describes China as "America's most consequential geopolitical challenge," and calls for the United States to "out-compete" China by (1) investing in competitiveness, innovation, resilience, and democracy at home; (2) aligning U.S. efforts with those of allies and partners; and (3) "compet[ing] responsibly with the PRC to defend our interests and build our vision for the future." The document states that the Administration also seeks to "engage constructively with the PRC wherever we can."

Senior PRC officials have publicly objected to the U.S. framing of relations as driven by geopolitical competition. Meeting in October 2023 with a bipartisan Senate delegation—the first congressional delegation to visit the PRC in over four years—the PRC's top leader, Communist Party of China (CPC) General Secretary and PRC President Xi Jinping, called for the United States and China to "properly handle their relations, respect each other, coexist in peace and pursue win-win cooperation." In downplaying competitive dynamics in the relationship, the PRC may seek to sustain access to the U.S. market and to complicate U.S. efforts to build international coalitions to address perceived challenges from the PRC. When PRC leaders acknowledge frayed relations with other countries, they often portray China as a victim. In March 2023, Xi alleged that since 2017, "Western countries led by the United States have implemented all-around containment, encirclement and suppression of China, which has brought unprecedented severe challenges to our country's development."

Bilateral Engagement

The PRC government kept China's borders mostly closed from March 2020 to January 2023 to enforce a "zero-COVID" response to the COVID-19 pandemic. In-person

U.S.-PRC engagement at the leader level re-started in November 2022, when President Biden and PRC leader Xi met on the sidelines of a gathering of the G-20 nations in Bali, Indonesia. Biden said at the time that he felt a responsibility "to show that China and the United States can manage our differences, prevent competition from becoming anything ever near conflict, and to find ways to work together on urgent global issues." The U.S. and PRC governments are preparing for a potential second in-person meeting between the two leaders on the sidelines of the Asia-Pacific Economic Cooperation (APEC) grouping's leaders' summit in San Francisco in mid-November 2023, although Xi has yet to confirm his attendance.

Senior PRC Personnel Issues

A challenge for high-level U.S.-China diplomacy is the currently depleted ranks of PRC government interlocutors.

- In July 2023, PRC President Xi signed an order removing China's then-Foreign Minister, Qin Gang, from his post. In October 2023, Xi signed another order removing Qin from his post as State Councilor for foreign affairs. Each time, the PRC offered no explanation. Qin had been China's second-most-senior diplomat. Top diplomat Wang Yi, a Politburo member who heads the office of the CPC's Central Commission for Foreign Affairs, is now also serving as Foreign Minister.
- Xi's October 2023 order also removed Li Shangfu from his posts as Minister of Defense and State Councilor for defense affairs, without explanation. The defense minister post is currently vacant.

See CRS In Focus IF12505, *China Primer: China's Political System*.

Public reports of a PRC surveillance balloon flying over the continental United States led Secretary of State Antony J. Blinken to call off a planned February 2023 trip to China. He ultimately made his first visit to the PRC in his current position in June 2023. Two other cabinet members followed him: Secretary of the Treasury Janet Yellen (July 2023) and Secretary of Commerce Gina Raimondo (August 2023). Other senior Administration visitors to the PRC have included Central Intelligence Agency Director William Burns and Special Presidential Envoy for Climate John Kerry. Outcomes from 2023's U.S. high-level visits include new working groups and other dialogue mechanisms under the Secretaries of State, Commerce, and the Treasury, and climate envoy Kerry.

Critics, including some Members of Congress, have questioned the Biden Administration's focus on re-starting high-level dialogue. Some have suggested that the effort may constrain the Administration from addressing U.S. concerns about such matters as PRC surveillance operations directed at the United States and cyber hacking of U.S. agency networks. Other Members have expressed support

for dialogue. Senate Majority Leader Chuck Schumer, who led the bipartisan Senate delegation to China in October 2023, stated in Beijing that the delegation and its PRC interlocutors were in agreement that “unless we have sincere conversations about our differences, and not pull any punches, that we would never solve these problems” in the bilateral relationship.

Select Issues in U.S.-China Relations

Trade, Investment, and Technology

China is a large market for some U.S. firms but is characterized by significant trade barriers, unfair trade practices, and a lack of reciprocity, particularly in sectors in which PRC firms are expanding overseas. Some Members of Congress have expressed concern about China’s state-driven economic, investment, trade, and technology practices and the challenges they pose to U.S. economic and technology leadership. Beijing still requires technology transfer as a condition to operate in strategic sectors in China. Experts assess China to be distorting the traditional use of certain economic tools and using economic coercion and intellectual property theft to advance industrial policies.

In addressing PRC economic practices of concern, the 118th Congress has focused on risks associated with PRC digital platforms, such as TikTok, and on oversight of executive branch decisions on foreign investment reviews and export control licensing. Congress has promoted investment in U.S. strategic technologies, such as semiconductors, and in emerging sectors, such as electric vehicles, to counter PRC industrial policies. Congress has also considered restrictions on China’s ability to buy U.S. farmland and guardrails on some U.S. commercial and research ties with China.

In October 2022, the Commerce Department issued China-specific controls on design software for advanced logic chips and semiconductor equipment, and on services by U.S. persons to produce advanced logic and memory chips. The Department also restricted exports to China of some chips with artificial intelligence (AI) and supercomputing applications. In response, U.S. technology firms Nvidia, AMD, and Intel said they would make chips for China at a level just below the threshold for controls. In October 2023, the Commerce Department issued interim final rules that expand controls for some chips that had fallen below the 2022 threshold for controls, subject additional equipment to controls, and expand licensing requirements to apply not only to the PRC, but also to 21 other countries subject to a U.S. arms embargo. The rules create license exemptions for “lower performance” and consumer chips, and require export notification of (but do not restrict) some gaming chips and chips that fall just below the new threshold.

In response to legislation that would review and restrict some U.S. investment in China, in August 2023, the Biden Administration issued an Executive Order (E.O.) to create a process to review U.S. investments in China in advanced chips, AI, and quantum technologies. The Department of the Treasury’s proposed notice on rulemaking indicates it may not restrict financial flows, although the E.O. says that venture capital and private equity investments can involve the transfer of knowhow and fund the development of PRC

capabilities. See CRS In Focus IF11284, *U.S.-China Trade Relations*, and CRS In Focus IF10964, *“Made in China 2025” Industrial Policies: Issues for Congress*.

Taiwan

The PRC leader Xi states that the PRC seeks to unify with Taiwan peacefully, but “will never promise to renounce the use of force” to compel Taiwan to accept absorption into the PRC. The U.S. government maintains unofficial relations with Taiwan and supports Taiwan’s self-defense pursuant to the Taiwan Relations Act (P.L. 96-8). See CRS In Focus IF12481, *Taiwan: Defense and Military Issues*.

Fentanyl and Other Synthetic Opioids

Direct flows of illicit fentanyl from the PRC to the United States reportedly ceased after the PRC imposed class-wide controls over all fentanyl-related substances in 2019. The U.S. government is now focused on addressing flows of uncontrolled PRC-produced precursor chemicals used to make fentanyl in third countries, primarily Mexico, and stemming illicit fentanyl-related financial flows linked to the PRC. See CRS In Focus IF10890, *China Primer: Illicit Fentanyl and China’s Role*.

Human Rights

The Biden Administration and many Members have criticized the PRC’s human rights record, particularly its treatment of ethnic and religious minorities in the western regions of Xinjiang and Tibet. The State Department assesses PRC actions in Xinjiang constitute genocide and crimes against humanity. Secretary Blinken has also accused the PRC of a “crackdown on basic rights” in the PRC’s Hong Kong Special Administrative Region. See CRS In Focus IF12265, *China Primer: Human Rights*.

Relations with Russia

PRC leader Xi has expressed China’s opposition to the threatened or actual use of nuclear weapons in Ukraine, but has otherwise expressed solidarity with Russian President Vladimir Putin as Russia’s war in Ukraine continues. In 2022, China-Russia trade increased by 29% over 2021. China’s exports to Russia in the first 9 months of 2023 were up 57% over the same period in 2022. Xi welcomed Putin to Beijing in October 2023, and declared that “political mutual trust” between China and Russia is “continuously deepening.” See CRS In Focus IF12100, *China-Russia Relations* and CRS In Focus IF12120, *China’s Economic and Trade Ties with Russia*.

Relations in the Middle East

After Gaza-based Palestinian militants launched attacks against Israel in October 2023, and Israel retaliated with air strikes against targets in Gaza, the PRC’s permanent representative to the U.N. on October 24 called for a comprehensive ceasefire and for the U.N. Security Council to demand that Israel “cease the collective punishment of the people in Gaza.” He also reiterated China’s support for a two-state solution. See CRS In Focus IF12469, *China and the Middle East and North Africa (MENA)*.

Susan V. Lawrence, Specialist in Asian Affairs

Karen M. Sutter, Specialist in Asian Trade and Finance

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