

CSIS

CHINESE BUSINESS & ECONOMICS



Newsletter

January 2026

This month, CSIS's Economic Security and Technology Department (EST) published a new report, **Tech Edge: A Living Playbook for America's Technology Long Game**. The report, which includes a chapter on China's tech trajectory co-authored by Trustee Chair scholars Scott Kennedy, Ilaria Mazzocco, and Ryan Featherston, offers insights into how innovation, technological dexterity, and alliances will be key in determining the outcome of the U.S.-China tech competition. The January 28th **launch event** for the report featured Senators Maria Cantwell (D-WA) and Todd Young (R-IN), who joined CSIS President and CEO John Hamre and EST President Navin Girishankar for a fireside conversation on the future of U.S. technology leadership. The event concluded with a panel discussion featuring CSIS experts, including Trustee Chair Scott Kennedy.

Deputy Director Ilaria Mazzocco also published a new **commentary** analyzing recent agreements between China, Canada, and the European Union centered around electric vehicles. She argues that these developments indicate that some close U.S. allies may be considering a more diversified approach to technological stacks—one which may include some partnerships and cooperation with China.

Finally, the Trustee Chair also continues to lead Track II dialogues between Chinese and international experts on critical global challenges. Earlier this month, the team co-hosted a dialogue on the global economic order in Shanghai, convening leading experts from the United States, Canada, Europe, and China to address key issues in trade, finance, technology, and climate policy.

Featured Analysis

Canada and the European Union: Two New Wins for Chinese Exports in the West

Commentary, January 22, 2026

[Read Here](#)

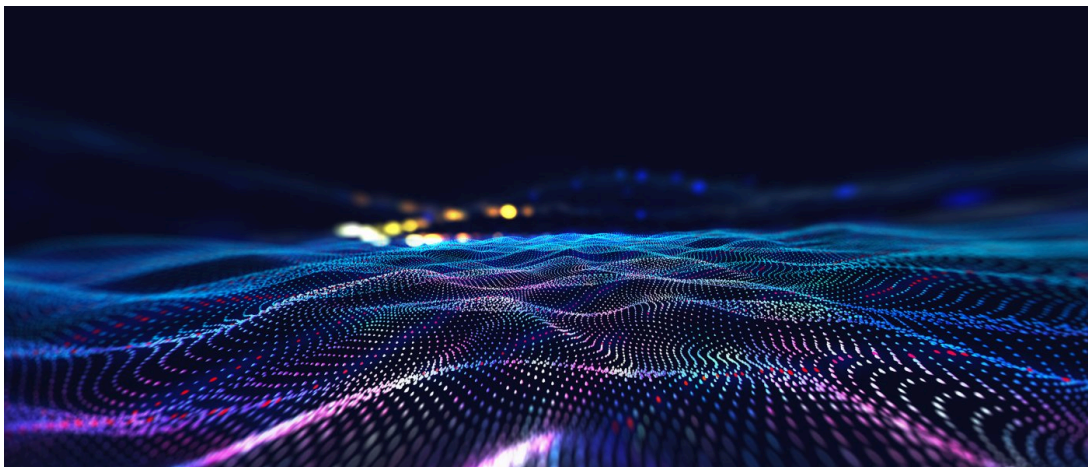


In this commentary, **Ilaria Mazzocco** unpacks Canada's and the European Union's agreements with China that would allow for more Chinese-made EVs to enter their markets, and argues that Washington's allies are seeking to stabilize their commercial relationships with Beijing and considering some technological partnerships and cooperation with China.

Tech Edge: A Living Playbook for America's Technology Long Game

Report, January 20, 2026

[Read Here](#)



In a major new report, the CSIS Economic Security and Technology (EST) Department discusses why technological dexterity must be a strategic priority to win the tech race with China. The report identifies the building blocks of our

tech ecosystem and how the U.S. can strengthen them to get ahead across four types of technologies, spanning AI, semiconductors, jet engines, rare earths, and batteries. In Chapter 6, **Scott Kennedy**, **Ilaria Mazzocco**, and **Ryan Featherston** explore China's technological ascent over time and across different industries, examining its strategy, advantages, and shortcomings.

Events

Securing the Edge: America's Technology Long Game for Competing with China

January 28, 2026

[Watch Here](#)

At the launch event for *Tech Edge: A Living Playbook for America's Technology Long Game*, Senators Maria Cantwell (D-WA) and Todd Young (R-IN) joined CSIS President and CEO John Hamre and EST President Navin Girishankar for a fireside conversation on the future of U.S. technology leadership. The event concluded with a panel discussion assessing U.S.-China tech competition, featuring CSIS Trustee Chair **Scott Kennedy** alongside other CSIS experts.

Indo-Pacific Forecast 2026

January 14, 2026

[Watch Here](#)

In this event, CSIS experts shared their thoughts on how the U.S. alliance network may evolve in the coming year, the role of tariff policy and technology competition in shaping regional economic dynamics, and whether the balance of power could tilt toward authoritarian states. The discussion featured CSIS Deputy Director **Ilaria Mazzocco** alongside other CSIS experts.

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China Field Notes Podcast



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Catch up on the current episodes of our podcast *China Field Notes with Scott Kennedy*. Understanding China has become more difficult than ever, yet also more important than ever. Hardening geopolitics has made travel to China more difficult, but not impossible. In this podcast, Scott Kennedy offers an on-the-ground look at China, featuring insights from those shaping the country and scholars studying it firsthand.

In The News

[Pushed by Trump, US allies are resetting relations with China](#)

AP News, January 30, 2026

“It will be impossible for the U.S. and Western countries to unite to, as appropriate, either isolate China or set and enforce conditions for connectivity and cooperation,” said **Scott Kennedy**, senior adviser for Chinese business and economics at the Center for Strategic and International Studies. [Read here.](#)

EVs just outsold gas cars in Europe for the first time

Fast Company, January 28, 2026

“We’re actually seeing this trend globally, although the U.S. is a different story: as the availability and quality of EVs goes up, sales have been going up as well,” says **Ilaria Mazzocco**, who studies electric vehicle markets at the Center for Strategic & International Studies. “There’s a story that some of the major OEMs have been pushing that there’s no demand for EVs. But when you look at the numbers...it turns out there’s a lot of latent demand.” [Read here.](#)

Europe EV sales overtook gas cars for the first time in December

Semafor, January 27, 2026

EV sales also boomed in the US last year, but American automakers are reining in electrification plans amid the Trump administration’s rollback of EV incentives. For Washington, the growth of EV trade elsewhere “should be taken as a serious signal of future global trends,” [**Ilaria Mazzocco**] argued. [Read here.](#)

The Future of U.S. & China Conference 2026: A Shifting Global Order

Asia Society Northern California, January 22, 2026

Scott Kennedy and **Jeannette Chu** (Trustee Chair non-resident expert) served as featured speakers at the Asia Society Northern California’s annual Future of U.S. & China Conference on January 22, 2026. [Read here.](#)

Chinese EVs are making inroads in North America. That worries industry experts

AP News, January 16, 2026

“This is telling us that Chinese automakers continue to be really popular, and are doing better and better, and not just something that’s sold in global markets that are more marginal or less important to U.S. automakers,” said **Ilaria Mazzocco**, deputy director and senior fellow with the Trustee Chair in Chinese Business and Economics at the Center for Strategic and International Studies. [Read here.](#)

Beijing Won Its War for Blue Skies, but Villagers Are Paying the Price

The New York Times, January 13, 2026

Over the long term, the answer is likely to lie less in natural gas and more in renewable energy. China is already the world’s leading producer of solar and wind power, and as electricity becomes cheaper, electric devices like heat

pumps can replace gas boilers and coal furnaces, cutting emissions and, eventually, costs, said **Deborah Seligsohn** (Trustee Chair non-resident expert), a professor of Chinese environmental policy at Villanova University. [Read here.](#)

Trump's tariff gambit over Iran risks derailing U.S.–China trade deal

CNBC, January 13, 2026

The threat of tariffs on Iran's trading partners appeared to be driven by Trump's "ever shifting focus of attention, not as part of an intentional strategy to gain new leverage over China in advance of the likely April summit," said **Scott Kennedy**, a senior adviser at the Center for Strategic and International Studies. [Read here.](#)

China's AI and robotics push isn't enough to kickstart its economy, leaving growth more exposed to trade risks

CNBC, January 12, 2026

"China's growth strategy isn't going to work," **Logan Wright** (Trustee Chair non-resident expert), partner at Rhodium and a co-author of the report, told *CNBC*. "They're not going to achieve their targeted rates of GDP growth based on the policies they have outlined so far." [Read here.](#)

China's "New" Strategic Industries Will Not Produce 5% GDP Growth

Rhodium Group, January 12, 2026

In this report, Endeavour Tian, **Logan Wright** (Trustee Chair non-resident expert), and Allen Feng use newly released 2023 National Bureau of Statistics data to quantify how much "new" strategic industries—EVs, batteries, solar, AI/robotics, and power—are actually contributing to China's economy relative to shrinking "old" drivers like property and infrastructure. It concludes that these new sectors are still too small to replace the lost demand, making sustained ~5% GDP growth unlikely and leaving China more reliant on exports. [Read here.](#)

European Union rethinks EV mandate

Le Monde, January 2, 2026

Mais la conquête des parts de marché mondiales ne découle pas nécessairement d'un plan gouvernemental, juge **Ilaria Mazzocco**, chercheuse pour le Centre d'études internationales et stratégiques, un think tank américain : « C'est plutôt la conséquence d'un modèle de croissance qui tend à créer des surcapacités. Pékin est fier de ces réalisations, mais cette dynamique est aussi un sujet de préoccupation. » [Read here.](#)

But the capture of global market share does not necessarily stem from a government plan, argues **Ilaria Mazzocco**, a researcher at the Center for Strategic and International Studies, a U.S. think tank. "It is rather the consequence of a growth model that tends to generate overcapacity. Beijing is

proud of these achievements, but this dynamic is also a source of concern.” [Read here](#).

Trustee Chair in Chinese Business & Economics

Scott Kennedy, *Senior Adviser and Trustee Chair in Chinese Business & Economics*

Ilaria Mazzocco, *Deputy Director and Senior Fellow*

Ryan Featherston, *Associate Fellow*

Isabella McCallum, *Program Manager*

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Michael Davidson, *Senior Associate (Non-resident)*

John L. Holden, *Senior Associate (Non-resident)*

Margaret Jackson, *Senior Associate (Non-resident)*

Claire Reade, *Senior Associate (Non-resident)*

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