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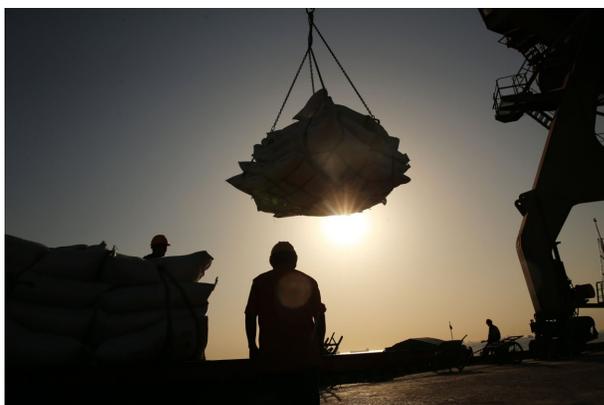
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CHINA

China Defends WTO Record as Trade Fight Looms

Beijing releases white paper depicting itself as a defender of global trade



Workers transfer soybeans at Chinese port, Beijing, in a white paper released Thursday, said it upheld WTO commitments.
PHOTO: -/AGENCE FRANCE-PRESSE/GETTY IMAGES

By *Chao Deng*

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BEIJING—China defended its record in fulfilling commitments to the World Trade Organization, while sidestepping U.S. criticisms that its market openings and protection of intellectual property have fallen short.

A white paper released by the government's information office Thursday argued that China granted foreign access to its market after joining the WTO, as promised, lowering tariffs and other barriers. At a briefing accompanying the release, Vice Commerce Minister Wang Shouwen said China had opened its services sector beyond its WTO commitments.

Barely mentioned in the paper, which is 27 pages in English and 32 in Chinese, are criticisms by the Trump administration that China subverted its commitments by subsidizing domestic companies while using regulations and other nontariff barriers to limit access to its markets and compelling foreign companies to transfer technology.

Asked about these issues, Vice Minister Wang denied forced technology transfers and didn't address subsidies, without mentioning the U.S. by name. "If companies of certain countries say China hasn't done a good job, they can file a lawsuit against China at the WTO," he said.

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Complaints that Chinese trade practices distort global markets are at the heart of the Trump administration's trade dispute with China. President Donald Trump is pushing ahead with tariffs on \$34 billion of Chinese goods on July 6, which Beijing has said it would match in value. He has

threatened tariffs on more than \$400 billion of other Chinese goods should Beijing retaliate.

By looking past U.S. concerns in the policy paper, the Chinese government appears to be trying to reach a wider audience and depict China as a defender of the WTO and global trade. "They want to make the case that they are the adults in the room trying to swat unruly behavior by the U.S. government," said Eswar Prasad, a China expert at Cornell University.

American and European businesses, as well as many other Western governments, have agreed with many of the Trump administration's criticisms—even if they disagree with its use of tariffs and other tactics. They have expressed disappointment that China's entry into the WTO didn't transform its economy from state-run to market-oriented as developed nations expected.

In reality, Mr. Prasad said, "China is willing to open up and liberalize when it feels its industries are ready to deal with foreign competition without suffering negative consequences."

The white paper, in one example of China's upholding WTO commitments, notes that the government cut customs duties on foreign automobiles even as domestic car makers lagged behind in competitiveness. Not mentioned is that Beijing kept in place rules requiring foreign auto companies wanting to make cars in China to enter into joint ventures with Chinese companies, sharing technology and profits. China agreed this year to relax and eventually do away with the requirement after intense pressure from the U.S.

The European Union, which has tried to take a less confrontational approach, this week reached an agreement with Beijing to work together to update WTO rules to address issues of government subsidies and technology transfers.

A resolution seems far off. European Commission Vice President Jyrki Katainen said that it would take "quite some time" to modernize the global trading organization, and that the EU and Beijing held "different opinions" on the matter.

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