

Introduction

US and Chinese Presidents Joe Biden and Xi Jinping recently met in Lima, Peru, for the Asia-Pacific Economic Cooperation (APEC) summit to highlight the stabilisation of bilateral relations as a common achievement after four years of many ups and downs, with constant mutual recriminations .¹

During the Democratic term that is now coming to an end, China has reiterated itself as a key target of US policy and strategy, both as an important trading partner and as a security challenge, as it is for other Asia-Pacific countries. Washington's policy towards China has also been refined as part of an overall Asia strategy, in which relations with treaty allies have been prioritised, while strengthening partnerships with key partners has been an ongoing foreign policy objective.

Donald Trump, the winner of the 5 November election, was the first to define China as a "strategic competitor" in 2017, during his first term in office. During the nearly four years of Biden's administration, US policy towards China was, in fact and to a large extent, "Trumpism without Trump"² .

Indeed, Democrats and Republicans, so at odds on so many other issues, agree on the definition of China as an economic and national security challenge, if not a direct threat. It is on this conceptual basis that the next president, who has little incentive to seek a modus vivendi without significant concessions or guarantees from Beijing, will conduct himself.

At the time, in Beijing, the Communist Party of China (CCP) probably thought that President Biden would revert to a more accommodating policy like that of the Obama administration after four years of unprecedented conflict with the Trump administration. Hence the surprise and disappointment when Biden maintained tariffs, strengthened alliances such as the Quadrilateral Security Dialogue (Quad), established the AUKUS comprising Australia, the US and the UK, restricted high-tech exports and encouraged industrial relocation to home and friendly countries to reduce risks and ensure the stability of US supply chains.

¹ Joe Biden and Xi Jinping call for preserving bilateral stability despite tensions between the two countries <https://elceo.com/internacional/joe-biden-y-xi-jinping-piden-preservar-la-estabilidad-bilateral-pese-a-tensiones-entre-ambos-paises/> (accessed 22/11/2024)

² Luís Bassets, Trumpism without Trump: <https://politicaprosa.com/es/trumpismo-sin-trump/> (accessed 22/11/24).

Let's take a closer look at the main lines of action of the Biden Administration over the past four years and what we can expect from President-elect Donald Trump. We will distinguish five main areas: politics, trade, technology, security and Taiwan.

a) Politician

The Biden administration's approach can be summarised in two main directions. On the one hand, ideological revival; on the other, dialogue and cooperation.

On the first aspect, the outgoing administration has attached particular importance to the vindication of democracy, starting with the rise of autocracies. The Democracy Summits, promoted by Joe Biden against a backdrop of declining liberal systems in much of the world, were nevertheless a modestly balanced initiative³. The proposal was announced in the 2020 presidential campaign but failed to have a concrete impact despite pledges at each summit of hundreds of millions of dollars worth of investment for systemic strengthening in areas such as governance, media and electoral processes.

According to a report, 72% of the world's population (5.7 billion people) now live under some form of autocracy, compared to 46% ten years ago. In this decade, the number of nations in the process of democratisation has fallen from 43 in 2012 to just 14 in 2022, a ratio that is reversed for those moving in the opposite direction (from 13 to 42) as they move towards autocracy. Progress affects only 2% of the world's inhabitants: the lowest proportion since 1973.⁴

Similarly, the Biden administration has used the protection and defence of human rights as the main argument for its criticism of China. At the end of 2021, it signed a federal law that sought to respond to abuses against Uighurs and other minorities in the Xinjiang region. It did not stop at condemnation, but implemented trade measures that directly affected economic production in Xinjiang. The new approach marked a shift in the US trade relationship with China to take increasing account of national security and human rights. Beijing reacted by accusing the US of using human rights as a pretext to suppress its economic growth.

³ Department of State Fact Sheet, <https://www.state.gov/translations/spanish/hoja-informativa-cumbre-por-la-democracia-avances-en-el-ano-de-accion/> (accessed 23/11/2024)

⁴ Joe Biden hosts a failed Democracy Summit, in La Vanguardia, 30 March 2023: <https://www.lavanguardia.com/internacional/20230330/8863860/biden-cumbre-democracia-fallida.html> (accessed 25/11/2024)

The White House-promulgated measures broadened the scope of the US effort to prevent products that the government said were linked to human rights abuses from entering the country. Enforcement initially focused on solar products, tomatoes, cotton and apparel, but in recent months, the US government has identified new sectors for enforcement, including aluminium. The list of entities under the US Uyghur Forced Labour Prevention Act then emerged as a major political hurdle in the bilateral relationship .⁵

Similarly, this modus operandi was applied to Hong Kong, in the wake of the 2019 crisis, involving more and more departments (Foreign, Treasury, Trade, Agriculture, Homeland Security) with alerts on risks and considerations for companies operating in Hong Kong, including US export control and economic sanctions risks related to Mainland China and Hong Kong.

In parallel, the Biden Administration has explored ways to establish containment fences capable of preventing dangerous spillovers in bilateral relations. In this sense, and despite ideological-systemic discrepancies, it is worth highlighting that more than 20 communication mechanisms have been resumed or established, and positive achievements have been made in areas such as diplomacy, security, the economy, trade, fiscal affairs, finance, military forces, the fight against drug trafficking, law enforcement, agriculture, climate change, and people-to-people exchanges or regional dialogue⁶ . In that perspective, in 2023, the two countries have agreed to re-establish military dialogue and measures in the fight against fentanyl trafficking, although they maintain their deep disagreements over Taiwan. Since the San Francisco meeting in November 2023, the two sides have made tangible progress on military-to-military relations, counter-narcotics, artificial intelligence (AI), climate change and people-to-people exchanges.

b) Economic-commercial

Sino-US trade relations have become more complex during the Biden administration. Following in Donald Trump's footsteps, he has been a vocal advocate of reducing dependence on China's supply chain. At the same time, he has seen how difficult this can be.

⁵ Fact Sheet, Department of Commerce: https://www.cbp.gov/sites/default/files/2024-06/forced_labor_guidance_uflpa_fact_sheet-spanish-04-19-24.pdf (accessed 23/11/2024)

⁶ "Xi meets with Biden in Lima", Xinhua, 16 November 2024. <https://spanish.news.cn/20241117/df83d0cc8b94466d9c84ea35fd0ee3f6/c.html> (accessed 25/11/2024)

If Trump failed with his tariff policy to reduce the trade deficit, by the end of his term in office, Biden, with a more finely tuned policy that claimed to avoid decoupling, offers a bittersweet balance. China remains the second largest source of US imports, and Chinese demand for US products remains strong. For all the talk of multinational corporations "decoupling" or "uncoupling" from China, the reality is that few of them are taking that path. China still offers a dynamic market of unparalleled scale. For both foreign and domestic companies, the attraction of the world's second largest market is hard to resist.

Accordingly, the Biden administration has also paid significant attention to the recovery of industrial capacity. US manufacturing has declined in recent decades, a period in which production moved offshore and competition with China increased. China's share of global manufacturing output is around 30 per cent, significantly higher than that of the US and other developed countries.

On multiple occasions, US Trade Representative Katherine Tai defended harsh tariff increases against China, saying that, combined with investment, they were a "legitimate and constructive" tool to revitalise domestic industries. The most recent announcement to implement steep tariff increases on Chinese electric vehicles (EVs), EV batteries and solar panels is a case in point .⁷

Another important area of action by the Biden administration - which is a significant departure from what is expected of the Trump cabinet - has been a concern with facilitating expanded ties with Indo-Pacific countries. Biden has cultivated Asia-Pacific interest in better access to the US market, which persists despite former President Donald Trump's (2017-2021) withdrawal from the Trans-Pacific Partnership (TPP) agreements and the emergence of the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement between the Association of Southeast Asian Nations (Asean) and several countries in the area, including Australia, China, South Korea and Japan.

The *Indo-Pacific Economic Framework* (IPEF), launched in May 2022, is a partnership between the US and 13 Indo-Pacific states, including Australia, South Korea, India and Japan. So far, the proposal has fallen short of expectations, unable to establish its

⁷ US imposes 100% tariffs on Chinese electric vehicles: <https://www.swissinfo.ch/spa/eeuu-impone-aranceles-de-100%25-a-los-autos-el%C3%A9ctricos-chinos/87545913> (accessed 23/11/2024).

relevance due to its own limitations and broader US foreign policy shifts. Trump has already promised to 'eliminate' the IPEF, describing it as 'worse than the TPP!

For Asian countries, unlike free trade agreements, the IPEF initiative does not offer improved market access by reducing tariff or non-tariff barriers. Instead, it is conceived as an agreement on rules that includes four 'pillars': fair trade, supply chain resilience, infrastructure, clean energy and decarbonisation, taxation and anti-corruption. The IPEF was supposed to reassert US leadership in countering China's growing influence, but there is every indication that it will not be the formula that will ultimately achieve this.

In another qualitatively important order, in the energy sector, the US created the I2U2 Group together with India, Israel and the United Arab Emirates in 2022. At the G20 summit in New Delhi in 2023, Biden formed the India-Middle East-Europe Economic Corridor to counter the influence of the Belt and Road Initiative in South Asia, the Middle East and Europe. It remains to be seen whether such proposals can effectively counter Chinese initiatives.

c) Technological

The technology pulse has been a central aspect of the Biden Administration's policies towards China. Its policy epicentre, the bipartisan CHIPS and Science Act, has been aimed at repatriating critical technologies to strengthen US economic security⁸. Biden himself has recalled that the US invented semiconductors and used to manufacture nearly 40 percent of the world's chips, but now manufactures about 10 percent of them and none of the most advanced chips. In addition, it has invoked the Foreign Direct Rule, forcing companies around the world, including those that use a minimal share of US-originated technology, to limit their trade with China. The Biden administration's chip and technology wars against China have effectively reduced chip exports from US high-end semiconductor companies to China, resulting in significant revenue declines for companies such as Nvidia.

The White House has sought to forge an industrial chain alliance with like-minded countries to counter China's rise, aiming to stifle China's progress in high-tech sectors through strategic supply chain 'decoupling'. In parallel, on US soil, it has promoted the

⁸ Five keys to the US Chip Bill, at <https://www.nytimes.com/es/2023/03/01/espanol/ley-chips-semiconductores-usa.html> (accessed 25/11/2024)

recovery of the technology industry. A good example of this is TSMC Arizona's first fab, which will start manufacturing 4-nanometre (nm) chips in the first half of 2025. The second fab is scheduled to start manufacturing 3 nm and 2 nm chips in 2028, while the last plant is expected to manufacture 2 nm or more advanced chips.

These dynamics have fostered some tensions between allied countries. The Dutch minister of economic affairs, Dirk Beljaarts, has highlighted a growing frustration with US pressure on semiconductor trade restrictions against China⁹. This grievance among some US allies over what they describe as "stifling" control over technology flows is exacerbated in the context of a negative global economic situation.

The case of Dutch giant ASML exemplifies this challenge. ASML, Europe's most valued company with a market capitalisation of around 240 billion euros, is currently subject to US export controls that threaten its business prospects and Europe's technological edge. In a striking but not surprising statement, Peter Wennink, former CEO of ASML, recently defined Washington's current trade war on semiconductors as fundamentally "not based on facts or data, but on ideology"¹⁰.

The bottom line of this fierce competition is unwritten. And just as it is unwise to bet on the decline of the United States, one should never underestimate the resilience and growth potential of the Chinese economy, which has at its disposal a domestic market with enormous potential and ample room for development. According to the World Intellectual Property Organization's (WIPO) Global Innovation Index 2024, 26 Chinese science and technology clusters are listed among the world's top 100 science and technology clusters, the largest representation of any country¹¹. Furthermore, according to the Australian Strategic Policy Institute study, China leads in 57 of the world's 64 critical technology fields (2019-2023)¹².

⁹ "More autonomy is needed throughout the semiconductor value chain", at <https://www.agenzianova.com/es/news/El-ministro-holand%C3%A9s-Beljaarts-Nova-necesita-m%C3%A1s-autonom%C3%ADa-en-toda-la-cadena-de-valor-de-los-semiconductores/> (accessed 23/11/2024).

¹⁰ "Chip war will drag on for decades", at: <https://www.xataka.com/componentes/guerra-chips-se-prolongara-durante-decadas-conflicto-ideologico-eeuu-china-exceo-asm> (accessed 23/11/2024)

¹¹ Global Innovation Index 2024, accessible at: <https://www.wipo.int/publications/es/details.jsp?id=4756&plang=ES> (accessed 23/11/2024)

¹² "China dominates scientific research in nearly 90% of critical technologies", at <https://legrandcontinent.eu/es/2024/09/02/china-domina-la-investigacion-cientifica-en-casi-el-90-de-las-tecnologias-criticas/> (accessed 19/11/2024).

d) Security

This has been another key chapter in the Biden Administration's tenure, spurred by increased tensions in the South China Sea or the Taiwan Strait, concerns over cybersecurity (Volt Typhoon) or differences in the approach to crises such as the war in Ukraine. In this scenario, the push for intensified military and security cooperation between the US and Indo-Pacific countries has been evident.

The dormant Quadrilateral Security Dialogue (Quad) was revived under the Trump Administration, laying the groundwork for Biden to develop this dialogue mechanism into an increasingly substantial organisation. At the Quad leaders' summit held at Biden's high school on 21 September 2024, cooperation between the four countries' coast guards was launched for the first time.

On 15 September 2021, the United States, the United Kingdom and Australia jointly announced the formation of AUKUS, a partnership focused on security cooperation whose primary goal is to help Australia build a fleet of nuclear-powered submarines. This move strengthens US military dominance in the Indo-Pacific region.

US-Philippine relations took a new turn after President Ferdinand Marcos Jr. took office in 2022. Manila aligned itself with the US in the context of the US-China rivalry, resulting in an increase in the number of military bases at its disposal in China from five to nine.

South Korean President Yoon Suk-yeol also moved closer to the US after taking office in 2022 and rapidly improved relations with Japan. This made it easier for the US to manage one of the most complex relations in the Indo-Pacific region.

In addition, joint military exercises between the US, Japan and South Korea have made significant progress following a substantial improvement in relations between the two countries. In April this year, the US, Japan and the Philippines also held their first summit. In 2023, a new minilateral group, the "Squadron", was also formed between the United States, Japan, the Philippines and Australia, with the four defence ministers meeting last year and this year. In addition, the US has made India a quasi- or de facto ally, in addition to its five allies by treaty: Japan, South Korea, Australia, the Philippines and Thailand.

China has reacted with concern in this context. Concern is amplified by the proposed creation of an 'Asian NATO', formulated at the behest of Japanese Prime Minister Shigeru Ishiba, which would bring together existing diplomatic and security arrangements such as

the Quadrilateral Security Dialogue (a grouping of Australia, Japan, India and the United States) and the AUKUS security pact between the United States, the United Kingdom and Australia¹³. The rapid growth of China's influence and power relative to the US in the region prompted Ishiba's statements on the need to establish an Asian defence treaty organisation.

In another development, the US envoy to Japan, Rahm Emanuel, said the US and its allies should form a coalition that could be a kind of economic NATO to counter China's "coercion" with a unified stance.¹⁴

All of this is telling of the significant increase in US influence in China's environment under the Biden administration, a dynamic that reveals the United States' significant leverage in managing a relationship with its allies that has visibly strengthened.

e) Taiwan

Following the qualitative leap expressed by Donald Trump during his first term in office in US relations with Taiwan, Biden has broadened and deepened it, greatly irritating China, which considers this issue one of the main "red lines" that should not be crossed in bilateral relations.

Indeed, the Biden Administration has not only boosted US arms sales to the island. Taiwan already has an order book of some \$20 billion and last month announced a nearly \$2 billion order for missile systems. These purchases have boosted Taipei's overall defence spending. Since the Democratic Progressive Party (DPP) took power in 2016 it has increased by around 80 per cent.¹⁵

But what is most worrying in Beijing is the sustained lamination of 'strategic ambiguity'. Up to five times, Joe Biden has publicly assured that he would come to Taipei's aid in the event of a People's Liberation Army invasion of the island. It is true that this statement has always been subsequently qualified by his spokespersons.

¹³ "ASEAN countries sceptical of Japanese Prime Minister Ishiba's "Asian NATO", at: <https://asia.nikkei.com/Politics/International-relations/ASEAN-countries-skeptical-of-Japan-PM-Ishiba-s-Asian-NATO> (accessed on 19/11/2024).

¹⁴ US envoy in Japan's proposal for a NATO-like economic group a 'daydream', in <https://www.globaltimes.cn/page/202410/1321009.shtml> (accessed 19/11/2024)

¹⁵ Taiwan needs "more refined" approach as Trump returns, at <https://focustaiwan.tw/politics/202411090014> (accessed on 20/11/2024)

Biden has also promoted greater economic, technological and trade integration with Taiwan, with a view to reducing dependence on mainland China and also to optimise Taiwan's capabilities in overcoming US stagnation. In this regard, and given that Taiwan would not be able to join IPEF, he has promoted the US-Taiwan 21st Century Trade Initiative, the expectation of which now rests in the hands of the new administration's decisions. Trump has accused Taipei of "stealing" the chip industry and is demanding a greater defence effort. Taipei is now considering buying a large arms package from the US to demonstrate its commitment to self-defence.

And what will Donald Trump do?

The US 'strategic pivot to Asia', first announced by then Secretary of State Hillary Rodham Clinton in November 2011, has become a little more of a reality during the Biden administration. At its pace and within the constraints of its regional and global status and commitments, the prioritisation of Asia in general and China in particular reveals that it is increasingly taken seriously in Washington as the main threat to US interests.

What will Donald Trump do with Joe Biden's legacy in relations with China¹⁶? Competition with China and revitalising the US technology and industrial sectors will be a high priority for the Trump administration. It will likely pursue a comprehensive strategy towards Beijing, including geopolitical issues, economic disengagement, supply chain security and export restrictions.

Judging by the proposed government team and the track records of its members, the US will continue its aggressive repression and containment of China. Mike Waltz, an outspoken advocate of arms sales to Taiwan who has called China an 'existential threat', will serve as his national security adviser, and he also named Senator Marco Rubio, a founding member of the Inter-Parliamentary Alliance on China - a global cross-party alliance to address China's challenges to the rules-based order - as his secretary of state.

¹⁶ Some complementary reflections by the author on the consequences of Donald Trump's victory in the 5 November elections in *El Independiente*, *Público*, or *Diario El Correo*:
<https://www.elindependiente.com/internacional/2024/11/10/xi-y-trump-abogados-al-choque-de-trenes/>; or
<https://blogs.publico.es/otrasmiradas/88404/trump-ii-certezas-e-incognitas-para-china/>;
<https://www.elcorreo.com/opinion/tribunas/xulio-rios-china-trump-20241122003629-nt.html> (accessed 22/11/2024).

Reducing China's strategic competitiveness and widening the US-China power gap will be central to the second Trump administration's China strategy. In addition to efforts to reduce US dependence on Chinese supply chains, the US will most likely push hard to wage a second trade war against China, primarily with aggressive protectionist measures.

While the ideological factor is likely to be reduced in favour of a more pragmatic competition, it remains to be seen, however, how well the new administration will be able to consolidate the significant progress made in the relationship with allies. There is also some uncertainty over the approach to be developed in relation to Taipei. Although the pro-Taiwanese lobby is very important in his team, both Trump himself and close associates such as businessman Elon Musk have encouraged a major script twist. If confirmed, this would move away from the hypothesis of an open conflict that has in the future of the island its maximum expression.

In any case, competition with China will not only be among the Trump administration's top priorities, but would be one of its guiding principles. To what extent the institutional framework that Washington and Beijing have painstakingly built in the last stretch of the Biden administration will endure is another notable unknown. Conversely, there is potential for mutual feedback in the search for diplomatic solutions to the wars in Europe and the Middle East.

For Chinese leader Xi Jinping, this new administration will represent a major challenge, especially given the particularly critical moment of transformation of his economy and three years ahead of a new CCP congress at which he will surely seek a fourth term in office.

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