

**CHINA AND THE UNITED STATES
MAINTAIN CLIMATE DIALOGUE
DESPITE STRAINED TIES**

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EAI Background Brief No. 1719

Date of Publication: 28 July 2023

Executive Summary

1. US special climate envoy John Kerry held talks with his counterpart Xie Zhenhua and other Chinese leaders during his visit to China from 16 to 19 July 2023, following recent visits by Secretary of State Antony Blinken and Treasury Secretary Janet Yellen to reopen channels of communication.
2. Kerry sought to carve climate change out of other sticking points in the deteriorating US-China relationship and help the two countries find common ground in the climate and energy area.
3. Even without making any immediate breakthroughs, the visit resumed China-US climate conversations that had been suspended as part of China's response to the visit of then-House Speaker Nancy Pelosi's visit to Taiwan in August 2022.
4. The two sides agreed to continue their climate dialogues and meet intensively to break new ground. Shared goals to be discussed include boosting renewable power to displace coal, cutting methane emissions and ensuring success at this year's UN climate summit in Dubai.
5. Kerry did not get to meet Chinese President Xi Jinping, the decision maker of the country's climate policy. Xi has insisted that China's pathway to carbon neutrality should be a decision by the Chinese and not by foreign countries.
6. The dangerous heat waves worldwide set the backdrop for the China-US climate talks. Accounting for more than 40% of global carbon emissions, the two countries are under global scrutiny for the implementation of the Paris Agreement.
7. As climate change is related to issues in the economy, trade and foreign policy, it could help deepen US-China cooperation in other areas.
8. An important point of contention is US restriction on semiconductor technology transfer to China. However, climate cooperation may result in technology

collaboration and transfer in areas such as new energy, traditional energy transformation, environmental protection and emission reduction.

9. However, US-China climate engagement is still very fragile and can be disrupted again by the great power rivalry. Competition rather than cooperation is still the main theme for the bilateral relationship.
10. Sustaining economic development is the primary goal of both China and the United States which rely heavily on burning fossil fuels.
11. Tesla CEO Elon Musk's visit to Shanghai in May 2023 underscores China's importance for the global electric vehicle (EV) market. China accounts for 50% of US Tesla's vehicle sales and 20% of its production capacity.
12. Elon Musk met Chinese Executive Vice Premier Ding Xuexiang and Foreign Minister Qin Gang. Musk's visit was not just about Tesla's businesses, but seen as a political posture calling for stability of the bilateral relationship.