

## DEBATE

**Douglas Paal, Distinguished Fellow at the Asia Program Carnegie Endowment for International Peace, former Senior Director of Asian Affairs and Special Assistant to the President in the US National Security Council**

Now, we are ready to take questions from the audience. I hope the microphones are ready. We have questions here in the front row. This hand has been up for a while, so first here; then there.

**Zaki Laïdi, Personal Advisor to the High Representative and Vice President of the Commission EEAS**

Thank you. My name is Zaki Laïdi. I am Special Advisor to the High Representative of the European Union.

I do believe that it is quite naïve to think that China will never use force because they are from a merchant tradition. Apart from that, I wanted to hear from our Asian colleagues their reading on the October 7 decision taken by the United States – which we regard in Europe as an extremely, extremely, extremely important declaration, with huge implications.

First, because the impact is wide. Fundamentally, the United States is trying to replicate the Huawei model to the whole semiconductor industry. It had been done largely on a unilateral basis, and the point in common that we have with the Japanese is that one of the firms, like our Dutch firm ASML, is largely concerned by the decision.

I did not read precise assessment on this, so I would be really happy to hear about the assessment you made in all three countries on this decision – which, in my view, is one of the most fundamental decisions taken by the administration on the line of the Trump administration.

Thank you.

**Douglas Paal**

Thank you for that question about Tom Friedman's declaration of war. We have a question here; and then one across the room.

**Philippe Chalmin, Founder of Cercle Cyclope, Professor at Paris-Dauphine University, Consultant for various International Organisations (OECD, EEC, UNCTAD)**

Une question : curieusement, nous n'avons pas parlé de Hong Kong. Est-ce que la cause de Hong Kong est totalement oubliée ? Est-ce que la messe est complètement dite ? C'est ma



première question pour Jean-Pierre Cabestan. La deuxième est peut-être plus une remarque pour notre ami chinois. La Chine est confrontée à un recul économique majeur, parce que je prends l'hypothèse que 4 % de croissance en Chine, c'est l'équivalent de la croissance 0 pour nous à peu près. Est-ce qu'il n'y a pas quand même un risque que face à cet, presque, échec économique, il y ait une montée en puissance d'un discours nationaliste ? Et comme l'a dit notre ami indien, il n'est pas du tout sûr que Xi Jinping soit aussi rationnel que nous ne le pensons.

### **Douglas Paal**

One more question across here, end of the row.

### **Mohamed Laichoubi, Ambassador of Algeria, member of the Royal Academy of Spain, former Algerian Minister**

Sans remettre en cause la justesse du sujet, en l'occurrence la rivalité sino-américaine, vous me permettez de me poser, en votre présence, des questions. En fait, le sujet essentiel est aussi les nouveaux mondes qui viennent. Réduire l'intégralité de la dynamique des changements actuels à la seule rivalité sino-américaine est, à mon sens, frustrante pour tout le reste. Cela veut dire que dans l'inconscient des gens qui l'abordent, le monde qui vient va toujours être un monde de rivalité et de domination. Donc très sympathique pour l'intégralité des autres pays. Mais au-delà de cette problématique, quand on s'intéresse de très près aux grands acteurs, d'abord à l'acteur américain, il emporte avec lui son monde, sa vision, sa philosophie, son espace financier. Il a évolué. Il se pose des questions. Il essaye de rebâtir d'autres alliances. Il projette. Donc c'est déjà un monde. C'est un système monde, le G7. En face, les Chinois sont loin d'être inintelligents. Eux-mêmes ne réduisent pas leur évolution à la seule rivalité sino-américaine. Eux se posent la question si face à un système monde, ils peuvent, à eux tous seuls, prétendre le remettre en question. Et que font-ils ? Ils essayent de structurer un nouveau monde. Quand on s'intéresse à la route de la soie, la réduire à une seule dimension commerciale, c'est méconnaître totalement la pensée politique des uns et des autres. Ils savent et ils ne sont pas les seuls, que face à un monde, essayer de triompher ou de faire basculer, il faut un autre monde. D'où, d'ailleurs, les instruments des uns et des autres qui s'appellent « embargo », qui s'appellent « contenir », etc. Et, à mon sens, s'intéresser au monde qui vient, aux stratégies développées par les uns et les autres pour mieux comprendre les évolutions qui viennent et quelles sont les stratégies des acteurs serait certainement plus opportun. Je vous remercie.

### **Douglas Paal**

We have three questions which is the October 7 decision, which is very Trumpist-like from the Biden administration to constrain China's future high-tech growth. Is China getting weaker; or is China going to dictate the world order?

Last weekend, there was a conference in Washington, where the Secretary of State Blinken spoke and he said that, 'China is now so strong, we have to worry they are going to try to take over Taiwan'. A few hours later, his deputy spoke and said, 'China is so weak now, we have to worry they may want to come and take over Taiwan'. We have got full circularity on our thinking about how to deal with it.



Our questions give the panel a chance to respond. Do any of you want to speak? Jisi, there was a question directed to you as well. Would you like to go first?

**Wang Jisi, President of the Institute of International and Strategic Studies at Peking University in Beijing, Peking University Boya Chair Professor**

Yes, but I do not speak, I do not understand French, so I did not get the questions to me. Anyway, I would intervene by saying, first of all, there is a great deal of concern in China when you compare Ukraine with Taiwan. To all the Chinese, Taiwan is part of China. Ukraine is a sovereign state. Whatever we do to Taiwan, it is our domestic affairs. Whatever we do is legal and legitimate, so that is why we do not take Taiwan and Ukraine together. This is, of course, the official position and also the public sentiment. That makes some sense.

The problem is, of course, most people in most countries in the United States recognize one China and Taiwan is part of China. There is a great distinction between US position and US/Chinese position on this issue. That is the United States has a 'One China' policy; and we say we have a 'One China' principle. The difference is whether Taiwan is part of China.

The US 'One China' policy says they actually formally recognize the PRC as representative of China and there is only one China. However, what is Taiwan? It does not say. It is sometimes very ambiguous about this.

Another problem we have to worry about is that there is a very strong military commitment made by the United States in defending Taiwan. The United States does not, and did not, make such a commitment to Ukraine. That is also a very meaningful difference.

**Douglas Paal**

Thank you, Jisi. I think you also touched, in your earlier remarks, on the difficulties of overcoming Covid; Omicron; challenges inside China; and the challenges to the Chinese economy's growth in the current period – which I think partly addresses the question that was addressed to you.

Now, to the October 7 and other issues – please, panel.

**Yuichi Hosoya, Professor of International Politics at Keio University in Tokyo**

May I? Yes. Relating to realignment of supply chain in the region, I think that many Japanese business companies are now thinking about several important factors. Number one – the Chinese population is shrinking while the United States and India population are expanding. This is a new trend.

The other thing is that the domestic politics in China becomes much more unpredictable than before. This is number two.

Number three there are some economic risks in the United States, not just in China. It means that, as long as the United States Government or the Congress is introducing more legal actions to try to decouple the area, I mean, that is why Japanese business companies need to consider these new risks to export goods to the United States.



Because of this, I think that more and more Japanese business companies are now diversifying the direction of Japanese investment in other countries, particularly in Indonesia and India, together with other countries. This is a new trend, even though China remains a really important Japanese trading partner.

However, relatively speaking, I think that the Japanese business companies are now diversifying its trading strategy unlike before, considering a very calm reaction to American decoupling policy which introduced more legal actions to try to decouple the two economic blocs.

**Samir Saran, President of the Observer Research Foundation of New Delhi**

Can I just very quickly respond to your question? I think it is an important question that you asked.

If you were to remove Xi Jinping era and go back, say, 10 years, you would find much of India's anxiety centered around American control of critical sectors that could be inimical to our growth in the future – and it is a fact. Whether it is the control of the ICAN; whether it is control of some of the key electronic and energy supplies – that was true.

Today, because of the behavior of Xi Jinping, there might be a tendency for some to see this as a good political choice to make; and perhaps see the US as the lesser of the problems vis-à-vis what China offers today.

However, for a country of our size, where I am sitting, I think we will have to diversify and we will have to build some of our own capabilities alongside. I think, for us, having anyone control the single most important vital ingredient for our economic growth, and having only one source as an option, is not very comfortable.

Like I said, go back 10 years and Indian anxiety would be about best in control in key imports. Xi Jinping comes in, and suddenly we start seeing the world in a different way. However, on a longer term, I agree with my Japanese colleague – diversification; investments into multiple different geographies; and building certain critical capabilities for countries that have size and scale is vital.

**Lee Hye Min, Senior Advisor of KIM & CHANG, former G20 Sherpa of Korea**

Yes, I think Korean companies are very mindful of the US sanctions, especially the October 7 sweeping ban on chips sales to China – definitely. Korea will abide by US sanctions and relevant laws and regulations.

However, in view of the fact that China is the largest market of the world, Korean companies will not give it up. Therefore, Korean companies, from now on, will be in China – but only just for China. They will not use China as a hub for exporting to certain third countries.

**John Andrews, Contributing Editor to *The Economist* and *Project Syndicate***

Jean-Pierre on Hong Kong.

**Douglas Paal**



You, on Hong Kong? Yes, very quickly, please.

**Jean-Pierre Cabestan, Senior Researcher Emeritus at the French National Centre for Scientific Research (CNRS) attached to the French Research Institute on East Asia (IFRAE) of the National Institute of Oriental Languages and Civilisations, Professor Emeritus at Hong Kong Baptist University**

Very briefly, I would say from a political point of view, it is game over. I do not think there is any meaningful political life in Hong Kong anymore. Therefore, I think it is the Communist Party and its local representatives, the so-called Hong Kong Patriots, who are running the place.

That does not mean that Hong Kong is totally aligned to China in terms of public freedoms. We still have free access to the internet. I think we see more academic freedom than on mainland China, but it is part of China and I think that the Communist Party is very much in the driving seat in Hong Kong now.

**Douglas Paal**

Thank you, and thank you, audience, for staying with us. Please join me in thanking our panel for their observations.