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U.S. and China Conclude 22nd Session of the Joint Commission on
Commerce and Trade

United States Department of Agriculture Foreign Agricultural Service

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CHENGDU, China, November 21, 2011 - Today marked the conclusion of the 22nd session of the U.S.-China Joint Commission on Commerce and Trade (JCCT) in Chengdu, China. U.S. Secretary of Commerce John Bryson and United States Trade Representative Ron Kirk co-chaired the JCCT along with Chinese Vice Premier Wang Qishan. U.S. Secretary of Agriculture Tom Vilsack also participated in the discussions.

Secretary Bryson, Ambassador Kirk and Secretary Vilsack announced meaningful progress on key elements of the U.S.-China trade relationship but also underscored that much more work remains to be done to open China's market to U.S. exports and investment. Today's progress will help boost U.S. exports and jobs through the removal of important barriers related to electric vehicles, strengthened measures to eliminate discriminatory indigenous innovation policies, and stricter enforcement of intellectual property rights in China.

"The JCCT gives us a mechanism to address the toughest issues in our trade relationship, and we must judge it by our ability to make concrete progress," Ambassador Kirk said. "We have reached agreement on a number of important outcomes, though we had hoped to accomplish even more. In our discussions with our Chinese counterparts, we spoke frankly about the need to redouble our efforts going forward."

"Both sides worked hard to produce some meaningful progress that will help provide a needed boost to U.S. exports and jobs," Secretary Bryson said. "This is a step in the right direction. But we must continue to actively engage our Chinese counterparts to open additional opportunities for U.S. businesses."

"China is one of the most important agricultural trade partners for the United States and the meetings and discussions in recent days have helped to strengthen this partnership and build greater export opportunities for our farmers, ranchers and growers," said Agriculture Secretary Vilsack. "We intend to continue these discussions in the months ahead on beef and other agricultural products to break down additional trade barriers so Chinese consumers can benefit from the high quality products that are produced in America."

Intellectual Property Rights (IPR)

China agreed to make a significant systemic change in its enforcement of intellectual property rights. Through a high-level central government enforcement structure led by Vice Premier Wang Qishan, China will make permanent its 2010 Special IPR Campaign. China will continue high-level involvement that will enhance its ability to crack down on intellectual property rights infringement.

In addition, China's leadership committed to increased political accountability – the performance of provincial level officials will be measured based on enforcement of intellectual property rights in their regions.

"For the first time, China will establish a permanent leadership structure to enforce intellectual property rights. As enforcement becomes effective, those who infringe will no longer be able to lay low until a crackdown is over and then simply resume their illegal activities," Secretary Bryson stated.

In addition, Vice Premier Wang Qishan personally committed to continue the software legalization program. Specifically, he committed to ensure that the provincial legalization efforts would be concluded by the middle of 2012 and at the local and municipal levels by the end of 2013.

The Chinese government also agreed to continue working to develop solutions to combat the sale of infringing goods on the Internet, while at the same time moving forward to develop additional protections for legitimate trademarks. All of China's commitments on intellectual property rights will enhance the protection of U.S. innovative products and promote job creation in the United States.

Indigenous Innovation

China also announced a new high-level central government mandate requiring provincial and local governments – by December 1st 2011 – to eliminate any policies that are not consistent with President Hu's commitment to sever the link between China's innovation policies and government procurement.

"This issue has been a top priority of the American business community. We are continuing to press China to eliminate any other policies that discriminate against foreign intellectual property," Ambassador Kirk emphasized.

Electric Vehicles

China confirmed that it does not and will not require foreign automakers to transfer technology to Chinese enterprises nor to establish Chinese brands in order to invest and sell in China's fast-growing market. China also confirmed that foreign-invested enterprises are eligible on an equal basis for electric vehicle subsidies and other incentive programs for electric vehicles.

"I am pleased that China specifically confirmed it would not force U.S. auto manufacturers to transfer electric vehicle technology to Chinese partners," said Ambassador Kirk.

Agriculture

USDA and China's Ministry of Agriculture are finalizing the framework of a five-year strategic plan focused on food security, food safety and sustainable agriculture to build a stronger foundation for critical cooperation in agriculture. In discussions also including the General Administration of Quality Supervision, Inspection and Quarantine, progress was made on beef market access. The parties agreed to expand discussion beyond technical to the conditions that include scope of products available in the market. China also committed to make progress on removing avian influenza-related bans affecting several U.S. states, to finalize work on a longstanding market access request for U.S. pears, and to complete work on a new dairy certificate to maintain existing market access.

Investment

"U.S. firms can compete and win when they enjoy non-discriminatory access in China. In today's meeting, China committed to create a fair and level playing field for all companies in its strategic emerging industries, including clean energy, biotech, and new generation information technologies. A strong business presence in China helps create more opportunities for exports from the United States, supporting good jobs at home," Secretary Bryson said.

According to published reports, in the next five years, China plans to invest \$1.5 trillion in its strategic emerging industries which China defines as high-end equipment manufacturing, energy-saving and environmentally friendly technologies, biotechnologies, new generation information technologies, alternative energy, advanced materials and new energy vehicles.

Tourism

China expanded the U.S.-China Tourism Memorandum of Understanding to three additional provinces for a total of 27 provinces. Spending by Chinese visitors is expected to grow 232 percent to \$16.6 billion by 2016, moving up from the seventh largest U.S. market in 2010 to the third in 2016.

Signings

In conjunction with the JCCT, U.S. companies signed commercial agreements that will result in nearly \$40 million in U.S. exports and support jobs for American workers. The U.S. and Chinese governments also signed agreements related to intellectual property, high-technology trade, statistics and tourism and agreed to public-private partnerships in the areas of energy and U.S. export promotion. Learn more about the signings at the 22nd session of the JCCT [here](#).

Established in 1983, the JCCT is the main forum for addressing bilateral trade and investment issues and promoting commercial opportunities between the United States and China.

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