



US-China Rivalry

ASEAN: Beyond the Pandemic Crisis

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About Hasan Jafri and HJ Advisory

HJ Advisory is a Singapore-based political risk, public affairs and investment advisory firm which helps clients evaluate political risk issues to make better-informed investment decisions. Our expertise includes Geopolitics, the Middle East, South Asia and Southeast Asia. Our retained clients are the financial services sector. We have no financial positions in Turkey.

Hasan Jafri, Founder & Managing Director

Jafri founded the firm after leaving Temasek Holdings where he helped the firm assess global political risk, strategic and resolve strategic issues. At the same time, Hasan was engaged in investments as part of the Middle & Africa Markets team.

Prior to joining Temasek, Hasan was an international journalist covering economic, political and conflicts.

A Singaporean, Hasan has worked in Southeast Asia, South Asia and the US, where he earned a Masters of Arts in International Affairs from the Fletcher School of Law & Diplomacy.

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Content



1. History
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History: From Hostility to Inclusion to Exclusion...

- **1949** – PRC established. US backs the Nationalists, Taiwan
- **1950-53** – Korean War. China-UN/US engage until Armistice signed. Allowed CPC to consolidate power.
- **1964** – China becomes a nuclear power while the US was mired in Vietnam

- **1970s** – Kissinger secretly visits China; Nixon visits in 1972. China gets UN Permanent seat held by Taiwan. Carter gives full diplomatic recognition (**1979**); affirms One China policy. Continues to support Taiwan via Taiwan Relations Act.
- **1980s** – Reagan courts China until **1989** Tiananmen Square Massacre

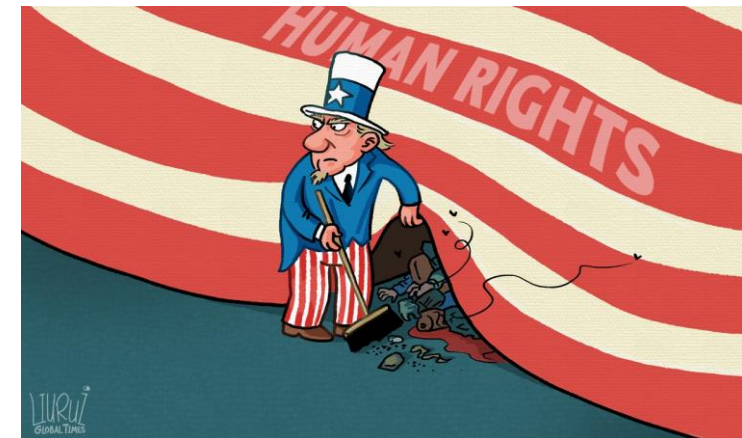
- **2000s** – Clinton backs trade ties and supports China's WTO membership in **2001**. In **2008** China is largest US creditor and key trading partner; US companies flock to China. China uses trade to build global links.

- **2010s** – China is 2nd largest economy; US continues engagement but begins to see China as a competitor and "pivots" to Asia. Xi Jinping becomes President (**2012**); expands Chinese interests abroad (**B&R**); modernizes military; expansion in South China Sea; trade wars (**2018-2020**).
- **2020s** – Mistrust deepens; Covid crisis sours relations; Biden's affirms China is a "**strategic competitor**"



Pessimism: Trust Deficit is Sharply Widening

- China is the “Greatest Enemy”
 - **45 vs 22**
- China’s economic rise is “Critical Threat”
 - **63 vs 46**
- Negative views across party lines
 - **Republicans – 81 vs 54**
 - **Independents – 59 vs 47**
 - **Democrats – 56 vs 36**
- Chinese view of the US
 - **“Very Unfavourable” 23 vs 11**
 - **“Somewhat unfavourable” 22 vs 17**
 - **“Neutral” 20 vs 33**



All figures in %
Gallup poll Mar 16; Pew Research Mar 4; EGF Survey 2020

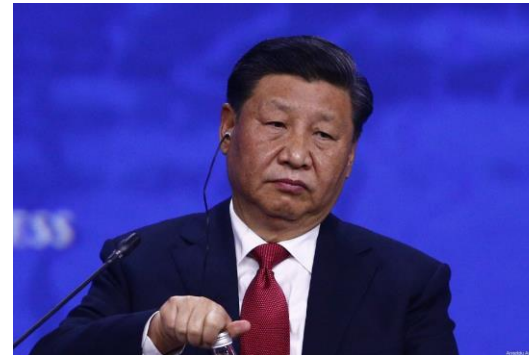
Sources: *The Times*; *Global Times*

Postures & Faultlines: Is China New Soviet Union?

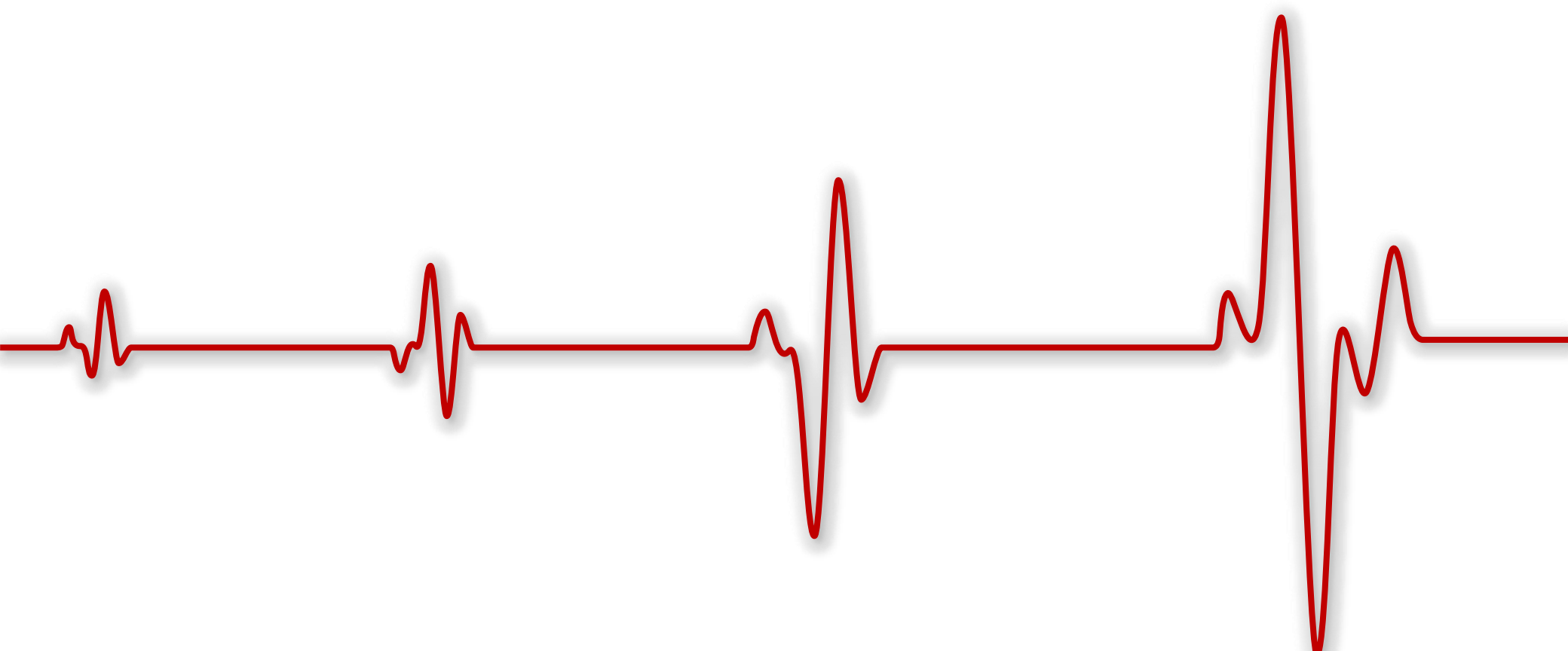
- Democracy vs Autocracy
 - **HK, Tibet, Uighurs vs US double standards**
- Free market vs State Capitalism
 - **TPP vs RCEP**
 - **Restrict SOEs vs Restrict US companies**
 - **Reduce US dependence; Up world dependence on China**
 - **Accelerate tech innovation**
- Make and Deepen Friendships
 - **Quad, bilateral relations in Asia; G7**
 - **Expand global economic links via B&R**
 - **Both use multilateral systems - WTO/UN**
- Manage Redlines
 - **Taiwan**
 - **North Korea**
 - **South China Sea**



"On my watch," China will not achieve its goal "to become the leading country in the world, the wealthiest country in the world, and the most powerful country in the world." - New York Times Mar 2021



"To build small circles or start a new Cold War, to reject, threaten or intimidate others, to willfully impose decoupling, supply disruption or sanctions, and to create isolation or estrangement will only push the world into division and even confrontation. – WEF



THANK YOU