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## China Briefs

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### Pelosi Asia Trip Becomes Potential Military Trigger

President Biden spoke by phone with President Xi Jinping July 28, at the request of the U.S. side, in a situation that was becoming very tense between the two nations. House Speaker Nancy Pelosi may be near to making an unannounced visit to Taiwan, which has set off alarm bells in Beijing because she is high in the constitutional succession to the Presidency. The basis of U.S.-China relations is the “one China policy,” which means that the United States recognizes that China has a legitimate claim to Taiwan and will therefore not recognize—or support—moves for Taiwan to declare independence from China. Both the Chinese government and the PLA have made it clear that such a high-ranking official visit would be met with a tough response, no doubt of a military character. President Xi warned President Biden in the call that “those who play by fire will perish by it.”

At the same time, Xi pointed to a way out of the crisis by underlining the importance of the two major powers working together to overcome the world’s problems. “Faced with a world of change and disorder, the international community and the people around the world expect China and the U.S. to take the lead in upholding world peace and security and in promoting global development and prosperity. This is the responsibility of China and the U.S. as two major countries,” Xi told Biden.

The Chinese President developed the idea further—that the United States

maintains a fundamentally distorted view of China by seeing it as a rival rather than a partner. He indicated that the attempt to “decouple” economically and technologically from China, in terms of trade and supply chains, is having very serious consequences for the world economy.

According to both the U.S. and China readouts, Biden reiterated the commitment of the United States to the “one China policy” and said that the United States does not support Taiwan independence. The question remains whether the President’s statements will be followed up by actions consistent with this commitment. The way Pelosi’s Asia trip will play out will be very important in determining this. The Pentagon has already weighed in, opposing her visiting Taiwan at this time, aware of the seriousness of the Chinese warnings. Biden has publicly noted the Pentagon’s opposition, and it is said that the White House is also working to exert pressure on Pelosi to postpone. Given the separation of powers, they can probably not “force” her to abandon the idea. The only possibility is that she fully realize the seriousness of the possible consequences indicated by the Chinese government and the PLA in responding to her trip, and decide to do what is best for the nation, rather than adopting the attitude of “*après moi, le déluge.*”

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### Indonesian President Reasserts Commitment to BRI

Indonesian President Widodo arrived for a ground-breaking visit to Beijing on July 26, the first foreign

leader to visit Beijing since the Beijing Olympics in February. Trade between China and Indonesia has grown dramatically in the recent period, having doubled since Widodo’s election in 2014 and increasing by 56% in just the last year to \$120 billion. The largest commodity import from Indonesia to China is coal, at 67 million tons, a figure which has grown recently because of tensions with China’s former leading coal exporter, Australia.

The two leaders also discussed the Jakarta-Bandung High-Speed Railway, a \$2 billion project being built by China, and a regional comprehensive economic corridor. Some difficulties regarding the price of the project had slowed it down somewhat, but now it is moving forward rapidly. According to the Chinese Foreign Ministry, President Widodo also spoke of China’s great success in its war on poverty, saying “Indonesia admires China’s remarkable accomplishments in poverty alleviation and wants to draw on China’s successful experience.”

In addition to the rail lines, the two countries are also building parallel industrial parks, both of which are oriented toward increasing the trade between them. These are primarily based on food production and food processing. Xi and Widodo spoke about the broader issues and future facing the region and the world. According to the Chinese Foreign Ministry: “President Xi pointed out that facing changes in the world that are unfolding in ways like never before, China and Indonesia need to stand together in solidarity, fulfill the responsibilities of major developing countries, follow true multilater-

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alism, uphold open regionalism, and contribute Oriental wisdom and Asia's input to the development of global governance."

Indonesia will also host this year's G20 Summit in November and will be the chair of ASEAN in 2023. Widodo and other Indonesian leaders have repeatedly resisted geopolitical pressure from the United States and other NATO nations to disengage from Russia and China. Attempts to push Widodo to disinvite President Putin of Russia from the G20 Summit this year met a firm resolve from the Indonesian President. His visit to Beijing confirms that the two countries are working together to create greater collaboration among nations.

The visit also represents a consolidation of China-ASEAN ties.

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## **New Tunnel To Transport Three Gorges Water to South-North Waterway**

China has launched a project to build a tunnel from the Three Gorges Dam on the Yangtze to the Danjiangkou Reservoir at the mouth of the middle section of the South-North Water Diversion Project, a 1,400 km open canal. The Yingjiangbuhan Tunnel will be about 240 kilometers long and reach a depth of 1,000 meters underground.

It is reported that with the completion of the tunnel, the combined water infrastructure plan will have enabled food production to be boosted by as much as 540 million tons each year, equal to the whole of current U.S. food output, with the irrigation possibilities of transforming 290,000 square miles of wasteland into arable land. The resulting impacts should improve conditions in the northern and easterly parts of China, bringing improvements to people's quality of life and the economy.

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## **First Science Lab Attached to China's Space Station**

The Wentian science module was launched from the Wenchang Space Launch site and docked with the Tianhe core module of China's space station July 24. The three astronauts aboard the Tianhe entered the new module on July 26. The Wentian module is significantly heavier than the core module.

The Wentian module consists of a work cabin, an airlock cabin, and a resource cabin. It is equipped with the same astronaut living facilities as the Tianhe core module, including three sleeping areas, a toilet and a kitchen. This second kitchen greatly improves the lives of the astronauts in space. Together, Wentian and Tianhe can accommodate six astronauts during the rotations of two spacecraft crews. In the future, live classes beamed to Earth from China's space station will be given in the Wentian module.

The new laboratory module will be devoted to experiments in life sciences, to develop the necessary knowledge for living in space for a longer duration. Such knowledge is meant to provide the basis for longer-term manned missions to the Moon and eventually to Mars.

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## **China's Exports Surge in First Half of 2022, Despite COVID Outbreaks**

China's trade for the first six months of 2022 jumped to \$2.94 trillion (19.8 trillion yuan), a 9.4% increase compared to the first six months of 2021, China's General Administration of Customs reported. Comparing the first six months of 2022 to the first half of 2021, China's exports shot up 13.4% to \$1.65 trillion, and its imports rose more modestly by 3.4% to \$1.29

trillion. A preliminary look at the data shows manufactured and industrial goods constituted well over 50% of China's exports.

China's trade growth far exceeded "expert predictions": Its trade grew by 0.1% in April over March; 9.5% in May, relative to April; and 14.3% in June over May. What surprised most is that China accomplished this despite taking the world's most rigorous measures to combat an outbreak of the COVID-19 Omicron variant in Shanghai (its largest manufacturing city), from Feb. 28 to July 20. Beijing's health authorities responded with mass testing and a strict lockdown in Shanghai in its zero-tolerance COVID policy. The outbreak also spread to Beijing, Guangdong, and Hunan.

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## **Wang Yi Makes Vital Infrastructure Proposals to Uzbekistan**

Chinese Foreign Minister Wang Yi attended the July 28-29 meeting of the Shanghai Cooperation Organization's Council of Foreign Ministers, in Tashkent, Uzbekistan, where Wang met with Uzbekistan's Acting Foreign Minister Vladimir Norov on proposals of importance for Central Asia. *Global Times* reported that China and Uzbekistan "vow to speed up the feasibility study for the China-Kyrgyzstan-Uzbekistan Railway, improve the capacity of the China-Kazakhstan-Uzbekistan Railway and the China-Kyrgyzstan-Uzbekistan expressway and jointly safeguard the safe and stable operation of the China-Central Asia natural gas pipeline. The two countries will tap the potential of agricultural cooperation and build a China-Central Asia Agricultural Cooperation Center." In addition to benefiting the named countries, these lines will foster a rail network in Afghanistan.