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The U.S. and China: Policy Approaches to Sanctions and Counter Sanctions

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Abstract. Since the establishment of the People's Republic of China (PRC) in 1949, the United States has been actively using unilateral economic measures (sanctions) against China. After the start of the normalization of political relations between the two nations in the 1970s, the number of restrictive measures decreased, covering only narrow areas of trade by the early 2000s. However, during the first term of Donald Trump's presidency, sanctions were reintroduced into the U.S. policy arsenal towards China. Though this issue has been widely examined in academic literature, several gaps still remain in current research. China has proven to be too specific case for studies employing quantitative data on sanctions against numerous countries, and gaps continue to remain even in sources that solely analyze the Chinese case. Existing research also tends to focus only on the current political situation, while few studies explore the issue in its historical depth. By examining U.S. sanctions against the PRC, ways in which China has adapted to these sanctions, reciprocal measures taken by China, as well as the reasons for the slow escalation and de-escalation of sanctions, both at the present stage and in historical hindsight, the following research aims to fill in the remaining gaps in understanding U.S. — China sanctions. The Chinese case deviates from the established theoretical premise in existing literature that a change in the political course of the target country is a fundamental criterion for assessing the effectiveness of sanctions. However, sanctions have proven to be effective even if the above-mentioned objective is not achieved. Signaling and deterrence make up for the shortcomings in forcing a target country to change its foreign or domestic policies. The use of sanctions as a signaling tool may help explain why U.S. approaches to sanction de-escalation and escalation are cautious in nature. Drastic measures may prove to be redundant for sending political signals, while moderate actions are more suitable in this regard. The imposition of U.S. sanctions as a tool to deter China's advancement in the high-tech sector has contributed to an increase in Beijing's efforts to develop its own restrictive measures. The methodology utilized for this research includes an analysis of documents reflecting the U.S. sanctions policy against China and the recent countermeasures developed by the PRC.

Key words: financial sanctions, unilateral restrictive measures, export control, enforcement, escalation, effectiveness of sanctions, U.S. — China relations, containment

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США — КНР: политика санкций и контрсанкций

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Аннотация. С момента образования Китайской Народной Республики (КНР) в 1949 г. США активно применяли против Китая односторонние экономические меры (санкции). После начала нормализации политических отношений между двумя странами в 1970-х гг. объем ограничительных мер снижался, к началу 2000-х гг. охватывая лишь узкие сферы торговли. Однако уже в первый срок президентства Д. Трампа санкции вернулись в арсенал американской политики в отношении Китая. Проблема получила глубокую рефлексию в научной литературе, однако в ней остается ряд пробелов. Китай оказался слишком специфическим случаем для исследований, которые использовали количественные данные о санкциях против множества стран. Пробелы сохраняются и в источниках, которые анализируют только китайский случай. Здесь наметилась концентрация на текущей политической конъюнктуре, поскольку лишь немногие исследования изучают вопрос в исторической глубине. Заполнение указанных пробелов является целью данной статьи. Рассмотрены ключевые направления политики санкций США против КНР, способы адаптации Китая к американским санкциям и его ответные меры, причины медленной эскалации и деэскалации санкций как на современном этапе, так и в исторической ретроспективе. Случай Китая отклоняется от сложившейся в литературе теоретической посылки о том, что изменение политического курса страны-мишени является базовым критерием эффективности санкций. Выявлено, что они могут оставаться функциональными даже в том случае, если данная задача не решается. Сигнализирование и сдерживание компенсируют недостатки в области принуждения страны-мишени к изменению своей внешней или внутренней политики. Использование санкций как сигнального инструмента может объяснить, почему деэскалация и эскалация санкций со стороны США носит осторожный характер. Резкие шаги избыточны для направления политических сигналов, тогда как умеренные действия вполне подходят для такой функции. Применение санкций как инструмента сдерживания Китая в области высоких технологий приводит к наращиванию усилий Пекина по разработке собственных ограничительных мер. Методология исследования базируется на анализе документов, отражающих политику санкций США против Китая и ответные меры КНР.

Ключевые слова: финансовые санкции, односторонние ограничительные меры, экспортный контроль, принудительные меры, эскалация, эффективность санкций, американо-китайские отношения, сдерживание

Заявление о конфликте интересов. Автор заявляет об отсутствии конфликта интересов.

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Introduction

Since the foundation of the People's Republic of China (PRC) in 1949, the United States has actively employed economic sanctions against the country. However, these sanctions have evolved from large-scale restrictive measures to their gradual mitigation in the 1970s to 2000s, followed by their similarly gradual intensification at the end of the second decade of the 21st century. While the use of these sanctions by the US against China is a logical policy based on their status as major powers and rivals, there are gaps in the research literature regarding this issue.

Despite the extensive and comprehensive nature of existing research, most studies focus on current trends taking place between the U.S. and China (Andersen, 2024; Schindler et al., 2024; Xu & Lin, 2021; DeLisle & Goldstein, 2021; Danilin, 2021; Fuller, 2021; Lampton, 2019; Medeiros, 2019; Kashin, Piatachkova & Krashenninnikova, 2020; Bakulina & Kuzmina, 2021; Zamorin & Splender, 2022), while studies with a deep historical perspective (Lampton, 2024; Zuenko, 2022; Chen, 2006) are few and far between.

The wealth of theoretical research based on large volumes of quantitative data only partially

explains the Chinese case. Both earlier and more recent works (Hufbauer et al., 2009; Bapat et al., 2013; Syropoulos et al., 2024) have identified the reasons for the success or failure of sanctions in terms of coercing a target nation to change its political course. The case of China is consistent with some of the findings; the overwhelming majority of sanctions do not lead to a change in the policies of the sanctioned country (Hufbauer et al., 2009), and U.S. allies are more willing to change their policies in the wake of sanctions than rivals (Drezner, 1999). The case of China also corroborates the conclusion that a target country's ability to adapt to sanctions undermines the effectiveness of restrictive measures. Nevertheless, such studies did not reveal the phenomenon of the low escalation and de-escalation sanction rates in U.S. — China relations. China's approach to adapting to sanctions has also not been sufficiently explored.

To fill in the missing gaps in current research, this study explores the following issues: What are the key directions of U.S. sanctions against China? How is Beijing adapting to sanctions, and what is the essence of China's new sanctions policy? Why is Washington currently avoiding a rapid escalation in sanction implementation, and why have de-escalation measures proved similarly slow in the past?

In academic literature, sanctions are usually construed as unilateral restrictive measures that cover various spheres, such as finance, trade, transportation and others. Sanctions are imposed by an initiating country or a group of such countries against a target country, a group of countries, individuals, or organizations (Timofeev, 2023). The main goal of sanctions is to compel the target country to change its foreign or domestic policy course; however, the aims may also include restraining the development of the target nation and sending specific political signals (Giumelli, 2016).

The following research proposes that U.S. sanctions towards China are mainly defined by

the goals of sending political signals and deterrence objectives, while influencing China's political course plays a secondary role. The use of sanctions as a signaling tool may explain why sanction de-escalation and escalation are characterized by such slowness and caution. Any abrupt moves to increase or lift sanctions may prove too excessive for successful political signaling, while moderate steps are more effective with this purpose. Imposing sanctions as a tool for containing China in the high-tech and dual-use manufacturing spheres has led to an intensification of Beijing's policy to develop its own restrictive measures, including for the sake of balancing U.S. containment measures. The case of China deviates from the established theoretical premise that a change in political course is the main criteria for measuring sanction effectiveness. Sanctions can remain effective even if this objective is not achieved or is only partially fulfilled. Signaling and containment can well compensate for failures in compelling or coercing a target country to change its foreign or domestic policies.

In terms of methodology, this research analyzes official U.S. and Chinese documents, including U.S. presidential executive orders, federal laws and regulations, as well as materials from U.S. investigations, the Congressional Research Service, U.S. think tanks exploring the practical aspect of using restrictive measures, as well as Chinese sanction-related legislation.

U.S. Sanctions: From Deterrence to Cooperation

Ever since 1949, sanctions have been a tool embraced by the U.S. in its policies to contain China. That year, President Harry Truman implemented the initial restrictions against the PRC, which escalated into a trade embargo amid the Korean War by December 1950. The U.S. Department of the Treasury prohibited any financial transactions related to China and the Democratic People's Republic of Korea

(DPRK). In 1951, China was stripped of its status as a preferential trading partner, along with other countries considered hostile to the U.S. In 1955, an arms export and import ban was enacted, in 1962 — a ban on access to U.S. aid programs, and in 1964 — a ban on the operations of the U.S. Export-Import Bank. After the 1965 introduction of the country classification system, based on export control strictness, China was placed in Group Z, implying it was subject to the toughest of restrictions.¹

The situation began to change in 1969, amid the gradual restoration of relations between the U.S. and the PRC (Kissinger, 2012), as well as a crisis in USSR — China relations. In 1971, during U.S. President Richard Nixon's visit to China, a slow reduction in sanctions pressure commenced. Restrictions on currency transactions with the PRC were lifted, the visa regime was eased, changes were also made to the licensing of transactions involving Chinese goods, and permission was granted for the export of grain and non-strategic goods to China. In 1972, China was moved to a more lenient export control regime — Group Y.²

President J. Carter continued the policy of his predecessor to normalize relations with the PRC. In 1979, a trade agreement was signed between the two countries. In 1980, the PRC's assets in the U.S. were unfrozen, the Jackson — Vanik amendment's enactment against China was suspended, and its status as a U.S. preferential trade partner was reinstated. Restrictions on the U.S. Export-Import Bank's operations with the PRC were relaxed, and the easing of export controls continued, with China being moved up to Group P. The Overseas Private Investment Corporation was granted permission to operate in China. Moreover,

restrictions on arms supplies to the PRC were eased. In 1985, restrictions on assistance programs to China were suspended. Difficulties related to the alleged supply of Chinese weapons to Iran in 1987 were quickly overcome. By 1988, the Reagan administration had even lifted the ban on the export of high-tech goods to China.³

However, U.S. — China sanction de-escalation was suspended in 1989, following the events at Tiananmen Square. President George Bush froze aid programs to China, military-technical cooperation, high-level leadership dialogue, support for loans from international institutions, and the validity of previously issued export licenses. Export license restrictions on the supply of U.S. satellites to the China were also introduced,⁴ although exceptions were made later. Restrictions on the operations of the US Export-Import Bank with the PRC were reinstated.⁵ However, even in this case, the president introduced exceptions to the enforcement of the new legislation as early as 1989. The China-related activities of the Overseas Private Investment Corporation were suspended, as well as funding from the Trade Development Agency.⁶ Subsequently, the ban would be suspended by Bill Clinton in 2001.⁷

³ Ibid.

⁴ Public Law 101–162 — NOV. 21, 1989 // U.S. Congress. November 21, 1989. URL: <https://www.congress.gov/101/statute/STATUTE-103/STATUTE-103-Pg988.pdf> (accessed: 25.01.2025).

⁵ Public Law 101–240 — DEC. 19, 1989 // Gov.Info. December 19, 1989. URL: <https://www.govinfo.gov/content/pkg/STATUTE-103/pdf/STATUTE-103-Pg2492.pdf> (accessed: 25.01.2025).

⁶ Public Law 101–246 — FEB. 16, 1990 // U.S. Congress. February 16, 1990. URL: <https://www.congress.gov/bill/101st-congress/house-bill/3792/text> (accessed: 25.01.2025). [Rennack D. China: Economic Sanctions // Congressional Research Service. 2016. 38 p. URL: https://www.everycrsreport.com/files/20160822_R44605_160c92226c43bf33f590663dd758fe9b4e0b8caa.pdf (accessed: 24.01.2025).

⁷ Rennack D. E. China: U.S. Economic Sanctions // Congressional Research Service. October 1, 1997. URL: https://www.everycrsreport.com/files/19971001_96-

¹ Rennack D. E. China: U.S. Economic Sanctions // Congressional Research Service. October 1, 1997. URL: https://www.everycrsreport.com/files/19971001_96-272F_08293cd4df48537dae78c8ac54a03dcd263d39d.pdf (accessed: 24.01.2025).

² Ibid.

Relations between the two nations normalized quite rapidly under the influence of growing economic ties. In 1991, the level of restrictions on the supply of low-tech goods to China was reduced. Starting in 1992, U.S. presidents annually issued exemptions to the ban on programs indirectly assisting the PRC. For example, in 1992, exceptions were made for the supply of supercomputers to China and in 1993 and subsequent years — for U.S. Export-Import Bank transactions, the status of a preferred trading partner, and supply of certain types of computers. In 1994, the export requirements for telecommunications and optical equipment to China were eased. In 1995, restrictions on certain goods in the field of cryptography were lifted and in 1996, those relating to computers were removed. In terms of export controls, China was elevated to the more privileged Group D.⁸ In 2000, the U.S. Congress even passed a law on the expansion of nondiscriminatory treatment (normal trade relations) with the PRC and established frameworks for U.S. — China relations.⁹

Thus, the process of easing U.S. sanctions against China took 30 years. Many of the decisions were exceptions and exemptions from the sanction regime, meaning they only involved a temporary suspension, rather than a complete lifting of sanctions, and could be quickly reinstated if necessary. This approach allowed for sanctions to be used as an optimal political signaling tool. In the early 1970s, sanctions bolstered Washington's policy of resuming dialogue with China and emphasized their support for China distancing

itself from the USSR. In the 1970s and 1980s, sanctions continued to play a role in improving relations, but they were also used to signal dissatisfaction with certain aspects of China's policies, such as its cooperation with Iran or its crackdown on student demonstrations. By the early 2000s, China managed to offer political and economic incentives leading to a significant reduction in the volume of sanctions imposed by the U.S., not merely those of a signaling nature, but by formalizing new relations enshrined in U.S. legislation. China actively integrated into numerous supply chains involving U.S. companies, having opened its market to the latter, thereby becoming a major exporter to the U.S. and a holder of U.S. debt securities. The Taiwan issue remained on the agenda, but its intensity was largely defused. Overall, the PRC held positions that were not entirely aligned with, yet acceptable to the U.S. on other issues on the international political agenda.

The established framework for U.S. — China relations remained mostly stable during the initial 15 years of the 21st century.¹⁰ In relation to China, the 1999 U.S. National Security Strategy focused on the components of their partnership.¹¹ A similar approach is evident in the 2002 Strategy, although dissatisfaction with the specifics of the political system and the buildup of China's armed forces was mentioned,¹² while the 2006 Strategy emphasized the incompleteness of economic

272F_08293cd4df48537dae78c8ac54a03dcdd263d39d.pdf (accessed: 24.01.2025).

⁸ Ibid.

⁹ Public Law 106–286 — An Act to Authorize Extension of Nondiscriminatory Treatment (Normal Trade Relations Treatment) to the People's Republic of China, and to Establish a Framework for Relations Between the United States and the People's Republic of China // Gov.Info. October 10, 2000. URL: <https://www.govinfo.gov/app/details/PLAW-106publ286> (accessed: 25.01.2025).

¹⁰ Kashin V. B., Timofeev I. N. U.S. — China Relations: Towards a New Cold War? // International Discussion Club “Valdai.” June 3, 2021. (In Russian). URL: <https://ru.valdaiclub.com/a/reports/amerika-kitainovaya-kholodnaya/?ysclid=m6azb9a3ye208541705> (accessed: January 24, 2025).

¹¹ A National Security Strategy for a Global Age // National Security Strategy Archive. December 1, 1999. URL: <https://nssarchive.us/wp-content/uploads/2020/04/2001.pdf> (accessed: 25.01.2025).

¹² The National Security Strategy of the United States of America // National Security Strategy Archive. September 2002. URL: <https://nssarchive.us/wp-content/uploads/2020/04/2002.pdf> (accessed: 25.01.2025).

and political reforms in China.¹³ Concerns about military power and human rights in China can be traced in documents dating back from Barack Obama's presidency, however addressing the existing problems through dialogue was repeatedly underscored,¹⁴ as well as the desire to avoid an excessive concentration on ideological issues.¹⁵

However, the normalization of bilateral relations did not necessarily mean that sanctions were completely abolished. As of 2006, restrictions remained on aid programs, and U.S. voting in international financial institutions regarding funds allocated for the PRC. There are also limitations on the operations of the Overseas Private Investment Corporation, along with bans on the supply of weapons, ammunition, and police equipment. The United States refused to relieve certain tariffs under the Generalized System of Preferences, or to mitigate export controls on the deliveries of satellites, nuclear technologies, certain computers, and more. However, this set of restrictions did not play a critical role in trade.

From Cooperation to Deterrence

Signs of mounting tensions between the U.S. and China emerged during President Barack Obama's second term. In 2015, a state of emergency was declared in the U.S. due to hostile actions¹⁶ by alleged Chinese hackers

against the U.S. government and industrial company servers. The 2015 Executive Order can be viewed as a political signal indicating the readiness of U.S. authorities to use sanctions in the pursuit of digital security. The situation changed once more with the presidency of Donald J. Trump. After the arrival of the new administration to the White House, the U.S. abandoned its moderate approach towards China. The 2017 National Security Strategy openly criticized the Chinese political system, postulating that China, mired in corruption and spying on citizens, pursues a policy of "exporting" these practices, hence undermining the sovereignty of neighboring states. The development of Chinese economic projects was even noted as a security issue for the U.S.¹⁷

The telecommunications sector became the key focus area in deterring China. New export control mechanisms were developed in the United States.¹⁸ In 2019, Donald Trump declared a national emergency due to alleged threats faced by the telecommunications sector.¹⁹ Restrictions were imposed on individual Chinese companies, most notably *Huawei* and *ZTE*. As early as 2012, the House Permanent Select Committee on Intelligence released a report on possible security threats posed by *Huawei* to the United States.²⁰ In 2018

2015/04/01/executive-order-blocking-property-certain-persons-engaging-significant-m (accessed: 25.01.2025).

¹⁷ National Security Strategy of the United States of America // The White House. December 2017. URL: <https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf> (accessed: 25.01.2025).

¹⁸ Public Law 115–232 — AUG. 13, 2018 // GovInfo. August 13, 2018. URL: <https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf> (accessed: 25.01.2025).

¹⁹ Executive Order 13873: Securing the Information and Communications Technology and Services Supply Chain // Federal Register. May 15, 2019. URL: <https://www.federalregister.gov/documents/2019/05/17/2019-10538/securing-the-information-and-communications-technology-and-services-supply-chain> (accessed: 25.01.2025).

²⁰ Rogers M., Ruppertsberger D. Investigative Report on the U.S. National Security Issues Posed by Chinese

¹³ The National Security Strategy of the United States of America // National Security Strategy Archive. March 2006. URL: <https://nssarchive.us/wp-content/uploads/2020/04/2006.pdf> (accessed: 25.01.2025).

¹⁴ National Security Strategy of the United States of America // National Security Strategy Archive. May 2010. URL: <https://nssarchive.us/wp-content/uploads/2020/04/2010.pdf> (accessed: 25.01.2025).

¹⁵ National Security Strategy of the United States of America // Military Analysis Network. February 2015. URL: <https://man.fas.org/eprint/nss-2015.pdf> (accessed: 25.01.2025).

¹⁶ Executive Order 13694 "Blocking the Property of Certain Persons Engaging in Significant Malicious Cyber-Enabled Activities" // The White House. April 1, 2015. URL: <https://obamawhitehouse.archives.gov/the-press-office/>

and 2019, Congress passed legislation prohibiting the procurement of equipment from these companies to promote the interests of U.S. government agencies.²¹ The U.S. Department of Commerce also placed *Huawei* and its subsidiaries outside of China on the Entity List: U.S. firms were prohibited from supplying specific dual-use items to the company.²²

In 2020, the U.S. Department of Commerce reported on *Huawei*'s attempts to circumvent restrictions through foreign suppliers, to which U.S. authorities responded by tightening export controls on semiconductor supplies produced abroad using U.S. technologies.²³ Additionally, *Huawei* found ways to access U.S. technologies by cooperating with U.S. companies, even bypassing export controls.²⁴

Other investigations were linked to *Huawei* and *ZTE*. In December 2018, at the request of the U.S. Department of Justice, *Huawei*'s CFO Meng Wanzhou was arrested in Canada

on suspicion of fraud aimed at circumventing sanctions against Iran.²⁵ In the context of these sanctions against the company, the criminal case was perceived by its management as a form of unfair competition.²⁶ Investigations were also initiated against *ZTE* regarding alleged supplies of equipment with U.S. components to Iran. The company agreed to pay record fines.²⁷

Imposed restrictions on China's telecommunications sector imparted a political overtone to the entire investigation. In 2018, the U.S. Department of Justice launched the "China Initiative," aimed at identifying other offenses by the PRC related to telecommunications and the digital environment.²⁸ The initiative was rolled back in 2022, to avoid politicalizing criminal cases, however, the focus on countering China remained.²⁹ Attention to Chinese investments from the Committee on Foreign Investment in the United States increased, as they were also viewed as a means to access to U.S. technology. The committee blocked the acquisition of U.S. semiconductor manufacturer *Qualcomm* by a Chinese company

Telecommunications Companies Huawei and ZTE // House Permanent Select Committee on Intelligence. October 8, 2012. URL: [https://intelligence.house.gov/sites/intelligence.house.gov/files/documents/huawei-zte%20investigative%20report%20\(final\).pdf](https://intelligence.house.gov/sites/intelligence.house.gov/files/documents/huawei-zte%20investigative%20report%20(final).pdf) (accessed: 25.01.2025).

²¹ See: Public Law 115–91 — DEC. 12, 2017 // U.S. Congress. December 12, 2017. URL: <https://www.congress.gov/bill/115th-congress/house-bill/2810/text> (accessed: 25.01.2025); Public Law 115–232 — AUG. 13, 2018 // GovInfo. August 13, 2018. URL: <https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf> (accessed: 25.01.2025).

²² Supplement No. 4 to Part 744 — Entity List // Code of Federal Regulations. National Archives and Records Administration. URL: <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-C/part-744#Supplement-No.-4-to-Part-744> (accessed: 25.01.2025).

²³ Commerce Addresses Huawei's Efforts to Undermine Entity List, Restricts Products Designed and Produced with U.S. Technologies // U.S. Department of Commerce. May 15, 2020. URL: <https://2017-2021.commerce.gov/news/press-releases/2020/05/commerce-addresses-huaweis-efforts-undermine-entity-list-restricts.html> (accessed: 25.01.2025).

²⁴ Mulvenon J. Seagate Technology and the Case of the Missing Huawei FDPR Enforcement // Lawfare. June 6, 2022. URL: <https://www.lawfaremedia.org/article/seagate-technology-and-case-missing-huawei-fdpr-enforcement> (accessed: 25.01.2025).

²⁵ U.S. Against Huawei Technologies et al. Superseding Indictment // U.S. Department of Justice. January 24, 2019. URL: <https://www.justice.gov/usao-edny/press-release/file/1125036/dl> (accessed: 25.01.2025).

²⁶ Huawei Technologies and Huawei Device USA vs. U.S. Immigration and Customs Enforcement et al. // Internet Archive. October 30, 2020. URL: <https://archive.org/details/gov.uscourts.dcd.223678> (accessed: 25.01.2025).

²⁷ ZTE Corporation Agrees to Plead Guilty and Pay Over \$430.4 Million for Violating U.S. Sanctions by Sending U.S.-Origin Items to Iran // U.S. Department of Justice. March 7, 2017. URL: <https://www.justice.gov/opa/pr/zte-corporation-agrees-plead-guilty-and-pay-over-4304-million-violating-us-sanctions-sending> (accessed: 25.01.2025).

²⁸ Information about the Department of Justice's China Initiative and a Compilation of China-Related Prosecutions Since 2018 // U.S. Department of Justice. November 19, 2021. URL: <https://www.justice.gov/archives/nsd/information-about-department-justice-s-china-initiative-and-compilation-china-related> (accessed: 25.01.2025).

²⁹ Lucas R. The Justice Department is Ending its Controversial China Initiative // NPR. February 23, 2022. URL: <https://www.npr.org/2022/02/23/1082593735/justice-department-china-initiative> (accessed: 25.01.2025).

through the Singaporean company *Broadcom*.³⁰ Bans on Chinese services such as *WeChat*³¹ and *TikTok*³² and their operations marked the pinnacle of this period. Subsequently, the Biden administration lifted the bans,³³ but even though the new administration's rhetoric was less hostile than that of its predecessor, attention to the PRC's telecommunications sector remained high. In 2024, the ban on *TikTok* was codified into a law.³⁴

Sanctions were also imposed on a broader range of Chinese industrial companies. As early as in the U.S. National Defense Authorization Act for Fiscal Year 1999, the Department of Defense was required to compile a list of "Chinese Communist military companies".³⁵

³⁰ Rosenberg E., Harrell P., Feng A. A New Arsenal for Competition. Coercive Economic Measures in the U.S. — China Relationship // The Center for New American Security. April 24, 2020. URL: <https://s3.us-east-1.amazonaws.com/files.cnas.org/documents/CNAS-Report-Econ-Competition-Final-web.pdf> (accessed: 24.01.2025).

³¹ Executive Order 13943: Addressing the Threat Posed by WeChat, and Taking Additional Steps To Address the National Emergency with Respect to the Information and Communications Technology and Services Supply Chain // Federal Register. August 6, 2020. URL: <https://www.federalregister.gov/documents/2020/08/11/2020-17700/addressing-the-threat-posed-by-wechat-and-taking-additional-steps-to-address-the-national-emergency> (accessed: 25.01.2025).

³² Executive Order 13942: Addressing the Threat Posed by TikTok, and Taking Additional Steps To Address the National Emergency with Respect to the Information and Communications Technology and Services Supply Chain // Federal Register. August 6, 2020. URL: <https://www.federalregister.gov/documents/2020/08/11/2020-17699/addressing-the-threat-posed-by-tiktok-and-taking-additional-steps-to-address-the-national-emergency> (accessed: 25.01.2025).

³³ Executive Order 14034: Protecting Americans' Sensitive Data from Foreign Adversaries // Federal Register. June 9, 2021. URL: <https://www.federalregister.gov/documents/2021/06/11/2021-12506/protecting-americans-sensitive-data-from-foreign-adversaries> (accessed: 25.01.2025).

³⁴ Public Law 118–50 // U.S. Congress. April 24, 2024. URL: <https://www.congress.gov/bill/118th-congress/house-bill/815/text?s=10&r=3&q=%7B%22search%22%3A%22H.R.815%22%7D> (accessed: 25.01.2025).

³⁵ Public Law 105–261 — OCT. 17, 1998 // U.S. Congress. October 17, 2008. URL: <https://www.congress.gov>

In 2020–2021, this list included companies in telecommunications, shipbuilding, engine manufacturing, and other industries,³⁶ which were prohibited from accessing the U.S. capital market.³⁷ Additionally, the U.S. Department of Commerce introduced a new list of companies whose end-users are military — the Military End-User List (MEU).³⁸ Entities on this list were prohibited to supply specific goods from the U.S. subjected to U.S. commercial control. However, its restrictions were significantly milder compared to the Entity List and included specific companies and organizations in the aerospace, engineering, as well as some other fields.³⁹ This policy continued during the Biden Administration: export restrictions were

[gov/105/plaws/publ261/PLAW-105publ261.pdf](https://www.gov/105/plaws/publ261/PLAW-105publ261.pdf) (accessed: 25.01.2025).

³⁶ DOD Releases List of Additional Companies, in Accordance with Section 1237 of FY99 NDAA // U.S. Department of Defense. December 3, 2020. URL: <https://www.defense.gov/News/Releases/Release/Article/2434513/dod-releases-list-of-additional-companies-in-accordance-with-section-1237-of-fy/> (accessed: 25.01.2025).

³⁷ See: Executive Order 13959: Addressing the Threat from Securities Investments That Finance Communist Chinese Military Companies // U.S. Department of the Treasury. November 12, 2020. URL: <https://ofac.treasury.gov/media/49616/download?inline> (accessed: 25.01.2025); Executive Order 14032: Addressing the Threat from Securities Investments That Finance Certain Companies of the People's Republic of China // U.S. Department of the Treasury. June 3, 2021. URL: <https://ofac.treasury.gov/media/99111/download?inline> (accessed: 25.01.2025).

³⁸ Addition of 'Military End User' (MEU) List to the Export Administration Regulations and Addition of Entities to the MEU List: A Rule by the Industry Security Bureau // Federal Register. URL: <https://www.federalregister.gov/documents/2020/12/23/2020-28052/addition-of-military-end-user-meu-list-to-the-export-administration-regulations-and-addition-of> (accessed: 25.01.2025).

³⁹ See: Supplement No. 2 to Part 744 — Entity List // Code of Federal Regulations. National Archives and Records Administration. URL: <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-C/part-744#Supplement-No.-2-to-Part-744> (accessed: 25.01.2025); Supplement No. 7 to Part 744 — Entity List // Code of Federal Regulations. National Archives and Records Administration. URL: <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-C/part-744#Supplement-No.-7-to-Part-744> (accessed: 25.01.2025).

imposed on the supply of high-performance chips to China and Russia, and Chinese technology companies were added to the U.S. Department of Commerce's Entity List. U.S. companies receiving government grants were restricted from expanding their advanced chip production to factories located in the PRC. China's ability to attract U.S. investments in high-tech sectors were further limited.⁴⁰ It is highly likely that such a policy will continue under the second administration of Donald Trump.

Two other issues that often serve as grounds for sanctions against the PRC are Hong Kong's autonomy and the rights of ethnic minorities in China. In 2019, the U.S. Congress passed a law requiring the president to impose restrictions on individuals connected to human rights violations and the undermining of democracy in Hong Kong by China. Meanwhile, the recommendation of the Congress to monitor the export of goods to Hong Kong that could be used to suppress demonstrations was largely symbolic and did not pose any significant threat to U.S. — China economic ties.⁴¹ However, by 2020, Congress empowered the president to impose restrictive measures against foreign financial institutions that service the interests of individuals undermining Hong Kong's autonomy. While the U.S. administration did not apply this legislation, its mere existence could have served as a political signal to Beijing.⁴²

⁴⁰ Tolstukhina A. Yu. U.S. Technological Policy in the Context of Competition with China // Report of the Valdai International Discussion Club. November 2023. (In Russian). URL: <https://ru.valdaiclub.com/files/46760/> (accessed: 25.01.2025).

⁴¹ Public Law 116–76 — NOV. 27, 2019 // U.S. Congress. November 27, 2019. URL: <https://www.congress.gov/116/plaws/publ76/PLAW-116publ76.pdf> (accessed: 25.01.2025).

⁴² See: Public Law 116–149 — JULY 14, 2020 // U.S. Congress. July 14, 2020. URL: <https://www.congress.gov/bill/116th-congress/house-bill/7440/text> (accessed: 25.01.2025); Executive Order 13936: The President's Executive Order on Hong Kong Normalization // Federal Register. July 14, 2020. URL: <https://www.federalregister.gov/documents/2020/07/17/2020-15646/the-presidents-executive-order-on-hong-kong-normalization> (accessed: 25.01.2025).

The U.S. did not impose restrictive measures against major companies; however, throughout 2020, they were used against specific Chinese officials linked to protest crackdowns and Hong Kong's integration policy.⁴³ As a result, both sides have achieved tactical successes: the U.S. sent a political signal to China that partially stalled integration, while China did not revert to the status quo of the early 1990s in its interactions with Taiwan.

China's Xinjiang Uyghur Autonomous Region (XUAR) has proved to be a critical area regarding concerns over ethnic minority rights. A 2020 law⁴⁴ required the U.S. administration to create annual lists of Chinese individuals and organizations responsible for human rights violations against ethnic minorities and impose sanctions on them. Subsequently, these measures were supplemented by import bans of goods, either partially or wholly produced using coercive labor in the XUAR.⁴⁵ At the same time, the U.S. Department of the Treasury utilized a legal mechanism under the Global Magnitsky Act, to impose blocking sanctions on a group of Chinese officials from the XUAR.⁴⁶ Individual

[gov/documents/2020/07/17/2020-15646/the-presidents-executive-order-on-hong-kong-normalization](https://www.federalregister.gov/documents/2020/07/17/2020-15646/the-presidents-executive-order-on-hong-kong-normalization) (accessed: 25.01.2025).

⁴³ Treasury Sanctions Individuals for Undermining Hong Kong's Autonomy // U.S. Department of the Treasury. August 7, 2020. URL: <https://home.treasury.gov/news/press-releases/sm1088> (accessed: 25.01.2025).

⁴⁴ Public Law 116–145 — JUNE 17, 2020 // U.S. Congress. June 17, 2020. URL: <https://www.congress.gov/bills/116/congress/senate-bill/3744/text?s=8&r=151&q=%7B%22search%22%3A%5B%22sanctions%22%5D%7D> (accessed: 25.01.2025).

⁴⁵ Public Law 117–78 — DEC. 23, 2021 // U.S. Congress. December 23, 2021. URL: <https://www.congress.gov/117/plaws/publ78/PLAW-117publ78.pdf> (accessed: 25.01.2025).

⁴⁶ See: Treasury Sanctions Chinese Entity and Officials Pursuant to Global Magnitsky Human Rights Accountability Act // U.S. Department of the Treasury. July 9, 2020. URL: <https://home.treasury.gov/news/press-releases/sm1055> (accessed: 25.01.2025); Risks and Considerations for Businesses with Supply Chain Exposure to Entities Engaged in Forced Labor and other Human Rights Abuses in Xinjiang // U.S. Department of

enterprises and regional entities were also added to the Entity List of the U.S. Department of Commerce.⁴⁷

Moreover, Washington also criticizes Beijing for its policy towards Tibet. However, the restrictive measures concerning this question remain rudimentary.⁴⁸ Overall, sanctions related to ethnic minorities can be classified more as political signals rather than large-scale means of economic pressure. As in the case of Hong Kong, a balance remains: the U.S. employs signaling sanctions, avoiding further escalation, while China maintains its political position regarding minorities, refraining from overtly demonstrating its policy to its foreign audience, thus separating this issue from other dimensions of U.S. — China interaction. In addition, during President Biden's time in office, the U.S. notably avoided the active application of these legal mechanisms, while the second Donald Trump Administration is returning to the practice of using sanctions related to Hong Kong and ethnic minorities in China, albeit currently on a limited scale.⁴⁹

Another policy direction of U.S. sanctions concerns deterring Russian-Chinese cooperation following the start of the special military

operation (SMO) in Ukraine.⁵⁰ Existing sanction mechanisms against Russia are being utilized for this very purpose.⁵¹ The U.S. actively employs blocking financial sanctions and targeted trade restrictions against Chinese companies cooperating with Russia, but none of these companies are large enterprises — most are small intermediary firms (Timofeev, 2024). Thus, these restrictions are seen to be more about sending a political signal and warning large Chinese businesses about the potential consequences of circumventing U.S. sanctions, rather than coercion.

China Counters U.S. Sanctions and Restrictive Measures

Economic cooperation with the U.S. has become a critical factor in the development of China's export opportunities. The volume of Chinese exports to the U.S. has consistently grown throughout the 2000s. In 1999, China exported goods and services worth USD 42 billion to the U.S., while in 2023, this figure reached USD 501 billion. Peak levels were achieved in 2022, with USD 583 billion. However, there were also moments of localized and insignificant declines in this growth record. In particular, the drop in 2009 can be attributed to the global financial crisis, while the decline in 2020 is linked to the COVID-19 pandemic. After the lockdown was lifted in China, export figures soared again, standing at USD 452 billion in 2020, whereas in 2021, it rose to 568 billion USD. During Donald Trump's presidency, despite the rise in anti-China rhetoric and the imposition of sanctions,

the Treasury. July 1, 2020. <https://ofac.treasury.gov/media/44066/download?inline> (accessed: 25.01.2025).

⁴⁷ See: Addition of Certain Entities to the Entity List // Federal Register. October 9, 2019. URL: <https://www.federalregister.gov/documents/2019/10/09/2019-22210/addition-of-certain-entities-to-the-entity-list> (accessed: 25.01.2025); Addition of Certain Entities to the Entity List // Federal Register. April 26, 2021. <https://www.federalregister.gov/documents/2021/06/24/2021-13395/addition-of-certain-entities-to-the-entity-list> (accessed: 25.01.2025).

⁴⁸ Implementing Visa Restrictions Under the Reciprocal Access to Tibet Act // U.S. Department of State. July 7, 2020. URL: <https://2017-2021.state.gov/implementing-visa-restrictions-under-the-reciprocal-access-to-tibet-act/> (accessed: 25.01.2025).

⁴⁹ Implementing Visa Restrictions under the Reciprocal Access to Tibet Act // U.S. Department of State. March 31, 2025. URL: <https://www.state.gov/implementing-visa-restrictions-under-the-reciprocal-access-to-tibet-act/> (accessed: 25.04.2025).

⁵⁰ Support Provided by the People's Republic of China to Russia // National Security Archive. July 2023. URL: https://nsarchive.gwu.edu/sites/default/files/documents/2023-07-00-ODNI-Report_on_Chinese_Support_to_Russia_0.pdf (accessed: 25.01.2025).

⁵¹ Executive Order 14025: Blocking Property with Respect to Specified Harmful Foreign Activities of the Government of the Russian Federation // U.S. Department of the Treasury. April 15, 2021. URL: <https://ofac.treasury.gov/media/57936/download?inline> (accessed: 25.01.2025).

Chinese exports to the U.S. continued to grow. In 2016, exports amounted to USD 386 billion, and in 2018 — USD 479 billion. Complications in U.S. — China relations did not hinder the supply growth of Chinese goods, although U.S. exports to China lagged significantly behind (in 1999, these were estimated at USD 42 billion, while the figure was already USD 148 billion in 2023).⁵²

Even though China was the largest holder of U.S. Treasury bonds, narrowing the existing trade imbalance was one of the goals pursued by Donald Trump.⁵³ The Trump administration achieved tactical success by consistently raising tariffs on Chinese goods and compelling China to negotiate trade terms. The phase one “trade deal” agreement was signed in early 2020: Beijing committed to increasing imports from the U.S., shifting its approaches to intellectual property, and addressing other problematic issues.⁵⁴ However, the implementation of those agreements stalled due to the COVID-19 pandemic.

After returning to the White House in 2025, Donald Trump resumed his policy of aggressive trade wars. He declared a state of emergency due to the negative trade balance of the U.S., significantly raising tariffs on over 50 countries, including China.⁵⁵ In other words,

the trade war extends beyond U.S. — China relations, although the volume of mutual trade and the decisive retaliatory measures taken by China’s leadership will likely make China the primary target of U.S. sanctions.⁵⁶

As Washington stepped up its economic pressure on Beijing, a long-term policy for enhancing the resilience of the national economy was emerging in China. One of the directions involves a “dual circulation” concept, which envisioned import substitution and the development of domestic industry and markets, with foreign economic relations playing an auxiliary role.⁵⁷ In the meantime, the process of creating its own national semiconductor base for mobile phones, arranging the production of modern weapons, and making progress in the space industry and artificial intelligence technologies was underway in the PRC.⁵⁸ U.S. sanctions caused damage to Huawei, but they also encouraged domestic component manufacturing in China, as well as other countries (Fuller, 2021). In addition, it contributed to China increasingly developing a sovereign

⁵² See: China Export to United States // Trading Economics. 2025. URL: <https://tradingeconomics.com/china/exports/united-states> (accessed: 25.01.2025); United States Exports to China // Trading Economics. 2025. URL: <https://tradingeconomics.com/united-states/exports/china> (accessed: 25.01.2025).

⁵³ Amadeo K. U.S. Trade Deficit with China and Why It’s So High // The Balance. April 22, 2021. URL: <https://www.thebalancemoney.com/u-s-china-trade-deficit-causes-effects-and-solutions-3306277> (accessed: 25.01.2025).

⁵⁴ Economic and Trade Agreement Between the United States of America and The Peoples Republic of China // Office of the U.S. Trade Representative. January 15, 2020. URL: https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/US_China_Agreement_Fact_Sheet.pdf (accessed: 25.01.2025).

⁵⁵ Executive Order 14257: Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits // Federal Register. April 02, 2025.

URL: <https://www.federalregister.gov/documents/2025/04/07/2025-06063/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and> (accessed: 17.04.2025).

⁵⁶ Fact Sheet: President Donald J. Trump Ensures National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Products // The White House. April 15, 2025. URL: <https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-ensures-national-security-and-economic-resilience-through-section-232-actions-on-processed-critical-minerals-and-derivative-products/> (accessed: 17.04.2025).

⁵⁷ Kashin V. B., Timofeev I. N. U.S. — China Relations: Towards a New Cold War? // International Discussion Club “Valdai.” June 3, 2021. (In Russian). URL: <https://ru.valdaiclub.com/a/reports/amerika-kitainovaya-kholodnaya/?ysclid=m6azb9a3ye208541705> (accessed: January 24, 2025).

⁵⁸ 2023 Report to Congress of the U.S. — China Economic and Security Review Commission // U.S. — China Economic and Security Review Commission. November 2023. URL: https://www.uscc.gov/sites/default/files/2023-11/2023_Annual_Report_to_Congress.pdf (accessed: 25.01.2025).

infrastructure for financial transactions with other nations.

Concurrently, the evolution of China's own restrictive measures was well underway. For a long time, China preferred to impose sanctions informally. While U.S. and European Union (EU) sanctions is meticulously formalized and carried out by specific government bodies, Chinese restrictive measures are often introduced by various regulators and are not directly referred to as sanctions (Kashin, Piatachkova & Krashennnikova, 2020).

The type and scope of the sanctions also differ. While the U.S. actively imposes financial sanctions, leveraging its leadership in the global financial system, China primarily relies on the size and attractiveness of its market, as well as on targeted trade restrictions. Additionally, the PRC has become a significant lender, and loans and assistance can serve as both incentives for cooperation and instruments of coercion.⁵⁹ For example, as early as 1993, after France launched the supply of fighter jets and ships to Taiwan, French companies were doomed to fail in their bidding for the construction of the metro network in Guangzhou. Later, in 2019, Beijing threatened restrictions against U.S. firms supplying arms to Taiwan (Kashin, Piatachkova & Krashennnikova, 2020).

Chinese regulators have also threatened excluding companies from the Chinese market that are found to comply with U.S. regulator directives regarding *Huawei*. The same applies to companies acting against China's national interests, which may find themselves on a list of unreliable entities, hence facing a ban on operating in the Chinese market. In 2019, after Australia announced its plans to ban *Huawei* equipment in 5G systems, several Chinese ports restricted the acceptance of Australian coal. A similar prospect arose for Germany, the only

difference being retaliatory measures against German carmakers. In the context of *Huawei* and the arrest of the company's Chief Financial Officer Meng Wanzhou in Canada, the People's Republic of China nearly suspended imports of various agricultural products from Canada.⁶⁰

The case with *Huawei* has also led to a number of more fundamental changes in the PRC. In particular, efforts aimed at developing and implementing homegrown software to reduce U.S. dependence, as well as to seek alternative suppliers, stepped up dramatically.⁶¹ Additionally, in response to South Korea's plans to deploy the U.S.-produced THAAD missile interception system, informal restrictions were placed on tourism from China to South Korea and targeted measures were taken against several large South Korean companies, which ultimately forced Seoul to abandon large-scale procurements of this system.⁶²

China's use of its economic advantages to address political objectives has necessitated the systematization and legal entrenchment of this process. New legal mechanisms similar to those introduced by the United States in the field of export control were enacted.⁶³ Military and civilian agencies responsible for export control were consolidated, and procedures for export administration were put in place.⁶⁴ Additionally,

⁶⁰ Rosenberg E., Harrell P., Feng A. A New Arsenal for Competition. Coercive Economic Measures in the U.S. — China Relationship // The Center for New American Security. April 24, 2020. URL: <https://s3.us-east-1.amazonaws.com/files.cnas.org/documents/CNAS-Report-Econ-Competition-Final-web.pdf> (accessed: 24.01.2025).

⁶¹ Ibid.

⁶² Sutter K. M. China's Recent Trade Measures and Countermeasures: Issues for Congress // U.S. Congress. December 10, 2021. URL: <https://crsreports.congress.gov/product/pdf/R/R46915/2> (accessed: 24.01.2025).

⁶³ China's Export Control // The State Council Information Office of the People's Republic of China. December 29, 2021. URL: https://english.www.gov.cn/archive/whitepaper/202112/29/content_WS61cc01b8c6d09c94e48a2df0.html (accessed: 25.01.2025).

⁶⁴ Export Control Law of the People's Republic of China (2020 edition) // China Law Translate. October 17,

⁵⁹ Nephew R. China and Economic Sanctions: Where Does Washington Have Leverage? // Brookings. September 2019. URL: <https://www.brookings.edu/research/china-and-economic-sanctions-where-does-washington-have-leverage/> (accessed: 24.01.2025).

a mechanism for targeted sanctions was developed, combining blocking financial sanctions with specific measures in trade. This mechanism involves compiling and updating a list of foreign entities that pose a threat to China's national security, discriminate against Chinese companies, or distort normal market relations.⁶⁵

Another mechanism involves compiling a list of foreign individuals and legal entities involved in the development, adoption, and implementation of decisions harnessing discriminatory economic measures against Chinese individuals or interfering in the internal affairs of the People's Republic of China under any pretext. Sanctions include visa restrictions, asset freezing or confiscation, as well as a ban on specific transactions within the jurisdiction of the PRC.⁶⁶ In 2021, the Foreign Investment Security Review measures came into effect, which provide for the examination of foreign investments in strategic sectors.⁶⁷ In fact, Beijing is implementing mirror control measures based on the principles previously applied by the United States.

However, the introduction of new legislation was somewhat selective in nature. The restrictive measures affected U.S. defense companies — *Raytheon*, *Lockheed Martin*, *Viasat*, *Sierra Nevada Corporation*, and several others. However, given that the export of defense products to the United States is prohibited, the sanctions against these companies changed little in the economic

relations between the two nations. The restrictions were more signaling in nature, indicating that China has new legal mechanisms for imposing restrictive measures, which its government is prepared to use if needed.

Conclusion

China's approach to U.S. sanctions reveals several critical patterns in the U.S. sanctions policy against China.

Firstly, U.S. sanctions were never aimed at or resulted in a change of the PRC's policies on any fundamental issues. On the contrary, China at certain moments, due to the size of its market or its political weight, has influenced the U.S. political course and the easing of sanctions. This occurred in the 1970s, amid the Cold War and USSR deterrence, and then in the 1990s and 2000s, during the rapid growth of bilateral economic relations.

Secondly, the United States has still managed to achieve some success in blocking China's access to U.S. industrial technologies and goods. However, such restrictions have spurred China to develop its own industrial base. The leadership of the PRC has also shown political will and a long-term commitment to enhance resilience to sanctions. In the meantime, Beijing has avoided escalating confrontation with the U.S., trying to buy time to further increase the resilience of its economy. This trend has been observed up to the present day and may explain China's cautious approach in using its own restrictive measures.

Thirdly, the signaling function of sanctions has historically played a significant role in U.S. — China relations. In the 1970s and 1980s, exceptions to U.S. restrictive measures and the easing of export controls and financial sanctions served not only an economic but also a political purpose: it demonstrated the willingness to normalize relations. The same applies to the 1990s, when such exceptions indicated tolerance to possible human rights violations by the People's Republic of China and the intention to separate this issue from prioritized

2020. URL: https://www.chinalawtranslate.com/en/export-control/#_Toc54004253 (accessed: 25.01.2025).

⁶⁵ China Issues New Export Control Law and Related Policies // FAS Project on Government Secrecy. October 26, 2020. URL: <https://sgp.fas.org/crs/row/IN11524.pdf> (accessed 25.01.2025).

⁶⁶ Law of the PRC on Countering Foreign Sanctions // China Law Translate. October 6, 2021. URL: <https://www.chinalawtranslate.com/en/counteringforeignsanctions/> (accessed: 25.01.2025).

⁶⁷ Sutter K. M. China's Recent Trade Measures and Countermeasures: Issues for Congress // U.S. Congress. December 10, 2021. URL: <https://crsreports.congress.gov/product/pdf/R/R46915/2> (accessed: 24.01.2025).

economic cooperation. In contrast, in the 2010s and 2020s, signaling sanctions reflected the growing concern of the White House over China's technological development and centralization policy. The significance of the signaling function in sanctions may explain why their escalation and de-escalation have occurred slowly and moderately.

Fourthly, China is diversifying its arsenal of retaliatory restrictive measures. For decades, China's sanctions were mainly informal in nature. At the current stage, they are

supplemented by formalized mechanisms of blocking sanctions and export controls, reminiscent of similar tools used by the U.S. itself. Beijing now has the capability to respond to sanctions both symmetrically and asymmetrically.

Overall, U.S. sanctions demonstrate the limitations of this foreign policy tool in relations with a major power, but it does not rule out the appropriateness of using them as measures of deterrence, or to send certain political signals to an opponent.

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