



COVID-19 and China-US Relations: Is it the Sputnik Moment?

Speaker: Prof. Da Wei, Assistant President and Professor, University of International Relations

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Venue: Zoom Webinar

In his opening remarks, the speaker highlighted that the bilateral relations between USA and China have been difficult from the second term of the Obama administration in 2015. Economic dialogue and diplomatic dialogue have been suspended since the beginning of US-China trade war in July 2018. When the prolonged conflict reached a turning point in January 2020 with the signing of phase one trade deal, the speaker anticipated an improvement in bilateral relations. However, the outbreak of COVID-19 pandemic strained the relationship further.

Highlighting COVID-19 as a global crisis, the speaker noted that Corona Virus is not caused by humans unlike 9 September 2001 terrorist attacks or financial crisis 2008-09 which were man-made and had one epicentre. Currently, COVID-19 has three epicentres- East Asia, Europe and US, but the speaker predicts there could be more epicentres in the future. He then touched upon China's situation, noting the low number of cases in April, how cities such as Beijing were not functioning fully and universities still closed. He remarked that this is not the Third World War but a global war that both US and China could have fought together rather than pointing fingers at each other.

Explaining the deteriorating relationship further, the speaker divided the Coronavirus outbreak in three phases. In Phase 1, while China was still trying to grapple with the spread of corona virus, United States suspended air flights from China on 30 January. This move by US, according to him, may seem right today as the virus spread worldwide but it was construed hostile when it occurred initially. In Phase 2, in March, as the number of cases lowered in China, it began helping other countries, especially West Europe, which had become the new epicentre. The US, certain that it will not be impacted by the virus, emerged as the third epicentre of the world. It tried to undermine China's active diplomatic efforts to help other countries by calling it 'mask diplomacy'. President Trump used the expression 'China virus' or 'Wuhan virus' several times in his speeches, further degrading the relationship. In Phase 3, the extraordinary virtual G20 Leaders' Summit held at the end of March cooled down the situation as President Trump started referring the pandemic as COVID-19. However, lawsuits being filed against the government of China by lawyers and NGOs in US federal courts became a flashing point in this phase.

The speaker discussed how global trade and investment has been hit due to the pandemic and how global supply chains might evolve into regional supply chains. In his opinion, East Asian countries such as Vietnam and Myanmar could become the new production hub. Throwing light upon the economic relationship between US and China, he referred to the US Secretary of Commerce's statement which called the outbreak an opportunity for US companies to move both sourcing and manufacturing out of China. He pointed out that China plays a key role in the supply chain for generic drugs in the US and

therefore, there is a possibility that pharmaceuticals companies might move back to US. However, he observed that the shift will take place gradually as building new facilities in US could take five to eight years. Moreover, US companies lacked the financial capacity to leave China immediately.

Noting how educational links between both countries is also likely to decline, the speaker highlighted that people-to-people exchange which was 5 million last year is now zero. Moreover, the surge in racial incidents and harassment against Asians in March and April, Chinese students in US may not feel safe.

During the discussion, questions were raised about growing pressure on China from national governments and international organizations opening its doors to an independent, international investigation into the origins of the novel coronavirus. In response, the speaker remarked that US wants to conduct investigation with a prior conclusion that China is guilty. According to him, China should avoid this debate of narratives and focus on helping developing countries to fight the virus. He also expressed his concerns that the team at Washington DC is not professional and until the 2020 presidential elections takes place, the course of the relationship is unpredictable. To sum up, Prof. Da Wei agreed that since both countries tend to seek an opportunity to weaken the other side, future bilateral relations will be not be smooth. However, both countries should avoid a hot war or a cold war.

This report was prepared by Tanishka, Research Intern, Institute of Chinese Studies.

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