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CSIS 中国商务

CHINESE BUSINESS & ECONOMICS

Newsletter

June 2026

This month, Trustee Chair Deputy Director Ilaria Mazzocco and Energy Security and Climate Change Program Associate Fellow Ray Cai published a **report** on the European Union's "carbon border adjustment mechanism" (CBAM) and its implications for China. The report highlights that potential EU-China regulatory convergence could leave Washington on the outside of new global carbon emissions governance.

Trustee Chair Scott Kennedy and Senior Associate (Non-resident) Jeannette Chu were featured on several platforms discussing recent trade barriers, such as President Trump's proposed **Section 301 tariffs**, potential new **Section 232 tariffs**, and the challenge of **surviving in a more geopolitically contentious world**.

For a deeper dive into the Section 301 tariffs, the Trustee Chair will host an **online event** on China and the ongoing USTR investigations into how forced labor and overcapacity could be harming U.S. trade interests. This event will take place on Monday, July 13, at 10:00-11:00 am US ET, and feature a panel of experts moderated by Trustee Chair Scott Kennedy, including Wendy Cutler (Asia Society Policy Institute), Mary Lovely (Peterson Institute for International Economics), Claire Reade (Arnold & Porter), and Wei Liang (Middlebury Institute of International Studies at Monterey).

Associate Fellow Ryan Featherston published a third **blog post** expanding on themes covered in the recent **Power of Innovation** report, analyzing the

growth and impact of China's economic development zones.

The Trustee Chair program is hiring one part-time research intern for the Fall 2026 term. The position will be posted on the **CSIS Careers** page next week, so please check back then. Questions can be directed to Program Manager Isabella McCallum (IMcCallum@csis.org).

Featured Analysis

The New Carbon Order: China's Response to Europe's CBAM

Report, June 15, 2026

Read Here



In this report, **Ilaria Mazzocco** and **Ray Cai** explain how China has been quietly building the institutional architecture needed to navigate the EU's carbon tariff regime.

Location is Everything: The Promises and Limits of China's Development Zones

Blog Post, June 2, 2026

Read Here



In this blog post, **Ryan Featherston** examines trends in China's defined economic development zones, evaluates the evidence on their effectiveness, and traces early efforts to build regional clusters for AI.

Events

China and the Section 301 Investigations: The Legal, Economic, and Diplomatic Issues

CSIS Event, July 13, 2026

Watch Here

The Trustee Chair in Chinese Business and Economics is delighted to invite you to attend this public, online roundtable discussion on China and the ongoing Section 301 investigations into how forced labor and overcapacity could be harming U.S. trade interests. The Office of the U.S. Trade Representative is currently carrying out two Section 301 investigations into the potential negative impact that forced labor and overcapacity elsewhere may be having on the U.S. economy. These investigations cover many countries, but China is a central target in both. Moderated by Trustee Chair **Scott Kennedy**, this roundtable will analyze the investigation from the legal, economic, and diplomatic perspectives, featuring insights from **Wendy Cutler** (Asia Society Policy Institute), **Mary Lovely** (Peterson Institute for International Economics), **Claire Reade** (Arnold & Porter), and **Wei Liang** (Middlebury Institute of International Studies at Monterey). The discussion will compare the current case with the 2017-2018 Section 301 investigation into intellectual property rights (IPR) theft by China and consider potential alternative approaches to managing commercial relations with China.

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Big Data China bridges the gap between cutting-edge quantitative academic research and the Washington policy community. Interactive features and analysis from Big Data China on topics such as significant shifts in popular sentiment in China regarding the causes of economic inequality, China's post-Reform Era trajectory, and the expansion of Chinese state sector influence over private firms are all available on our microsite **here**.

China Field Notes Podcast



Subscribe

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

Xi Jinping wants China to boost demand. Why isn't it working?
Financial Times, June 18, 2026
Investment, meanwhile, is tumbling. In addition to the property slowdown, high input costs linked to the war in Iran are weighing on infrastructure investment, according to **Logan Wright**, an analyst at Rhodium. He added that this had not been offset by manufacturing investment. That said, "the weakness in consumption is more structural". **Read here**.

Geo-Strategy: Survival in a Geopolitical World Part 1
Rittener's Reflections, June 16, 2026
Jeannette Chu joined Jeff Rittener's podcast to discuss geo-strategy. **Listen here**.

For Chinese automakers, markets like Canada are more important than ever
CBC News, June 15, 2026
"We're missing [this trend] because these are relatively small markets," said **Ilaria Mazzocco**, deputy director with the Trustee Chair in Chinese Business and Economics at the Center for Strategic International Studies in Washington, D.C. However, she says the reach is "transformational" as the Chinese companies are "providing solutions that cater to the demands of the middle class [where] the Western automakers are perceived as not being able to provide those solutions." **Read here**.

China is Making MAHA's Favorite Drug
Foreign Policy, June 8, 2026
Many Western drugmakers see little incentive to move away from Chinese suppliers, said **Scott Kennedy** (no relation to Robert F. Kennedy Jr.), a senior advisor and trustee chair in Chinese business and economics at the Center for Strategic and International Studies. That feeling is mutual. China's

pharmaceutical industry also remains highly dependent on partnerships with global companies, he added: “That indispensability creates interdependence that should lead both sides to be extremely careful about weaponizing their respective advantages.” **Read here**.

Section 232 watch: Industry warily eyes a slate of summer deadlines
World Trade Online, June 8, 2026
Jeannette Chu's thoughts on Section 232 were featured in an article by World Trade Online. **Read here**.

China, EU slam proposed US tariffs, reject forced labour allegations
SCMP, June 4, 2026
"Both economic superpowers are increasingly stretching global trade architecture, added **Scott Kennedy**. Not only are US Section 301 probes predetermined but 'Chinese industrial policy spending and regulatory support in favour of domestic industry are highly discriminatory and distorting'". **Read here**.

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232 Tariffs Will Slow Manufacturing, Harm National Security
National Foreign Trade Council, June 1, 2026
Jeannette Chu issued a statement on Section 232 tariffs. **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*
Eleanor Randolph, *Intern*
Antonio Tintoré Vicent, *Intern*
Jeannette L. Chu, *Senior Associate (Non-resident)*
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)*
Daniel H. Rosen, *Senior Associate (Non-resident)*
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