



**U.S. MISSION TO INTERNATIONAL  
ORGANIZATIONS IN GENEVA**

# TRADE POLICY REVIEW OF THE PEOPLE'S REPUBLIC OF CHINA

By **U.S. MISSION GENEVA**

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## **Trade Policy Review Of The People's Republic Of China**

**Statement delivered by David F. Bisbee**

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The United States welcomes Minister Wang Wentao and the rest of China's delegation.

During China's last Trade Policy Review in 2018, the United States delivered an opening statement that laid out, in frank and direct terms, both the importance of China's role in the international trading system and the unique and fundamental challenges to that system that China presents. Today, those challenges remain before us.

When China acceded to the WTO 20 years ago, WTO Members expected that the terms set forth in China's Protocol of Accession would permanently dismantle existing Chinese policies and practices that were incompatible with an international trading system expressly based on open, market-oriented policies. But those expectations have not been realized, and it appears that China has no inclination to change. Instead, China has used the imprimatur of WTO membership to become the WTO's largest trader, while doubling down on its state-led, non-market approach to trade, to the detriment of workers and businesses in the United States and other countries.

The United States' most fundamental concerns with China's trade regime involve China's industrial policies. While other WTO Members also seek to help their industries develop, China's approach is materially different. China's industrial policies go well beyond guiding and supporting domestic industries. China's industrial policies skew the playing field against imported goods and services and foreign manufacturers and services suppliers through an array of supporting measures. These measures include market access limitations, investment restrictions and massive subsidies that lead to severe and persistent excess capacity. Other unfair trade practices include preferential treatment for state-owned enterprises and other favored Chinese companies, discriminatory regulatory requirements, unique national standards, data restrictions, inadequate enforcement of intellectual property rights, cyber theft and the use of competition law enforcement for industrial policy purposes. China uses these measures to secure dominance in global markets, which undermines U.S. economic interests.

As we assess China's trade policies today, we also cannot ignore reports of China's use of forced labor in several sectors. We also take note of another Chinese practice, which has come to be known as "economic coercion." If another WTO Member speaks out against or otherwise offends China, China's response increasingly has been to use its economic clout to pressure the offending country to "correct its mistakes." A number of WTO Members in this room have experienced China's "economic coercion," which takes many forms.

Over the years, the United States has made extensive efforts to encourage China to comply with and internalize WTO rules and norms and make other market-oriented changes. We convened numerous high-level bilateral dialogues with China, but they only led to modest changes, and China did not always follow through on its commitments. Here at the WTO, we also worked hard to enforce China's compliance with WTO rules, bringing 27 dispute settlement cases against China, often in collaboration with other WTO Members. We secured victories in every case that was decided, but many of them were hollow. Even when China changed the specific practices that we had challenged, China often did not change the underlying policies, and meaningful reforms by China remained elusive.

Because of this situation, the United States has pursued and will continue to pursue all available tools in an effort to persuade China to make needed changes. We made some progress last year with the signing of an economic and trade agreement with China, but our most fundamental concerns with China's trade regime remain unaddressed.

The United States will also continue to pursue progress at the WTO.

We believe that trade – and the WTO – can and should be a force for good that encourages a race to the top and addresses global challenges as they arise. In this regard, the Marrakesh Agreement establishing the WTO begins with the recognition that trade should raise living standards, ensure full employment, pursue sustainable development, and protect and preserve the environment. We believe that refocusing on these goals can help bring shared prosperity to all, not just some.

The United States is not the only WTO Member whose workers and businesses are being harmed by China's unfair trade practices, and we will be more successful in building truly fair international trade that enables healthy competition if we work together, and speak up.

Of course, the best solution remains for China to take the initiative to fully and effectively embrace open, market-oriented policies, and that is what we continue to urge China to do.

