



# 2021 G7 Cornwall Summit Final Compliance Report

14 June 2021 to 11 June 2022

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“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues — a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme,  
*in G7 Canada: The 2018 Charlevoix Summit*

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## 14. Democracy: China

“With regard to China, and competition in the global economy, we will continue to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.”

*Carbis Bay G7 Summit Communiqué*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Canada		0	
France		0	
Germany		0	
Italy	-1		
Japan		0	
United Kingdom			+1
United States			+1
European Union		0	
Average		+0.13 (56%)	

### Background

Much of the current framework regulating fairness in international trade was established with the signing of the General Agreement on Trade and Tariffs (GATT) on 30 October 1947.<sup>2681</sup> Updated in 1994, this document regulates tariff levels in most sectors of international trade, and provides rules and guidelines in other trade-related areas, such as the creation of customs unions.<sup>2682</sup> International trade is currently regulated by the World Trade Organization (WTO), which was founded with the intent to provide “a single institutional framework encompassing the GATT, as modified by the Uruguay Round.” The current framework includes specific measures to fight intellectual property theft, including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).<sup>2683</sup> The agreement “establishes minimum standards of protection and enforcement that each government has to give to the intellectual property held by nationals of fellow WTO members.”<sup>2684</sup> China joined the WTO on 11 December 2001, and thus is subject to its agreements on fair trade and intellectual property.<sup>2685</sup>

The G7 has consistently made fair market policies an area of concern throughout its history. Similar language to that used in the Carbis Bay G7 Summit Communiqué has been written into numerous previous summit Communiqués, including at the 2017 Taormina Summit, 2018 Charlevoix Summit and the 2019 Biarritz Summit.<sup>2686</sup>

Central to these efforts have been the protection of intellectual property rights (IPR). At the 2008 L’Aquila Summit, G8 leaders agreed that “an enabling policy and business environment where IPR are respected is

<sup>2681</sup> History of the GATT, World Trade Organization (Geneva) September 2021. Access Date: 24 September 2021. [https://www.wto.org/english/tratop\\_e/gatt\\_e/gatt\\_e.htm](https://www.wto.org/english/tratop_e/gatt_e/gatt_e.htm)

<sup>2682</sup> Legal texts: the WTO Agreements, World Trade Organization (Geneva) September 2021. Access Date: 24 September 2021. [https://www.wto.org/english/docs\\_e/legal\\_e/ursum\\_e.htm#General](https://www.wto.org/english/docs_e/legal_e/ursum_e.htm#General)

<sup>2683</sup> TRIPS — Trade-Related Aspects of Intellectual Property Rights, World Trade Organization (Geneva) September 2021. Access Date: 27 September 2021. [https://www.wto.org/english/tratop\\_e/trips\\_e/trips\\_e.htm](https://www.wto.org/english/tratop_e/trips_e/trips_e.htm)

<sup>2684</sup> Intellectual property: protection and enforcement, World Trade Organization (Geneva) September 2021. Access Date: 27 September 2021. [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm7\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm7_e.htm)

<sup>2685</sup> China and the WTO, World Trade Organization (Geneva) September 2021. Access Date: 24 September 2021. [https://www.wto.org/english/thewto\\_e/countries\\_e/china\\_e.htm](https://www.wto.org/english/thewto_e/countries_e/china_e.htm)

<sup>2686</sup> G7 Taormina Leaders’ Communiqué, G7 Information Centre (Toronto) 26 August 2019. Access Date: 27 September 2021. <http://www.g7.utoronto.ca/summit/2019biarritz/declaration-of-leaders.html>

necessary to promote innovation, knowledge, entrepreneurship, and creativity,” and that “innovation can be promoted via an effective IPR system.”<sup>2687</sup> At the 2011 Deauville Summit, G8 members stated that they would “renew [their] commitment to ensuring effective action against violations of intellectual property rights in the digital arena” and “encourage continued innovation in legal online trade in goods and content that are respectful of intellectual property rights.”<sup>2688</sup> These commitments were reaffirmed in specific language at the 2018 Charlevoix Summit, where G7 leaders addressed the need to eliminate “non-market oriented policies and practices, and inadequate protection of intellectual property rights, such as forced technology transfer or cyber-enabled theft.”<sup>2689</sup>

The 2021 G7 Leaders’ Communiqué is the first to explicitly reference China regarding unfair market policies.<sup>2690</sup> This comes as the Chinese government invests heavily in emerging markets via the Belt and Road Initiative (BRI). The BRI was first proposed by the Government of China in 2013 as a regional investment program with the goal of developing economies adjacent to Chinese trade routes.<sup>2691</sup> The World Bank projects that the entire project will cost USD575 billion, with the potential to “increase trade between 2.7% and 9.7%, increase income by up to 3.4% and lift 7.6 million people from extreme poverty.”<sup>2692</sup> However, these potential upsides come with significant risk. Corruption in particular has been identified as a major risk to the initiative and the fair functioning of the global economy unless the Government of China and its Belt and Road partners “adopt deeper policy reforms that increase transparency, expand trade, improve debt sustainability and mitigate environmental, social and corruption risks.”

In response to the risks posed by the BRI, President of the United States Joe Biden announced the Build Back Better World Partnership (B3W) on 12 June 2021.<sup>2693</sup> The partnership, announced alongside the other G7 leaders, intends to create “strategic competition with China and commit to concrete actions to help meet the tremendous infrastructure need in low- and middle-income countries.” As such, B3W is a direct counter to the Chinese-led BRI. The initiative is explicit in its goals of transparent funding and anticorruption, an acknowledgement of long-standing concerns among G7 members that fairness and transparency in the global economy are under threat from an expanded Chinese influence.

### **Commitment Features**

While the G7 has always championed free market policies as a universal means to foster strong economic growth for all countries, this is the first instance where the G7 has explicitly challenged a particular country for its approach to economic policymaking. Consequently, given China’s unique position as the second-largest economy in terms of nominal gross domestic product (GDP) and the largest outside of the G7, as well as its growing influence in the global economic system, the G7 leaders have made the following commitment: “With regard to China, and competition in the global economy, we will continue to consult on collective

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<sup>2687</sup> Responsible Leadership for a Sustainable Future, G7 Information Centre (Toronto) 8 July 2009. Access Date: 23 September 2021. <http://www.g7.utoronto.ca/summit/2009laquila/2009-declaration.html>

<sup>2688</sup> G8 Declaration: Renewed Commitment for Freedom and Democracy, G7 Information Centre (Toronto) 27 May 2011. Access Date: 23 September 2021. <http://www.g7.utoronto.ca/summit/2011deauville/2011-declaration-en.html>

<sup>2689</sup> The G7 Summit Charlevoix Communiqué, G7 Information Centre (Toronto) 9 June 2018. Access Date: 23 September 2021. <http://www.g7.utoronto.ca/summit/2018charlevoix/Communiqué.html>

<sup>2690</sup> Carbis Bay G7 Summit Communiqué, G7 Information Centre (Toronto) 13 June 2021. Access Date: 26 October 2021. <http://www.g7.utoronto.ca/summit/2021cornwall/road.html>

<sup>2691</sup> Belt and Road Initiative, The World Bank (Washington D.C.) 29 March 2018. Access Date: 27 September 2021. <https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative>

<sup>2692</sup> Belt and Road Initiative, The World Bank (Washington D.C.) 29 March 2018. Access Date: 27 September 2021. <https://www.worldbank.org/en/topic/regional-integration/brief/belt-and-road-initiative>

<sup>2693</sup> Fact Sheet: President Biden and G7 Leaders Launch Build Back Better World (B3W), The White House (Washington D.C.) 12 June 2021. Access Date: 27 September 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/12/fact-sheet-president-biden-and-g7-leaders-launch-build-back-better-world-b3w-partnership/>

approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.”<sup>2694</sup>

The interpretation of “with regard to China, and competition in the global economy” can effectively be summarized as the challenge that G7 members view China posing to a global economic environment that encourages competitiveness. Within the context of the global economy, competition and competitiveness can be defined in a number of ways, however the broadest and deepest framework is that used by the World Economic Forum (WEF) in its Global Competitiveness Index (GCI). Specifically, the GCI defines competitiveness as “the set of institutions, policies, and factors that determine the level of productivity of a country,” and uses 12 guiding pillars to measure this: institutional strength, infrastructure, macroeconomic environment, health & primary education, higher education & training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication and innovation.<sup>2695</sup> Thus, this phrase can be defined as the impact of China’s economic approach toward addressing these factors in the global economic system.

“Consult on collective approaches” can be interpreted as discussed or proposed courses of action to be taken by G7 members, in partnership with each other, including civil society and the private sector to address the role and impact of China in the global economy through multilateral and united means.<sup>2696</sup>

“Challenging non-market policies and practices” can be interpreted as to “confront or defy boldly” actions and initiatives which go against the rules-based system established through agreements such as GATT and upheld by institutions such as the WTO.<sup>2697</sup> In particular, these policies which have been widely condemned by G7 members and multilateral organizations include the heavy direction and guidance of the economy by the state, state ownership of business, technology transfers, high subsidization, etc.; all of which are hallmarks of China’s economic approach.<sup>2698</sup>

“Undermine” can be defined as “to subvert or weaken insidiously or secretly.”<sup>2699</sup>

“Fair and transparent operation of the global economy” can be interpreted as the practice of conduct in the global economic arena which conforms with the established rules and is “characterized by the visibility [and] accessibility of information” to the economic practices and conduct of countries in the global arena.<sup>2700</sup> Furthermore, the G7 Trade Ministers’ Communiqué elaborated on two key pillars of transparency which it hopes to promote throughout the compliance cycle: ensuring that “necessary resources to conduct the needed technical work in [ensuring transparency]” are collected to gather “deeper and more thorough evidence [... to] improve global understanding of the problem and build pressure on all nations to play by the rules,” and

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<sup>2694</sup> Carbis Bay G7 Summit Communiqué, G7 Information Centre (Toronto) 13 June 2021. Access Date: 27 September 2021. <http://www.g7.utoronto.ca/summit/2021cornwall/210613-Communiqué.html>

<sup>2695</sup> Global Competitiveness Report 2014-2015, World Economic Forum (Cologny) 3 September 2014. Access Date: 28 September 2021. [https://reports.weforum.org/global-competitiveness-report-2014-2015/methodology/?doing\\_wp\\_cron=1632968855.4877169132232666015625](https://reports.weforum.org/global-competitiveness-report-2014-2015/methodology/?doing_wp_cron=1632968855.4877169132232666015625)

<sup>2696</sup> G7 Taormina Leaders’ Communiqué, G7 Information Centre (Toronto) 27 May 2017. Access Date: 28 September 2021. <http://www.g7.utoronto.ca/summit/2017taormina/Communiqué.html>

<sup>2697</sup> Challenge, Merriam-Webster (Springfield) n.d. Access Date: 28 September 2021. <https://www.merriam-webster.com/dictionary/challenge>

<sup>2698</sup> G7 Trade Ministers’ Communiqué, G7 Information Centre (Toronto) 28 May 2021. Access Date: 28 September 2021. <http://www.g7.utoronto.ca/trade/210528-Communiqué.html>

<sup>2699</sup> Undermine, Merriam-Webster (Springfield) n.d. Access Date: 28 September 2021. <https://www.merriam-webster.com/dictionary/undermine>

<sup>2700</sup> Transparent, Merriam-Webster (Springfield) n.d. Access Date: 28 September 2021. <https://www.merriam-webster.com/dictionary/transparent>

committing to work together with the members of the WTO to “reinforce the fundamental principle of transparency.”<sup>2701</sup>

Thus, the commitment can effectively be divided into three core areas which address the main non-market policies and practices which the G7 leaders view as threatening “the fair and transparent operation of the global economy” as it relates to China: harmful and excessive subsidization, a lack of transparency with respect to the role of the state and state-owned enterprises in the economy, and forced technology transfer.<sup>2702</sup>

### **Harmful and Excessive Subsidization**

The WTO’s Agreement on Subsidies and Countervailing Measures defines a subsidy as:

“Financial contribution by a government or any public body within the territory of a Member, i.e. where:

- a government practice involves a direct transfer of funds (e.g. grants, loans, and equity infusion), potential direct transfers of funds or liabilities (e.g. loan guarantees);
- government revenue that is otherwise due is foregone or not collected (e.g. fiscal incentives such as tax credits);
- a government provides goods or services other than general infrastructure, or purchases goods;
- a government makes payments to a funding mechanism, or entrusts or directs a private body to carry out one or more of the type of functions illustrated in [the] above which would normally be vested in the government and the practice, in no real sense, differs from practices normally followed by governments.”<sup>2703</sup>

With regards to China and subsidies, there have been three important issues that G7 members have raised in past meetings. First, emerging markets which seek to enter foreign markets in sectors like mineral resources, energy and agriculture, for example, must unfairly compete with China’s highly subsidized exports of these key industries.<sup>2704</sup> Second, the competitiveness of China’s domestic market is also highly questioned, with concerns that China has exploited its market power “by restricting exports and raising prices for foreign consumers,” whereby subsidies could “shift profits from exporters in other countries.” Third, during periods of economic downturn, China may be well-insulated from the layoffs and bankruptcies that characterize recessionary periods due to these subsidies, not only bearing its “share of the burden of the negative shock,” but pushing that cost onto other countries which do not use these subsidies. Therefore, consultation on collective approaches to address this aspect of China’s competition could include but are not limited to: discussions on new subsidy rules, encouraging subsidy de-incentivization, establishing stricter penalties for breaching subsidy rules and creating effective competition policy requirements.

### **Lack of Transparency with Respect to the Role of the State and State-Owned Enterprises in the Economy**

In line with the G7 members’ emphasis on transparency in the global economic system, the Organisation for Economic Co-operation and Development (OECD), defines transparency as: “an environment in which the objectives of policy, its legal, institutional, and economic framework, policy decisions and their rationale, data

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<sup>2701</sup> G7 Trade Ministers’ Communiqué, G7 Information Centre (Toronto) 28 May 2021. Access Date: 28 September 2021. <http://www.g7.utoronto.ca/trade/210528-Communiqué.html>

<sup>2702</sup> G7 Trade Ministers’ Communiqué, G7 Information Centre (Toronto) 28 May 2021. Access Date: 28 September 2021. <http://www.g7.utoronto.ca/trade/210528-Communiqué.html>

<sup>2703</sup> Agreement on Subsidies and Countervailing Measures, World Trade Organization (Geneva) 15 April 1994. Access Date: 29 September 2021. [https://www.wto.org/english/docs\\_e/legal\\_e/24-scm.pdf](https://www.wto.org/english/docs_e/legal_e/24-scm.pdf)

<sup>2704</sup> WTO’ing a Resolution to the China Subsidy Problem, Peterson Institute for International Economics (Washington D.C.) October 2019. Access Date: 29 September 2021. <https://www.piie.com/sites/default/files/documents/wp19-17.pdf>

and information related to monetary and financial policies, and the terms of agencies' accountability, are provided to the public in a comprehensible, accessible, and timely manner."<sup>2705</sup>

In addition to the excessive subsidization in certain industries, China's economic approach has been characterized by G7 members as "opaque" and "inconsistent with the commitments it made when it joined the WTO."<sup>2706</sup> In 2020, Transparency International ranked China 78th in the world in terms of corruption perception, which included among other criteria "ensuring open and transparent contracting" as well as publishing and guaranteeing access to relevant data on "spending and distribution of resources."<sup>2707</sup> With regards to initiatives such as the BRI, the World Bank has suggested the BRI presents wide risks to global infrastructure projects "exacerbated by the limited transparency and openness of the initiative."<sup>2708</sup> These transparency risks, indicative of the larger problems associated with the Chinese economic approach include concerns over debt sustainability, public procurement and corruption, public and private sector financing of these initiatives as well as the potential environmental and social risks imposed on local communities. This concern extends not only to the government's behaviour, but those of state-owned enterprises (SOE) as well. The OECD's Guidelines on Corporate Governance of State-Owned Enterprises was established to ensure SOEs "operate efficiently, transparently and on equal footing with private companies."<sup>2709</sup> Since SOEs like the China Investment Corporation and Industrial and Commercial Bank of China, for example, play a large role in supporting and expanding China's economic reach, G7 members have included them as areas of concern in this commitment.

Therefore, examples of consultation on collective approaches to address this aspect of China and economic competition include but are not limited to: discussions on the financial and non-financial disclosure and reporting obligations placed on SOEs, monitoring of legal compliance, encouraging competitive neutrality, publication of relevant data, or the establishment of minimum standards of quality for infrastructure projects.<sup>2710</sup>

### **Forced Technology Transfer**

The increasingly controversial practice known as "forced technology transfer" (FTT) has formed a key area of concern in the G7 members' approach towards China in recent years. While there exists no formal, commonly agreed definition for FTTs, an apt characterization is "systematic state measures involving intellectual property meant to increase foreign-domestic technology transfer that simultaneously weaken[s] appropriability of foreign innovations."<sup>2711</sup> Essentially, foreign companies are obligated to share their technologies with the Government of China or other domestic companies in exchange for access to China's market. Three key risks associated with this for foreign companies are the inherent business risks of divulging trade secrets, attaining a disadvantage in the domestic Chinese market and entrapment through leverage on the government's part. Therefore, examples

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<sup>2705</sup> Transparency, Organisation for Economic Co-operation and Development (Paris) 24 July 2002. Access Date: 30 September 2021. <https://stats.oecd.org/glossary/detail.asp?ID=4474>

<sup>2706</sup> China's Trade-Disruptive Economic Model, World Trade Organization (Geneva) 11 July 2018. Access Date: 30 September 2021. <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/GC/W745.pdf>

<sup>2707</sup> Corruption Perceptions Index 2020, Transparency International (Berlin) January 2021. Access Date: 1 October 2021. [https://images.transparencycdn.org/images/CPI2020\\_Report\\_EN\\_0802-WEB-1\\_2021-02-08-103053.pdf](https://images.transparencycdn.org/images/CPI2020_Report_EN_0802-WEB-1_2021-02-08-103053.pdf)

<sup>2708</sup> Belt and Road Economics: Opportunities and Risks of Transport Corridors, The World Bank (Washington D.C.) 18 June 2019. Access Date: 1 October 2021. <https://www.worldbank.org/en/topic/regional-integration/publication/belt-and-road-economics-opportunities-and-risks-of-transport-corridors>

<sup>2709</sup> Transparency and Disclosure Practices of State-Owned Enterprises and their Owners, Organisation for Economic Co-operation and Development (Paris) n.d. Access Date: 30 September 2021. <https://www.oecd.org/corporate/Transparency-Disclosure-Practices-SOEs.pdf>

<sup>2710</sup> Belt and Road Economics: Opportunities and Risks of Transport Corridors, The World Bank (Washington D.C.) 18 June 2019. Access Date: 1 October 2021. <https://www.worldbank.org/en/topic/regional-integration/publication/belt-and-road-economics-opportunities-and-risks-of-transport-corridors>; Transparency and Disclosure Practices of State-Owned Enterprises and their Owners, Organisation for Economic Co-operation and Development (Paris) n.d. Access Date: 30 September 2021. <https://www.oecd.org/corporate/Transparency-Disclosure-Practices-SOEs.pdf>

<sup>2711</sup> Understanding and managing "forced" technology transfer, Organisation for Economic Co-operation and Development (Paris) 12 December 2019. Access Date: 30 September 2021. [https://www.oecd.org/industry/ind/WP6-Workshop\\_Item\\_1.2.3\\_Prudhomme.pdf](https://www.oecd.org/industry/ind/WP6-Workshop_Item_1.2.3_Prudhomme.pdf)

of consultation on collective approaches to address this aspect of China and economic competition include but are not limited to: discussions on policy and law monitoring, intellectual property rights risk assessments, consulting on means to incorporate FTI's into existing or new financial regulatory frameworks, and ensuring adequate protection and support for foreign companies doing business in China.

The G7 member will be found in full compliance if it has strongly consulted on collective approaches in more than one area of harmful and excessive subsidization, lack of transparency with respect to the role of the state and forced technology transfer. The G7 member will be found in partial compliance if it has less than strongly consulted in any area of harmful and excessive subsidization, lack of transparency with respect to the role of the state or forced technology transfer.

Examples of strong consultation on these three areas include but are not limited to consulting in a multilateral or plurilateral forum or engaging bilaterally or trilaterally with other G7 members, including actively participating in meetings or establishing joint policy initiatives. Examples of less than strong consultation on these areas include but are not limited to verbal declarations or reaffirmations of commitments from previous years. It should further be noted that as the commitment stresses the need for collective approaches towards this issue, any non-consultative or *unilateral* verbal declarations or attendance at meetings without evidence of active participation will be regarded as partial compliance.

### Scoring Guidelines

-1	The G7 member has NOT consulted in ANY of the three areas of consulting on collective approaches to harmful and excessive subsidization; lack of transparency with respect to the role of the state; and state-owned enterprises in the economy and forced technology transfer
0	The G7 member has partially or strongly consulted in ANY area of consulting on collective approaches to harmful and excessive subsidization; lack of transparency with respect to the role of the state; and/or state-owned enterprises in the economy and forced technology transfer
+1	The G7 member has strongly consulted in at least TWO of the three areas of consulting on collective approaches to harmful and excessive subsidization; lack of transparency with respect to the role of the state; AND state-owned enterprises in the economy; and/or forced technology transfer

*Compliance Director: Malbaar Moharir*

*Lead Analyst: Justin O'Brien*

### Canada: 0

Canada has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

On 21 October 2021, the Canadian Border Services Agency (CBSA) made preliminary determinations of dumping and subsidizing regarding container chassis originating in or exported from China. This comes after following a written complaint from Max-Atlas Equipment International Inc. (Max Atlas), alleging that imports of container chassis from China were being dumped and subsidized.<sup>2712</sup> Max Atlas alleged that the dumping and subsidizing are threatening the Canadian industry producing similar goods. The CBSA will continue its investigations and make final decisions by 19 January 2022. As of 31 January 2022, any potential decision has not been made public by the CBSA.

On 17 November 2021, Canadian International Trade Minister Mary Ng opened formal trade talks with the Association of Southeast Asian Nations (ASEAN).<sup>2713</sup> Canada and ASEAN published a joint statement that highlighted a free trade agreement's potential to "help diversify supply chains, increase trade and investment,

<sup>2712</sup> Container chassis Statement of Reasons—preliminary determinations, Canada Border Services Agency (Ottawa) 5 November 2021. Access Date: 27 November 2021. <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/cc2021/cc2021-pd-eng.html#toc15>

<sup>2713</sup> Canada, Asian bloc to begin free trade talks in effort to diversify from China, Canadian Broadcasting Centre (Ottawa) 17 November 2021. Access Date: 28 November 2021. <https://www.cbc.ca/news/politics/asean-canada-free-trade-talks-1.6252619>



and reinforce Canada and ASEAN's shared commitment to open markets and rules-based trade." These discussions were undertaken with the goal of market diversification for Canadian businesses, and to reduce Canada's reliance on trade with China.

On 12 December 2021, Canada was a party to the first meeting between the G7 Foreign and Development Ministers and ASEAN members.<sup>2714</sup> Topics of discussion at the meeting included shared interests in open markets, sustainable and quality infrastructure, strengthening supply chains, capacity building in the burgeoning areas of technology and digitalization, and the importance of international rules-based trade and investment system.

On 10 January 2022, the government of Canada decided to pursue "a foreign investment protection agreement with Taiwan."<sup>2715</sup> Minister Ng announced that Canada's intention is to pursue a deeper bilateral trade agreement with Taiwan and diversify its trade relations in Asia. Former Ambassador to China Guy Saint-Jacques noted that "Taiwan plays by international trade rules and makes for a more reliable and predictable business partner than China."

On 12 January 2022, Global Affairs Canada proposed another plan to diversify its trade and investment partnerships in Asia and in turn, reduce Canada's reliance on China.<sup>2716</sup> The plan sets out CAD3.5 billion over the next five years, specifically toward contributing to infrastructure investments in the Indo-Pacific and establishing a larger diplomatic presence in the area as part of a collective Western-led approach to counter the Belt and Road Initiative.

On 18 February 2022, the Canadian International Trade Tribunal (CITT) found that the dumping and subsidizing of container chassis originating in or exported from China have adversely impacted the caused injury to the domestic automotive industry.<sup>2717</sup> The tribunal announced that anti-dumping and countervailing duties would be collected by the Canada Border Services Agency (CBSA).

On 24 February 2022, the CBSA launched an investigation to determine whether mattresses from China were being dumped and subsidized in Canada after complaints filed by Restwell Mattress Co., Ltd. and United Steelworkers Canada.<sup>2718</sup> The companies allege that they have suffered lost market share, lost sales, price depression and declining financial performance due to the dumping and subsidization of mattress imports from China. The CBSA will investigate whether the imports are being subsidized and/or sold at unfair prices and will make a preliminary decision by 25 May 2022.

On 10 March 2022, Minister Ng relaunched trade negotiations with India, with whom Canada has not held formal trade talks since 2017.<sup>2719</sup> Negotiations will attempt to create an economic partnership that considers not only goods, but "services, investments, data-sharing and labour mobility." This comes amid concern over

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<sup>2714</sup> Chair's Statement – ASEAN, G7 Information Centre (Toronto) 12 December 2021. Access Date: 30 January 2022.

<http://www.g7.utoronto.ca/foreign/211212-foreign-and-development-asean.html>

<sup>2715</sup> Canada seeks deeper trade links with Taiwan, as part of new China strategy, Canadian Television Network (Toronto) 10 January 2022. Access Date: 16 January 2022. <https://www.ctvnews.ca/politics/canada-seeks-deeper-trade-links-with-taiwan-as-part-of-new-china-strategy-1.5734448>

<sup>2716</sup> Ottawa eyes Indo-Pacific plan to shift trade away from China, The Globe and Mail (Toronto) 12 January 2022. Access Date: 17 January 2022. <https://www.theglobeandmail.com/politics/article-trudeau-government-advised-to-spend-big-to-diversify-trade-away-from/>

<sup>2717</sup> Tribunal Finds Injury—Certain Container Chassis from China, Government of Canada (Ottawa) 18 February 2022. Access Date: 24 April 2022. <https://www.canada.ca/en/international-trade-tribunal/news/2022/02/tribunal-finds-injury-certain-container-chassis-from-china.html>

<sup>2718</sup> The CBSA launches investigations into the alleged dumping and subsidizing of mattresses from China, Government of Canada (Ottawa) 24 February 2022. Access Date: 25 April 2022. <https://www.canada.ca/en/border-services-agency/news/2022/02/the-cbsa-launches-investigations-into-the-alleged-dumping-and-subsidizing-of-mattresses-from-china.html>

<sup>2719</sup> Canada and India agree to relaunch trade talks, as democratic nations seek to strengthen ties to counter China, Russia, The Financial Post (Toronto) 12 March 2022. Access Date: 19 March 2022. <https://financialpost.com/news/economy/canada-and-india-agree-to-relaunch-trade-talks-as-democratic-nations-look-to-strengthen-ties-to-counter-china-russia>

China's influence over the global supply chain and is a move to build resilient supply chains without Chinese influence, while committing to a rules-based international order.

On 11 March 2022, the CITT found that the dumping and subsidizing of mattresses from China caused injury to the Canadian domestic industry.<sup>2720</sup> They found that lost market share, lost sales, price undercutting and reduced profitability were caused by the dumping and subsidizing of the subject goods. Imports of the good after this date will be “subject to anti-dumping duty equal to the applicable margin of dumping on the imported goods and countervailing duty equal to the amount of subsidy on the imported goods.”

On 13 May 2022, the Canadian International Trade Tribunal continued with its inquiry into the dumping of carbon and steel exported from China, concluding that “the resumed dumping and subsidizing of these goods were likely to result in injury,” and that it would continue imposing anti-dumping duties on the products.<sup>2721</sup>

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the “provision of global public goods” and refrain from “arbitrary and coercive economic policies and practices.”<sup>2722</sup>

Canada has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. Canada has partially consulted with regional allies including fellow G7 members, Taiwan and ASEAN members to counter China's lack of transparency and role of the state and excessive and harmful subsidization. Canada has not adequately consulted on forced technology transfer.

Thus, Canada receives a score of 0.

*Analyst: Clarissa Chan*

### **France: 0**

France has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

On 12 October 2021, French Minister Delegate for Foreign Trade and Economic Attractiveness Franck Riester and French Minister for Europe and Foreign Affairs Jean-Yves Le Drian attended a meeting of G20 trade ministers in Sorrento.<sup>2723</sup> Attending trade and investment ministers underscored “the importance of fair competition,” and affirmed the need to strengthen international rules on industrial subsidies.<sup>2724</sup>

On 22 October 2021, Minister Delegate Riester and Minister Le Drian attended a meeting of G7 trade ministers in London.<sup>2725</sup> G7 Trade Ministers issued a statement saying they would increase efforts to counter

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<sup>2720</sup> Mattresses Statement of Reasons—Initiation of investigations, Canada Border Services Agency (Ottawa) 11 March 2022. Access Date: 25 April 2022. <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/mat2022/mat2022-in-eng.html#>

<sup>2721</sup> Tribunal Continues Order, With Amendment—Flat Hot-rolled Carbon and Alloy Steel Sheet and Strip from Brazil, China, Ukraine and India, Government of Canada (Ottawa) 13 May 2022. Access Date: 27 May 2022. <https://www.canada.ca/en/international-trade-tribunal/news/2022/05/tribunal-continues-order-with-amendmentflat-hot-rolled-carbon-and-alloy-steel-sheet-and-strip-from-brazil-china-ukraine-and-india.html>

<sup>2722</sup> Foreign Ministers' Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022. <http://www.g7.utoronto.ca/foreign/220514-communique.html>

<sup>2723</sup> G20 - Participation of Franck Riester in the trade ministers meeting, Ministry of Europe and Foreign Affairs (Paris) 12 October 2021. Access Date: 28 November 2021. <https://www.diplomatie.gouv.fr/en/french-foreign-policy/economic-diplomacy-foreign-trade/news/article/g20-participation-of-franck-riester-in-the-trade-ministers-meeting-sorrento-12>

<sup>2724</sup> G20 MINISTERIAL STATEMENT ON TRADE AND INVESTMENT, Department of International Trade (Paris) 12 October 2021. Access Date: 28 November 2021. <https://www.g20.org/wp-content/uploads/2021/10/G20-TIMM-statement-PDF.pdf>

<sup>2725</sup> G7 Trade Ministers' Communique, Department for International Trade (London) 22 October 2021. Access Date: 28 November 2021. <https://www.gov.uk/government/news/g7-trade-ministers-communique-october-2021>

market-distorting practices and “develop stronger international rules on practices such as market-distorting industrial subsidies and trade-distorting actions by state enterprises.” The ministers also endorsed a transparency and notification proposal to be considered at the next meeting of the General Council of the World Trade Organization.

On 29 October 2021, President of the United States Joe Biden and French President Emmanuel Macron met in Rome to commit to closer bilateral and transatlantic cooperation in the pursuit of peace, security and prosperity worldwide.<sup>2726</sup> In a joint statement, the leaders said that with emerging technologies, they will ensure norms and standards governing their use will reflect “our shared democratic values, while respecting our respective regulatory autonomy.”

On 12 December 2021, France was a party to the first meeting between the G7 Foreign and Development Ministers and members of the Association of Southeast Asian Nations.<sup>2727</sup> Topics of discussion at the meeting included shared interests in open markets, sustainable and quality infrastructure, strengthening supply chains, capacity building in the burgeoning areas of technology and digitalization, and the importance of international rules-based trade and investment system.

On 21 February 2022, Minister of Economy, Finance and Recovery Bruno Le Maire met with United States Trade Representative Katherine Tai to discuss global trade issues, including the adverse impact of non-market economic practices on US and French businesses and workers.<sup>2728</sup> The pair agreed to stay in touch regularly on these issues.

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the “provision of global public goods” and refrain from “arbitrary and coercive economic policies and practices.”<sup>2729</sup>

France has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. France has strongly consulted with fellow G7 and European Union members, having actively participated in meetings regarding harmful and excessive subsidization. However, France has not adequately consulted in the areas of the lack of transparency of the role of the state and forced technology transfer.

Thus, France receives a score of 0.

*Analyst: Benjamin Steven*

### **Germany: 0**

Germany has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

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<sup>2726</sup> United States-France Joint Statement, Élysée (Paris), 29 October 2021. Access Date: 16 January 2021.

<https://www.elysee.fr/en/emmanuel-macron/2021/10/29/united-states-france-joint-statement>

<sup>2727</sup> Chair's Statement – ASEAN, G7 Information Centre (Toronto) 12 December 2021. Access Date: 30 January 2022.

<http://www.g7.utoronto.ca/foreign/211212-foreign-and-development-asean.html>

<sup>2728</sup> Readout of Ambassador Katherine Tai's Meeting with France's Minister of Economy, Finance and Recovery Bruno Le Maire, Office of the United States Trade Representative (Washington D.C. D.C.) 21 February 2022. Access Date: 23 March 2022.

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/february/readout-ambassador-katherine-tais-meeting-frances-minister-economy-finance-and-recovery-bruno-le>

<sup>2729</sup> Foreign Ministers' Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022.

<http://www.g7.utoronto.ca/foreign/220514-communiqué.html>

On 30 June 2021, German Federal Foreign Minister Heiko Maas signed a Joint Declaration of Intent with the UK's Foreign Secretary Dominic Raab.<sup>2730</sup> The declaration included a commitment to strengthening NATO-EU cooperation on issues like cyber-security and addressing China. In addition, the declaration includes a commitment to strengthening international bodies such as “the UN, the WTO [World Trade Organization] and the Bretton Woods institution, and holding China to its international commitments.” This declaration is aimed at increasing enforcement of China's legal compliance and preventing unchecked state interference in the economy.

On 10 August 2021, Member of the Committee on Foreign Affairs Peter Beyer published an essay in a collection on “the future of Transatlantic partnership.”<sup>2731</sup> In his essay, Beyer supports the EU's labeling of China as a “systemic rival.” He noted Beijing's attempts to “force [member states] into dependence” through the Belt and Road Initiative and calls on the West to “put into practice a transatlantic strategy for China.” Moreover, the essay calls for WTO reform and highlights China's misuse of the WTO system to avoid adhering to international standards. Beyer's essay calls for increased monitoring toward Chinese infrastructure projects like the Belt and Road Initiative as well as greater enforcement against China's influence in international bodies like the WTO.

On 12 December 2021, Germany was a party to the first meeting between the G7 Foreign and Development Ministers and members of the Association of Southeast Asian Nations.<sup>2732</sup> Topics of discussion at the meeting included shared interests in open markets, sustainable and quality infrastructure, strengthening supply chains, capacity building in the burgeoning areas of technology and digitalization, and the importance of international rules-based trade and investment system.

On 26 January 2022, Minister of State Tobias Lindner spoke at the Mercator Institute for China Studies (MERICS) China Forecast 2022 detailing China's anti-competitive practices and the measures Germany intends to take to combat them.<sup>2733</sup> Minister Beyer stated that Germany intends to push for WTO reform, specifically “stricter rules on state subsidies.” In addition, Minister Beyer noted that Germany intends to work with the European Union to create new policy tools to combat anti-competitive practices.

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the “provision of global public goods” and refrain from “arbitrary and coercive economic policies and practices.”<sup>2734</sup>

Germany has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. Germany has partially consulted with international organizations including the WTO over China's excessive subsidization and lack of transparency over the role of the state in the economy. Germany has not adequately consulted on forced technology transfer.

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<sup>2730</sup> JOINT DECLARATION by the Secretary of State for Foreign, Commonwealth and Development Affairs of the United Kingdom of Great Britain and Northern Ireland and the Federal Minister for Foreign Affairs of the Federal Republic of Germany, Federal Foreign Office (Berlin) 30 June 2021. Access Date: 27 November 2021. <https://www.auswaertiges-amt.de/en/newsroom/news/gbr-joint-declaration/2468908>

<sup>2731</sup> Forging the New West Analyses and Essays on the Future of the Transatlantic Partnership, Federal Foreign Office (Berlin) 10 August 2021. Access Date: 27 November 2021. <https://www.auswaertiges-amt.de/blob/2476566/0d0f5a2e00c821c50fc5f669471a0247/2021-aa-festschrift-40-jahre-ko-tra-en-data.pdf>

<sup>2732</sup> Chair's Statement – ASEAN, G7 Information Centre (Toronto) 12 December 2021. Access Date: 30 January 2022. <http://www.g7.utoronto.ca/foreign/211212-foreign-and-development-asean.html>

<sup>2733</sup> Keynote speech by Minister of State Tobias Lindner at the MERICS China Forecast 2022, Federal Foreign Office (Berlin) 26 January 2022. Access Date: 20 March 2022. <https://www.auswaertiges-amt.de/en/newsroom/news/lindner-mercics-china/2508286>

<sup>2734</sup> Foreign Ministers' Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022. <http://www.g7.utoronto.ca/foreign/220514-communiqué.html>

Thus, Germany receives a score of 0.

*Analyst: Alan Fan*

**Italy: -1**

Italy has failed to comply with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

On 28 June 2021, Foreign Minister Luigi Di Maio stated during a news conference in Rome alongside U.S. Secretary of State Antony Blinken, that the U.S. is a much more important ally for Italy than China, and reaffirmed Italy's alliance with the US, NATO and the EU.<sup>2735</sup> Minister Di Maio's statements signaled a diplomatic turn away from China, after Italy became the first G7 country and the biggest EU member state to join China's Belt and Road Initiative in 2019. The close Sino-Italian commercial ties were a concern for the US and some EU countries as they had labelled Beijing a strategic and systemic rival.

On 18 November 2021, Prime Minister Mario Draghi vetoed a Chinese company's attempt to acquire a US-based group's screen-printing equipment business in Italy, using its anti-takeover legislation or "golden powers."<sup>2736</sup> This is the third proposed takeover by China that Prime Minister Draghi had blocked since his government took office in February 2021, citing concerns over consequences in the strategic semiconductor sector.

On 12 December 2021, Italy was a party to the first meeting between the G7 Foreign and Development Ministers and members of the Association of Southeast Asian Nations.<sup>2737</sup> Topics of discussion at the meeting included shared interests in open markets, sustainable and quality infrastructure, strengthening supply chains, capacity building in the burgeoning areas of technology and digitalization, and the importance of international rules-based trade and investment system.

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the "provision of global public goods" and refrain from "arbitrary and coercive economic policies and practices."<sup>2738</sup>

Italy has failed to comply with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. Italy has consulted with G7 members in a collaborative environment during the Foreign and Development Ministers Meeting but has not taken measurable steps beyond the G7 environment to collectively address any of the three areas of harmful and excessive subsidization, lack of transparency regarding the role of the state over the economy and forced technology transfer.

Thus, Italy receives a score of -1.<sup>2739</sup>

*Analyst: Lynn Hu*

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<sup>2735</sup> Italy's Di Maio says ties to US more important than those to China, Politico Europe (Brussels) 28 June 2021. Access Date: 16 January 2022. <https://www.politico.eu/article/italys-di-maio-says-ties-to-us-more-important-than-those-to-china>

<sup>2736</sup> Italy's Draghi vetoes third Chinese takeover this year, Reuters (London) 23 November 2021. Access Date: 16 January 2022. <https://www.reuters.com/markets/deals/italys-draghi-vetoes-third-chinese-takeover-this-year-2021-11-23>

<sup>2737</sup> Chair's Statement – ASEAN, G7 Information Centre (Toronto) 12 December 2021. Access Date: 30 January 2022. <http://www.g7.utoronto.ca/foreign/211212-foreign-and-development-asean.html>

<sup>2738</sup> Foreign Ministers' Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022. <http://www.g7.utoronto.ca/foreign/220514-communiqué.html>

<sup>2739</sup> This score of non-compliance was determined after searching the following websites: <http://www.governo.it>, <https://www.esteri.it/mae/it/>, <https://www.mef.gov.it/>, <https://www.mit.gov.it/en>, <https://www.mise.gov.it/index.php/en/>, <https://www.politicheagricole.it>, <https://www.lavoro.gov.it/Pagine/default.aspx>, <https://www.corriere.it/>, <https://www.lastampa.it/>, <https://www.repubblica.it/>

## Japan: 0

Japan has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

On 15 June 2021, Japan filed a complaint to the World Trade Organization (WTO) concerning anti-dumping measures imposed by China on certain steel products from Japan, specifically steel billets, hot-rolled coils and hot-rolled plates.<sup>2740</sup> In the request circulated to WTO members, Japan asserts that the anti-dumping measures imposed in 2019 by China's Ministry of Commerce, appear to be inconsistent with various provisions under the General Agreement on Tariffs and Trade (GATT) 1994 and the Anti-Dumping Agreement.

On 24 September 2021, the Quadrilateral countries — Australia, India, Japan and the United States — released the Principles on Technology Design, Development, Governance, and Use Statement.<sup>2741</sup> In the statement, all four countries expected technology suppliers, vendors and distributors build in safety and security-by-design approaches as part of their development process, and noted the common challenges posed by the illicit transfer and theft of technology. Furthermore, the countries said they support free and fair market competition where the best technical solutions succeed, including with the help of transparently awarded state incentives.

On 27 October 2021, Prime Minister Kishida Fumio vowed during the summit between Japan and members of the Association of Southeast Asian Nations (ASEAN) to strengthen cooperation with ASEAN in order to realize a free and open Indo-Pacific region and counter China's increasingly assertive territorial claims and military buildup.<sup>2742</sup> He also raised concerns over the human rights situation in Hong Kong, Xinjiang, as well as the importance of peace and stability in the Taiwan Strait.

On 18 November 2021, Minister for Foreign Affairs of Japan Hayashi Yoshimasa engaged in an informal dialogue with the Chinese State Councilor and Foreign Minister Wang Yi.<sup>2743</sup> During the call, which primarily focused on territorial issues, the Minister also called for the prompt removal of import restrictions placed on Japanese food products.

On 30 November 2021, the trade ministers of the United States, the European Union and Japan met virtually and agreed to renew a trilateral partnership in efforts to address global challenges posed by non-market policies and practices, an indirect reference to China's excessive industrial subsidy policy.<sup>2744</sup> In a joint statement, the Ministers identified three areas of focus: 1) Identification of problems due to non-market practices; 2) Identification of gaps in existing enforcement tools; and 3) Identification of areas where further work is needed to develop rules to address such practices.

On 12 December 2021, Japan was a party to the first meeting between the G7 Foreign and Development Ministers and ASEAN members.<sup>2745</sup> Topics of discussion at the meeting included shared interests in open markets, sustainable and quality infrastructure, strengthening supply chains, capacity building in the

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<sup>2740</sup> Japan initiates WTO dispute complaint against Chinese steel duties, World Trade Organization (Geneva) 15 June 2021. Access Date: 28 November 2021. [https://www.wto.org/english/news\\_e/news21\\_e/ds601rfc\\_15jun21\\_e.htm](https://www.wto.org/english/news_e/news21_e/ds601rfc_15jun21_e.htm)

<sup>2741</sup> Quad Principles on Technology Design, Development, Governance, and Use, the White House (Washington D.C.) 24 September 2021. Access Date: 4 January 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/quad-principles-on-technology-design-development-governance-and-use/>

<sup>2742</sup> Japan PM raises China human rights and Taiwan Strait at ASEAN, Nikkei Asia (Tokyo) 27 October 2021. Access Date: 28 November 2021. <https://asia.nikkei.com/Politics/International-relations/Japan-PM-raises-China-human-rights-and-Taiwan-Strait-at-ASEAN>

<sup>2743</sup> Japan-China Foreign Ministers' Telephone Talk, Ministry of Foreign Affairs of Japan (Tokyo) 18 November 2021. Access Date: 28 November 2021. [https://www.mofa.go.jp/press/release/press1e\\_000234.html](https://www.mofa.go.jp/press/release/press1e_000234.html)

<sup>2744</sup> Joint Statement of the Trade Ministers of the United States, Japan, and the European Union After a Trilateral Meeting, Office of the United States Trade Representative (Washington D.C.) 30 November 2021. Access Date: 16 January 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/joint-statement-trade-ministers-united-states-japan-and-european-union-after-trilateral-meeting>

<sup>2745</sup> Chair's Statement – ASEAN, G7 Information Centre (Toronto) 12 December 2021. Access Date: 30 January 2022. <http://www.g7.utoronto.ca/foreign/211212-foreign-and-development-asean.html>

burgeoning areas of technology and digitalization, and the importance of international rules-based trade and investment system.

On 7 January 2022, Minister for Foreign Affairs Yoshimasa Hayashi and Minister of Defense Nobuo Kishi met with the US' Secretary of State Anthony Blinken and the US' Secretary of Defense Lloyd Austin during the Japan-US Security Consultative Committee.<sup>2746</sup> The two countries had in-depth discussions over China's actions and how it threatens to undermine the rule-based order. Furthermore, the ministers raised political, economic, military and technological issues both at the regional and global levels including China's activities in the East China Sea and human rights issues in Xinjiang and Hong Kong.

On 20-21 March 2022, Prime Minister Kishida visited Cambodia and met with the Prime Minister of Cambodia Samdech Techo to further cooperation in economic, health care and security matters.<sup>2747</sup> Although China was not explicitly stated, together they expressed concerns about economic coercion and emphasized the importance of strengthening the international economic order to counter these new challenges.

On 23 March 2022, various Japanese Ministers attended the virtual G7 Trade Ministers' First Meeting where Japan committed to cooperate closely with other G7 countries to strengthen the rules-based free and open multilateral trading system, strengthen responses to economic coercion and market distorting practices, and toward reform of the World Trade Organization.<sup>2748</sup>

On 7 April 2022, as part of the G7 Foreign Ministers' Meeting in Belgium, Japanese Minister for Foreign Affairs Hayashi Yoshimasa had bilateral meetings with US Secretary of State Antony Blinken, and Canada's Minister of Foreign Affairs Mélanie Joly.<sup>2749,2750</sup> The ministers exchanged views on the situation in Ukraine, as well as regional issues related to China. In both meetings, Minister Hayashi concurred to continue close coordination with US and Canada in addressing various issues related to China and confirmed their cooperation in creating a "free and open" Indo-Pacific region.

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the "provision of global public goods" and refrain from "arbitrary and coercive economic policies and practices."<sup>2751</sup>

On 18 May 2022, Minister of Foreign Affairs Yoshimasa Hayashi spoke with China's Foreign Minister Wang Yi. Topics of discussion included the removal of restrictions on Japanese food imports and protecting Japanese companies' interests in China, along with general commitments to cooperate and promote dialogue in the economic recovery process.<sup>2752</sup>

On 23 May 2022, Minister of Foreign Affairs Yoshimasa Hayashi met with US Secretary of State Antony Blinken. Topics of discussion among others included strengthening the Indo-Pacific Framework with the

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<sup>2746</sup> Press Conference by Foreign Minister HAYASHI Yoshimasa, Ministry of Foreign Affairs of Japan (Tokyo) 7 January 2022. Access Date: 24 March 2022. [https://www.mofa.go.jp/press/kaiken/kaiken24e\\_000093.html](https://www.mofa.go.jp/press/kaiken/kaiken24e_000093.html)

<sup>2747</sup> Joint Statement between Japan and the Kingdom of Cambodia, Ministry of Foreign Affairs of Japan (Tokyo) 20 March 2022. <https://www.mofa.go.jp/mofaj/files/100319295.pdf>

<sup>2748</sup> Foreign Minister Hayashi's Attendance at the G7 Trade Ministers' First Meeting, Ministry of Foreign Affairs of Japan (Tokyo) 24 March 2022. Access Date: 24 March 2022. [https://www.mofa.go.jp/press/release/press1e\\_000272.html](https://www.mofa.go.jp/press/release/press1e_000272.html)

<sup>2749</sup> Japan-U.S. Foreign Ministers' Meeting, Ministry of Foreign Affairs Japan (Tokyo) 7 April 2022. Access Date: 30 April 2022. [https://www.mofa.go.jp/na/na1/us/page4e\\_001227.html](https://www.mofa.go.jp/na/na1/us/page4e_001227.html)

<sup>2750</sup> Japan-Canada Foreign Ministers' Meeting, Ministry of Foreign Affairs Japan (Tokyo) 7 April 2022. Access Date: 30 April 2022. [https://www.mofa.go.jp/na/na1/ca/page4e\\_001228.html](https://www.mofa.go.jp/na/na1/ca/page4e_001228.html)

<sup>2751</sup> Foreign Ministers' Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022. <http://www.g7.utoronto.ca/foreign/220514-communique.html>

<sup>2752</sup> Japan-China Foreign Ministers' Video Conference, Ministry of Foreign Affairs (Tokyo) 18 May 2022. Access Date: 13 June 2022. [https://www.mofa.go.jp/press/release/press1e\\_000290.html](https://www.mofa.go.jp/press/release/press1e_000290.html)

possible return of the US into the Trans-Pacific Partnership as well as various economic issues concerning China.<sup>2753</sup>

Japan has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. Japan has taken partial action in all three areas of countering harmful and excessive subsidization, the lack of transparency with regards to the role of the state over the economy, and forced technology transfer through both unilateral action and some consultation with allies.

Thus, Japan receives a score of 0.

*Analyst: Lynn Hu*

### **United Kingdom: +1**

The United Kingdom has fully complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

On 17 June 2021, the United Kingdom and the United States released a joint statement on a cooperative framework for large civil aircraft.<sup>2754</sup> This framework included an agreement for both countries to jointly analyze and address “non-market practices of third parties that may harm their respective large civil aircraft industries.” To address “non-market economies, such as China,” the framework calls for both countries to “share information regarding cybersecurity concerns,” screen inward investments into the large civil aircraft sector, screen outward investments into non-market economies for non-market forces, and identify solutions to non-market practices. This framework is clearly aimed at decreasing the effectiveness of non-market policies such as excessive government intervention.

On 19 July 2021, the UK condemned a Chinese state-backed cyberattack on Microsoft Exchange servers.<sup>2755</sup> The attack was “highly likely to enable large-scale espionage, including acquiring personally identifiable information and intellectual property.” The UK called on China to reaffirm its commitment “not to conduct or support cyber-enabled theft of intellectual property or trade secrets.”

On 20 October 2021, Ambassador to the World Trade Organization (WTO) and United Nations Simon Manley delivered a statement detailing some of the anti-competitive practices which China employs.<sup>2756</sup> These include hidden subsidies, inconsistent application of regulations toward Chinese and foreign firms, and lack of enforcement towards counterfeit goods. Moreover, Manley notes China’s 326,000 state-owned enterprises have an unfair advantage over “domestic private firms and foreign investors.” Manley calls on the Chinese government to publish “all materials related to its three-year reform plan for its state-owned enterprises.”

On 11 November 2021, Minister of State for Trade Policy Penny Mordaunt called for reform to the WTO dispute settlement system and “modernisation of the WTO rulebook.”<sup>2757</sup> In addition, Mordaunt supported

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<sup>2753</sup> Japan-U.S. Foreign Minister’s Meeting, Ministry of Foreign Affairs (Tokyo) 23 May 2022. Access Date: 13 June 2022.

[https://www.mofa.go.jp/press/release/press4e\\_003128.html](https://www.mofa.go.jp/press/release/press4e_003128.html)

<sup>2754</sup> Joint US-UK statement on a cooperative framework for Large Civil Aircraft, Office of the Prime Minister (London) 17 June 2021. Access Date: 28 November 2021. <https://www.gov.uk/government/news/joint-us-uk-statement-on-a-cooperative-framework-for-large-civil-aircraft>

<sup>2755</sup> UK and allies hold Chinese state responsible for a pervasive pattern of hacking, Office of the Prime Minister (London) 19 July 2021. Access Date: 28 November 2021. <https://www.gov.uk/government/news/uk-and-allies-hold-chinese-state-responsible-for-a-pervasive-pattern-of-hacking>

<sup>2756</sup> WTO Trade Policy Review of China: UK Statement, Office of the Prime Minister (London) 20 October 2021. Access Date: 28 November 2021. <https://www.gov.uk/government/news/uk-and-allies-hold-chinese-state-responsible-for-a-pervasive-pattern-of-hacking>

<sup>2757</sup> Minister Mordaunt Chatham House speech, Office of the Prime Minister (London) 11 November 2021. Access Date: 28 November 2021. <https://www.gov.uk/government/speeches/minister-mordaunt-chatham-house-speech>



“the adoption of the transparency and notification proposal within the General Council.” These reforms are aimed at addressing anti-competitive policies such as excessive state subsidies and other forms of government intervention.

On 12 December 2021, the UK hosted the first meeting between the G7 Foreign and Development Ministers and ASEAN members, as part of its G7 presidency.<sup>2758</sup> Topics of discussion at the meeting included shared interests in open markets, sustainable and quality infrastructure, strengthening supply chains, capacity building in the burgeoning areas of technology and digitalization, and the importance of international rules-based trade and investment system.

On 19 January 2022, Secretary of State for International Trade Anne-Marie Trevelyan, US Secretary of Commerce Gina Raimondo and US Trade Representative Katherine Tai announced the start of bilateral discussions between the United States and the United Kingdom to address “global steel and aluminum excess capacity.”<sup>2759</sup> During these talks, China was determined to be a major source of global excess capacity. The UK and the US agreed to promote higher trade standards and “hold countries that practise harmful market-distorting policies to account.”

On 22 March 2022, Secretary Trevelyan and US Trade Representative Katherine Tai hosted the first joint US/UK Dialogues on the Future of Atlantic Trade in Baltimore, Maryland.<sup>2760</sup> Representative Tai and Secretary Trevelyan committed to addressing third-party market-distorting practices.

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the “provision of global public goods” and refrain from “arbitrary and coercive economic policies and practices.”<sup>2761</sup>

The United Kingdom has fully complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. While the UK has taken some unilateral action regarding China’s non-market policies, the United Kingdom has strongly consulted with allies including all G7 members and the WTO in all three areas of harmful and excessive subsidization, lack of transparency regarding the role of the state over the economy and forced technology transfer.

Thus, the United Kingdom receives a score of +1.

*Analyst: Alan Fan*

### **United States: +1**

The United States has fully complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

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<sup>2758</sup> Chair’s Statement – ASEAN, G7 Information Centre (Toronto) 12 December 2021. Access Date: 30 January 2022.

<http://www.g7.utoronto.ca/foreign/211212-foreign-and-development-asean.html>

<sup>2759</sup> UK-US Joint Statement on Addressing Global Steel and Aluminum Excess Capacity, United Kingdom Department of International Trade (London) 19 Jan 2022. Access Date: 20 March 2022. <https://www.gov.uk/government/news/uk-us-joint-statement-on-addressing-global-steel-and-aluminium-excess-capacity>

<sup>2760</sup> Joint Statement on the U.S./UK Dialogues on the Future of Atlantic Trade, Office of the United States Trade Representative (Washington D.C.) 22 March 2022. Access Date: 23 April 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/joint-statement-usuk-dialogues-future-atlantic-trade>

<sup>2761</sup> Foreign Ministers’ Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022. <http://www.g7.utoronto.ca/foreign/220514-communiqué.html>

On 15 June 2021, the United States and the European Union announced a cooperative framework to address large civil aircraft disputes.<sup>2762</sup> In the announcement, both sides intend to “collaborate on jointly analyzing and addressing non-market practices of third parties that may harm their respective civil aircraft industries.” As part of the agreement, the United States and the European Union will explore ways to cooperate on information sharing regarding non-market practices in the large civil aircraft sector, including subsidies.

On 15 June 2021, the United States and the European Union released a statement pledging to update the World Trade Organization rulebook with “more effective disciplines on industrial subsidies, unfair behaviour of state-owned enterprises and other trade and market-distorting practices.”<sup>2763</sup>

On 24 September 2021, the Quadrilateral countries — Australia, India, Japan and the United States — released a statement affirming that technology should be designed and governed by democratic values.<sup>2764</sup> The countries expressed an expectation that technology suppliers, vendors and distributors build in safety and security-by-design approaches as part of the development process. Additionally, the countries said they support free and fair market competition where the best technical solutions succeed, including with the help of transparently awarded state incentives.

On 29 September 2021, the US-EU Trade and Technology Council met for the first time in Pittsburgh, Pennsylvania.<sup>2765</sup> The US and the EU announced an intention to share information on “non-market distortive policies and practices,” including: forced technology transfer, state-sponsored theft of intellectual property, market-distorting industrial subsidies including support to and through state-owned enterprises (SOEs) and anti-competitive and non-market actions of SOEs.

On 6 October 2021, the United States Trade Representative Katherine Tai met with France’s Minister of Economy, Finance and Recovery Bruno Le Maire during the Organization for Economic Co-operation and Development Ministerial Council Meeting.<sup>2766</sup> Ambassador Tai and Minister Le Maire discussed “ongoing non-market economic and trade challenges posed by China, which prevent American and French businesses from fairly competing in the global marketplace.” Ambassador Tai also expressed her hope to continue discussing these topics on an ongoing basis in the future.

On 6 October 2021, Ambassador Tai met with Canada’s Minister for Small Business, Export Promotion and International Trade Mary Ng during the Organization for Economic Co-operation and Development Ministerial Council Meeting.<sup>2767</sup> The pair discussed the importance of the multilateral trading system and the need for action to combat challenges posed by non-market economies.

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<sup>2762</sup> USTR Announces Joint U.S.-E.U. Cooperative Framework for Large Civil Aircraft, Office of the United States Trade Representative (Washington D.C.) 15 June 2021. Access Date: 27 November 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/june/ustr-announces-joint-us-eu-cooperative-framework-large-civil-aircraft>

<sup>2763</sup> U.S.-EU Summit Statement, the White House (Washington D.C.) 15 June 2021. Access Date: 4 January 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/15/u-s-eu-summit-statement/>

<sup>2764</sup> Quad Principles on Technology Design, Development, Governance, and Use, the White House (Washington D.C.) 24 September 2021. Access Date: 4 January 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/24/quad-principles-on-technology-design-development-governance-and-use/>

<sup>2765</sup> U.S.-EU Trade and Technology Council Inaugural Joint Statement, the White House (Pittsburgh) 27 September 2021. Access Date: 27 November 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/29/u-s-eu-trade-and-technology-council-inaugural-joint-statement/>

<sup>2766</sup> Readout of Ambassador Katherine Tai’s Meeting with France’s Minister of Economy, Finance and Recovery Bruno Le Maire, Office of the United States Trade Representative (Washington D.C.) 6 October 2021. Access Date: 27 November 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/readout-ambassador-katherine-tais-meeting-frances-minister-economy-finance-and-recovery-bruno-le>

<sup>2767</sup> Readout of Ambassador Katherine Tai’s Meeting with Canada’s Minister for Small Business, Export Promotion, and International Trade, Mary Ng, Office of the United States Trade Representative (Washington D.C.) 6 October 2021. Access Date: 16 January 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/readout-ambassador-katherine-tais-meeting-canadas-minister-small-business-export-promotion-and>

On 12 October 2021, Ambassador Tai met with Germany's Federal Minister of Economics and Energy Peter Altmaier during the G7 Trade Ministerial meeting in London, where the pair reviewed US-EU progress on shared global challenges including the "impact of China's non-market practices that result in excess capacity in steel and aluminum."<sup>2768</sup>

On 22 October 2021, Ambassador Tai met with Italy's Minister of Foreign Affairs Luigi Di Maio, where the pair highlighted the importance of strengthening the transatlantic trade relationships and cooperating on shared long-term challenges posed by non-market economies.<sup>2769</sup>

On 4 November 2021, Ambassador Tai held a virtual meeting with Japan's Minister of Economy, Trade and Industry, Haguida Koichi.<sup>2770</sup> The two discussed shared priorities and exchanged views on the importance of working together on addressing root causes of non-market excess capacity and cooperating on addressing market-distorting measures and economic coercion.

On 12 November 2021, Ambassador Tai and the United States Secretary of Commerce Gina M. Raimondo announced the start of consultations with Japan to address global steel and aluminum excess capacity.<sup>2771</sup> A release from the announcement said the two reiterated concerns on the impact on U.S. industries from non-market excess capacity driven largely by China. The release also said the United States and Japan will look to resolve bilateral concerns in these two areas.

On 30 November 2021, Ambassador Tai, Japanese Minister of Economy, Trade and Industry Haguida Koichi and Executive Vice President of the European Commission Valdis Dombrovskis met virtually and agreed to renew their trilateral partnership to address global challenges posed by non-market policies and practices of third countries that undermine their workers and businesses.<sup>2772</sup> The trio agreed to focus work in three areas: identifying problems due to non-market practices, identifying gaps in existing enforcement tools or developing new tools and identifying areas where rules need to be developed to address such practices.

On 2 December 2021, Deputy Secretary of State Wendy R. Sherman and European External Action Service Secretary General Stefano Sannio held the second high-level meeting of the U.S.-EU Dialogue on China in Washington.<sup>2773</sup> According to a joint press release, the pair emphasized the importance of protecting intellectual property rights, critical infrastructure and sensitive technology as well as information-sharing on tools to shield against risks from non-market policies.

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<sup>2768</sup> Readout of Ambassador Tai's Meeting with German Federal Minister for Economics and Energy Peter Altmaier on the Margins of the G7 Trade Ministerial, Office of the United States Trade Representative (Washington D.C.) 22 October 2021. Access Date: 16 January 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/readout-ambassador-tai-meeting-german-federal-minister-economics-and-energy-peter-altmaier-margins>

<sup>2769</sup> Readout of Ambassador Katherine Tai's Meeting with Italy Minister of Foreign Affairs Luigi Di Maio, Office of the United States Trade Representative (Washington D.C.) 12 November 2021. Access Date: 16 January 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/october/readout-ambassador-katherine-tai-meeting-italy-minister-foreign-affairs-luigi-di-maio>

<sup>2770</sup> Readout of Ambassador Katherine Tai's Virtual Meeting with Japanese Minister of Economy, Trade, And Industry Hagiuda Koichi, Office of the United States Trade Representative (Washington D.C.) 4 November 2021. Access Date: 16 January 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/readout-ambassador-katherine-tai-virtual-meeting-japanese-minister-economy-trade-and-industry>

<sup>2771</sup> U.S. Statement on Working With Japan to Address Global Steel and Aluminum Excess Capacity, Office of the United States Trade Representative (Washington D.C.) 12 November 2021. Access Date: 16 January 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/us-statement-working-japan-address-global-steel-and-aluminum-excess-capacity>

<sup>2772</sup> Joint Statement of the Trade Ministers of the United States, Japan, and the European Union After a Trilateral Meeting, Office of the United States Trade Representative (Washington D.C.) 30 November 2021. Access Date: 16 January 2021. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/joint-statement-trade-ministers-united-states-japan-and-european-union-after-trilateral-meeting>

<sup>2773</sup> U.S.-EU Joint Press Release by the EEAS and Department of State on the Second High-Level Meeting of the U.S.-EU Dialogue on China, U.S. Department of State (Washington D.C.) 2 December 2021. Access Date: 4 January 2021. <https://www.state.gov/u-s-eu-joint-press-release-by-the-eeas-and-department-of-state-on-the-second-high-level-meeting-of-the-u-s-eu-dialogue-on-china/>

On 12 December 2021, the United States was party to the first meeting between the G7 Foreign and Development Ministers and ASEAN members, as part of its G7 presidency.<sup>2774</sup> Topics of discussion at the meeting included shared interests in open markets, sustainable and quality infrastructure, strengthening supply chains, capacity building in the burgeoning areas of technology and digitalization, and the importance of international rules-based trade and investment system.

On 19 January 2022, Secretary Raimondo, Trade Representative Tai and the UK's Secretary of State for International Trade Anne-Marie Trevelyan announced the start of bilateral discussions between the United States and the United Kingdom to address "global steel and aluminum excess capacity."<sup>2775</sup> During these talks, China was determined to be a major source of global excess capacity. The UK and the US agreed to promote higher trade standards and "hold countries that practise harmful market-distorting policies to account."

On 21 February 2022, Trade Representative Tai met with France's Minister of Economy, Finance and Recovery, Bruno Le Maire.<sup>2776</sup> The pair discussed global trade issues, including the adverse impact of non-market economic practices on US and French businesses and workers.

On 23 February 2022, Trade Representative Tai and German State Secretary of the German Federal Foreign Office Susanne Baumann met to exchange views on global trade challenges presented by non-market economies and how they impact workers on both sides of the Atlantic.<sup>2777</sup> The pair agreed to continue working together on addressing these issues.

On 1 March 2022, Trade Representative Tai and German Federal Minister for Economic Affairs and Climate Action Robert Habeck met to discuss defending workers and businesses from the harmful effects of non-market practices.<sup>2778</sup> Minister Habeck and Representative Tai also discussed the initiative by the US and the EU to re-establish transatlantic trade in steel and aluminum to address non-market excess capacity.

On 22 March 2022, Trade Representative Tai and the UK's Secretary of State for International Trade Anne-Marie Trevelyan hosted the first joint US/UK Dialogues on the Future of Atlantic Trade in Baltimore, Maryland.<sup>2779</sup> Representative Tai and Secretary Trevelyan committed to addressing third-party market-distorting practices.

On 29 March 2022, Trade Representative Tai and Australia's Minister for Trade, Tourism and Investment Dan Tehan released a joint statement expressing a shared commitment to building a free, fair and prosperous

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<sup>2774</sup> Chair's Statement – ASEAN, G7 Information Centre (Toronto) 12 December 2021. Access Date: 30 January 2022.

<http://www.g7.utoronto.ca/foreign/211212-foreign-and-development-asean.html>

<sup>2775</sup> UK-US Joint Statement on Addressing Global Steel and Aluminum Excess Capacity, United Kingdom Department of International Trade (London) 19 Jan 2022. Access Date: 20 March 2022. <https://www.gov.uk/government/news/uk-us-joint-statement-on-addressing-global-steel-and-aluminium-excess-capacity>

<sup>2776</sup> Readout of Ambassador Katherine Tai's Meeting with France's Minister of Economy, Finance and Recovery Bruno Le Maire, Office of the United States Trade Representative (Washington D.C.) 21 February 2022. Access Date: 23 March 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/february/readout-ambassador-katherine-tais-meeting-frances-minister-economy-finance-and-recovery-bruno-le>

<sup>2777</sup> Readout of Ambassador Katherine Tai's Meeting with State Secretary of the German Federal Foreign Office, Susanne Baumann, Office of the United States Trade Representative (Washington D.C.) 23 February 2022. Access Date: 23 March 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/february/readout-ambassador-katherine-tais-meeting-frances-minister-economy-finance-and-recovery-bruno-le>

<sup>2778</sup> Readout of Ambassador Tai's Meeting with Germany's Federal Minister for Economic Affairs and Climate Action, Robert Habeck, Office of the United States Trade Representative (Washington D.C.) 1 March 2022. Access Date: 23 April 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/readout-ambassador-tais-meeting-germanys-federal-minister-economic-affairs-and-climate-action-robert>

<sup>2779</sup> Joint Statement on the U.S./UK Dialogues on the Future of Atlantic Trade, Office of the United States Trade Representative (Washington D.C.) 22 March 2022. Access Date: 23 April 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/joint-statement-usuk-dialogues-future-atlantic-trade>

Indo-Pacific.<sup>2780</sup> Representative Tai and Minister Tehan discussed shared concerns over non-market-oriented policies, such as industrial policies that promote excess capacity; excessive subsidization; anti-competitive activities of state-owned or controlled enterprises; forced technology transfer and insufficient regulatory and market transparency. They also reiterated their commitment to collaborate on WTO reform so it “can be an organization that empowers workers, protects the environment and promotes equitable development.”

On 12 April 2022, Ambassador Tai and the Deputy United States Trade Representative Jayme White met the German State Secretary for International and EU Affairs and G7/G20 Sherpa, Jörg Kukies.<sup>2781</sup> Trade Representative Tai and Secretary Kukies discussed the importance of US-EU relations in light of non-market economic practices around the world and agreed to stay in close touch on key issues, including global trade issues.

On 21 April 2022, Ambassador Tai met with the Netherlands’ Minister for Foreign Trade and Development Cooperation Liesje Schreinemacher to discuss trade issues including WTO reform and the challenges the US and Europe face from non-market economy practices.<sup>2782</sup>

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the “provision of global public goods” and refrain from “arbitrary and coercive economic policies and practices.”<sup>2783</sup>

On 23 May 2022, Minister of Foreign Affairs Yoshimasa Hayashi met with US Secretary of State Antony Blinken. Topics of discussion among others included strengthening the Indo-Pacific Framework with the possible return of the US into the Trans-Pacific Partnership as well as various economic issues concerning China.<sup>2784</sup>

The United States has fully complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. Through extensive collaboration with and leadership among allies in both bilateral and multilateral frameworks, the United States has strongly consulted on all three areas of harmful and excessive subsidization, lack of transparency regarding the state role over the economy and forced technology transfer.

Thus, the United States receives a score of +1.

*Analyst: Benjamin Steven*

### **European Union: 0**

The European Union has fully complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy.

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<sup>2780</sup> Joint Statement by Ambassador Katherine Tai and Australian Minister for Trade, Tourism and Investment, Dan Tehan, Office of the United States Trade Representative (Washington D.C.) 29 March 2022. Access Date: 23 April 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/march/joint-statement-ambassador-katherine-tai-and-australian-minister-trade-tourism-and-investment-dan>

<sup>2781</sup> Readout of Ambassador Katherine Tai's Meeting with Germany's State Secretary for International and EU Affairs and G7/G20 Sherpa Jörg Kukies, Office of the United States Trade Representative (Washington D.C.) 12 April 2022. Access Date: 23 April 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/april/readout-ambassador-katherine-tais-meeting-germanys-state-secretary-international-and-eu-affairs-and>

<sup>2782</sup> Readout of Ambassador Katherine Tai's Meeting with Dutch Minister for Foreign Trade and Development Cooperation Liesje Schreinemacher, Office of the United States Trade Representative (Washington D.C.) 21 April 2022. Access Date: 23 April 2022. <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2022/april/readout-ambassador-katherine-tais-meeting-dutch-minister-foreign-trade-and-development-cooperation>

<sup>2783</sup> Foreign Ministers' Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022. <http://www.g7.utoronto.ca/foreign/220514-communiqué.html>

<sup>2784</sup> Japan-U.S. Foreign Minister's Meeting, Ministry of Foreign Affairs (Tokyo) 23 May 2022. Access Date: 13 June 2022. [https://www.mofa.go.jp/press/release/press4e\\_003128.html](https://www.mofa.go.jp/press/release/press4e_003128.html)

On 16 June 2021, European Commission Executive Vice-President Valdis Dombrovskis and the United States Trade representative Katherine Tai met to discuss suspending tariffs on the aircraft industry.<sup>2785</sup> The two members made their decision to focus on “jointly analyzing and addressing non-market practices of third parties that may harm [...] large civil aircraft sectors.” The European Union’s statement with the United States represents its commitment to challenging non-market practices.

On 28 June 2021, the European Commission began an expiry review into duties imposed upon China’s molybdenum wires import dumping under Article 11(2) of the Basic Regulation.<sup>2786</sup> This investigation reflects the EU’s effort to combat China’s anti-free market practices.

On 2 July 2021, the European Commission began an expiry review into extending anti-dumping duties levied against silicon originating from China under Article 11(2) of the Basic Regulation.<sup>2787</sup> This inquiry marks the EU’s effort to protect against non-market practices including dumping.

On 16 July 2021, the European Commission began an expiry review into extending duties set against the dumping of sodium cyclamate originating from China and Indonesia.<sup>2788</sup> The EU’s review continues its commitment to protecting against China’s anti-free market practices.

On 29 July 2021, the European Commission began an expiry review into extending anti-dumping measures imposed upon aspartame originating from China under Article 11(2) of the Regulation (EU) 2016/1036 of the European Parliament and Council.<sup>2789</sup>

On 3 August 2021, the European Commission began an expiry review into extending duties levied against the dumping of cold-rolled flat steel products from China and Russia under Article 11(2) of the Regulation (EU) 2016/1036 of the European Parliament and Council.<sup>2790</sup>

On 25 August 2021, the European Union Chamber of Commerce in China released a statement outlining its stance on China’s data security and personal information protection law.<sup>2791</sup> The statement is supportive of the advancement in legal protection of data security in China, but expresses concern for the potential negative impact of restrictions on business and suggests amendments to create clear and consistent Chinese data security law.

On 15 September 2021, the European Commission acted against Chinese aluminum foil manufacturers who avoided pre-existing anti-dumping duties through shipping their goods from Thailand.<sup>2792</sup> Consequently, the European Commission is examining whether to expand its anti-dumping duties on aluminum foil to Thailand.

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<sup>2785</sup> EU and US take decisive step to end aircraft dispute, European Commission (Brussels) 15 June 2021. Access Date: 15 January 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2275>

<sup>2786</sup> Case R744- Molybdenum Wires, European Commission (Brussels) 28 June 2021. Access Date: 26 November 2021.

[https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2537&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2537&sta=1&en=20&page=1&c_order=date&c_order_dir=Down)

<sup>2787</sup> Case R743- Silicon, European Commission (Brussels) 2 July 2021. Access Date: 26 November 2021.

[https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2535&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2535&sta=1&en=20&page=1&c_order=date&c_order_dir=Down)

<sup>2788</sup> Case R741- Sodium cyclamate, European Commission (Brussels) 16 July 2021. Access Date: 12 January 2022.

[https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2533&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2533&sta=1&en=20&page=1&c_order=date&c_order_dir=Down)

<sup>2789</sup> Case R742- Aspartame, European Commission (Brussels) 29 July 2021. Access Date: 13 January 2022.

[https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2534&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2534&sta=1&en=20&page=1&c_order=date&c_order_dir=Down)

<sup>2790</sup> Case R745- Cold-rolled flat steel products, European Commission (Brussels) 3 August 2021. Access Date: 13 January 2022.

[https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2538&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2538&sta=1&en=20&page=1&c_order=date&c_order_dir=Down)

<sup>2791</sup> European Chamber Stance on China’s Data Security Law and Personal Information Protection Law, European Commission (Brussels) 25 August 2021. Access Date: 13 January 2022.

[https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2533&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2533&sta=1&en=20&page=1&c_order=date&c_order_dir=Down)

<sup>2792</sup> Commission takes action against circumvention of anti-dumping duties on Chinese aluminum foil, European Commission (Brussels) 15 September 2021. Access Date: 13 January 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2300&title=Commission-takes-action-against-circumvention-of-anti-dumping-duties-on-Chinese-aluminium-foil>

On 16 September 2021, the European Parliament adopted texts on a new EU-China Strategy.<sup>2793</sup> Within the adopted resolutions, the European Parliament outlines how Chinese initiatives like the Belt and Road Initiative, Five-Year Plan, and Made in China 2025 have deleterious “consequences for the world order, and pose serious threats to rules-based multilateralism and core democratic values.” Moreover, the resolution details the EU’s obligation to counteract Chinese influence among EU members and multilateral organizations such as the United Nations and World Trade Organization.

On 16 September 2021, the European Parliament released its vision for its strategy on China.<sup>2794</sup> The European Parliament stresses that “the ratification process of the Comprehensive Agreement on Investment (CAI) cannot begin until China lifts sanctions against MEPs and EU institutions.” Additionally, the European Parliament relays the importance of excluding non-secure Chinese companies from 5G and 6G networks, promoting a more-secure global economy.

On 24 September 2021, the European Commission began investigating the imposition of anti-dumping duties upon electrolytic chromium-coated steel imports originating from China and Brazil.<sup>2795</sup>

On 29 September 2021, the EU-US Trade and Technology Council released a joint statement outlining the resolutions made during their meeting in Pittsburgh.<sup>2796</sup> The two countries affirmed their commitment toward taking joint measures against non-market economics, specifically through reforming the WTO to address and counteract anti-free market practices, such as forced technology transfer, unfair subsidies and intellectual property theft.

On 11 October 2021, the European Commission decided to impose anti-dumping duties ranging from 14.3 per cent to 24.6 per cent on imports of flat-rolled aluminum products from China.<sup>2797</sup>

On 31 October 2021, European Commission President Ursula von der Leyen and President of the United States Joe Biden met to discuss a Global Arrangement on Sustainable Steel and Aluminum wherein both G7 members agreed to repeal their tariffs on steel and aluminum imports.<sup>2798</sup>

On 18 November 2021, the European Commission commenced an investigation under Article 10 of the Regulation (EU) 2016/1036 into subsidized imports of graphite electrode systems from China.<sup>2799</sup>

On 18 November 2021, the European Commission decided to adopt anti-dumping measures in three different anti-dumping cases.<sup>2800</sup> One of the cases involved imposing anti-dumping duties ranging from 19.7 per cent to 44 per cent against optical fiber cables imports originating from China.

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<sup>2793</sup> Texts adopted on a new EU-China Strategy, European Parliament (Strasbourg) 16 September 2021. Access Date: 12 January 2022. [https://www.europarl.europa.eu/doceo/document/A-9-2021-0252\\_EN.html#title1](https://www.europarl.europa.eu/doceo/document/A-9-2021-0252_EN.html#title1)

<sup>2794</sup> Parliament sets out its vision for a new EU strategy on China, European Parliament (Strasbourg) 16 September 2021. Access Date: 13 January 2022. [https://www.europarl.europa.eu/doceo/document/TA-9-2021-0382\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2021-0382_EN.html)

<sup>2795</sup> Case AD683- Electrolytic chromium coated steel (ECCS), European Commission (Brussels) 24 September 2021. Access Date: 26 November 2021.

[https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2549&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down#footnote-6](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2549&sta=1&en=20&page=1&c_order=date&c_order_dir=Down#footnote-6)

<sup>2796</sup> EU-US Trade and Technology Council Inaugural Joint Statement, European Commission (Brussels) 29 September 2021. Access Date: 15 January 2022. [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_21\\_4951](https://ec.europa.eu/commission/presscorner/detail/en/statement_21_4951)

<sup>2797</sup> Commission adopts definitive anti-dumping measures on imports of flat-rolled aluminum products from China and suspends their application temporarily for 9 months, European Commission (Brussels) 11 October 2021. Access Date: 13 January 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2310>

<sup>2798</sup> EU and US agree to start discussions on a Global Arrangement on Sustainable Steel and Aluminum and suspend steel and aluminum trade disputes, European Commission (Brussels) 31 October 2021. Access Date: 13 January 2022. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_5721](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_5721)

<sup>2799</sup> Case AS685- Graphite electrode systems, European Commission (Brussels) 18 November 2021. Access Date: 13 January 2022. [https://trade.ec.europa.eu/tdi/case\\_details.cfm?ref=ong&id=2562&sta=1&en=20&page=1&c\\_order=date&c\\_order\\_dir=Down](https://trade.ec.europa.eu/tdi/case_details.cfm?ref=ong&id=2562&sta=1&en=20&page=1&c_order=date&c_order_dir=Down)

On 30 November 2021, European Commission Executive Vice-President Valdis Dombrovskis, US Trade representative Katherine Tai and Japan Minister of Economy, Trade and Industry Hagiuda Koichi released a joint statement on their trilateral partnership.<sup>2801</sup> In their partnership, the nations agreed to address the following: “problems due to non-market practices,” “gaps in existing enforcement tools,” “new tools to address [non-market] practices,” and “areas where further work is needed to develop rules to address such practices.”

On 1 December 2021, the European Commission and High Representative for Foreign Affairs and Security Policy announced the EUR 300 billion Global Gateway project “to boost smart, clean and secure links in digital, energy and transport and strengthen health, education and research systems across the world.”<sup>2802</sup> The Global Gateway intends to be the EU’s alternative to China’s Belt and Road Initiative.

On 30 November 2021, US Secretary of State Antony J. Blinken and Representative for Foreign Affairs and Security Policy and European Commission Vice President Josep Borrell released a joint statement reiterating their “shared commitments to Transatlantic security and confronting common security challenges.”<sup>2803</sup>

On 8 December 2021, Vice-President Josep Borrell and executive Vice-President Valdis Dombrovskis released a joint statement on China blocking Lithuania’s imports and shipments.<sup>2804</sup> In the statement, officials reiterated that “the EU is ready to stand up against all types of political pressure and coercive measures applied against any Member State.”

On 8 December 2021, the European Commission decided to adopt anti-dumping measures ranging from 15.7 per cent to 28.5 percent on aluminum converter foil imports originating from China.<sup>2805</sup>

On 16 December 2021, the European Commission chose to impose anti-dumping duties ranging from 7.2 per cent to 19.2 percent on Chinese steel wind towers.<sup>2806</sup>

On 17 January 2022, the European Commission on Trade began an expiry review into the Chinese dumping of sodium gluconate imports under Article 11(2).<sup>2807</sup> First brought to the Commission’s attention by France, the commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 17 January 2022, the European Commission levied anti-dumping fines ranging from 21.5 to 39 per cent against grain-oriented flat-rolled products of silicon electrical steel originating from several countries

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<sup>2800</sup> Commission imposes definitive duties in three anti-dumping cases to defend EU producers and protect jobs, European Commission (Brussels) 18 November 2021. Access Date: 13 January 2022.

<https://trade.ec.europa.eu/doclib/press/index.cfm?id=2322&title=Commission-imposes-definitive-duties-in-three-anti-dumping-cases-to-defend-EU-producers-and-protect-jobs>

<sup>2801</sup> Joint statement of the ministers of US, Japan and EU on trilateral cooperation, European Commission (Brussels) 30 November 2021. Access Date: 15 January 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2330&title=Joint-statement-of-the-ministers-of-US-Japan-and-EU-on-trilateral-cooperation>

<sup>2802</sup> Global Gateway: up to €300 billion for the European Union’s strategy to boost sustainable links around the world, European Commission (Brussels) 1 December 2021. Access Date: 13 January 2022. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_6433](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6433)

<sup>2803</sup> EU-U.S. Joint Statement by the Secretary of State of the United States of America and the EU High Representative for Foreign Affairs and Security Policy/Vice President of the European Commission, European Commission (Brussels) 3 December 2021. Access Date: 15 January 2022. [https://eeas.europa.eu/headquarters/headquarters-homepage/108372/eu-us-joint-statement-secretary-state-united-states-america-and-eu-high-representative\\_en](https://eeas.europa.eu/headquarters/headquarters-homepage/108372/eu-us-joint-statement-secretary-state-united-states-america-and-eu-high-representative_en)

<sup>2804</sup> Joint Statement by High Representative/Vice-President Josep Borrell and Executive Vice-President Valdis Dombrovskis on China’s measures against Lithuania, European Commission (Brussels) 8 December 2021. Access Date: 13 January 2022. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_6433](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_6433)

<sup>2805</sup> Commission imposes anti-dumping duties on Chinese aluminum converter foil imports, European Commission (Brussels) 8 December 2021. Access Date: 15 January 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2338>

<sup>2806</sup> Commission imposes anti-dumping duties on imports of steel wind towers from China, European Commission (Brussels) 16 December 2021. Access Date: 15 January 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2346>

<sup>2807</sup> Case R754 - Sodium gluconate, European Commission (Brussels) 17 January 2022. Access Date: 22 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caselid=2570>



including China.<sup>2808</sup> This steel is used in the production of key inputs for the maintenance and expansion of the electricity grid in the EU, with the domestic industry estimated to be valued at EUR410 million per year.

On 19 January 2022, the European Commission introduced anti-subsidy duties ranging from 5.1 per cent to 10.3 per cent on imports of optical fiber cables originating from China.<sup>2809</sup> This anti-subsidy action accompanies the anti-dumping sanctions the European Commission enforced upon optical fiber cables in November. The sanctions of the European Commission continue its commitment to challenging non-market policies and practices.<sup>2810</sup>

On 19 January 2022, the European Commission on Trade commenced an expiry review into anti-dumping duties enforced against Chinese aluminum road wheels under Article 11(2).<sup>2811</sup> The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 23 January 2022, the European Commission on Trade initiated an interim review into anti-dumping duties applied to Chinese imports of monosodium glutamate under Article 11(3).<sup>2812</sup> The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 25 January 2022, the European Commission on Trade began an expiry review of anti-dumping duties imposed against tubes and pipe fittings of stainless steel (butt-welding fittings) originating from China and Taiwan under Article 11(2).<sup>2813</sup> The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 27 January 2022, the EU initiated a case against China over its predatory and unfair trade practices against Lithuania at the WTO, citing the actions of China as a violation of WTO protocol.<sup>2814</sup> This measure parallels the escalation of sanctions against anti-coercion and non-market policies that the EU has begun since China blocked all Lithuanian exports.

On 17 February 2022, the European Commission imposed anti-dumping sanctions ranging from 22.1 per cent to 86.5 per cent on Chinese imports of fasteners.<sup>2815</sup> The European Commission imposed these duties after recognizing how the dumping practices of China harm other industries and businesses.

On 18 February 2022, the EU filed a case against China at the WTO for “severely [restricting] EU companies with rights to key technologies (such as 3G, 4G and 5G) from protecting these rights when their patents are

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<sup>2808</sup> Commission extends anti-dumping duties on grain-oriented flat rolled products of silicon-electrical steel (GOES), European Commission (Brussels) 17 January 2022. Access Date: 22 April 2022. [https://policy.trade.ec.europa.eu/news/commission-extends-anti-dumping-duties-grain-oriented-flat-rolled-products-silicon-electrical-steel-2022-01-17\\_en](https://policy.trade.ec.europa.eu/news/commission-extends-anti-dumping-duties-grain-oriented-flat-rolled-products-silicon-electrical-steel-2022-01-17_en)

<sup>2809</sup> Commission imposes anti-subsidy duties on imports of optical fibre cables from China, European Commission (Brussels) 19 January 2022. Access Date: 21 March 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2353&title=Commission-imposes-anti-subsidy-duties-on-imports-of-optical-fibre-cables-from-China>

<sup>2810</sup> Commission imposes anti-subsidy duties on imports of optical fibre cables from China, European Commission (Brussels) 19 January 2022. Access Date: 21 March 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2353&title=Commission-imposes-anti-subsidy-duties-on-imports-of-optical-fibre-cables-from-China>

<sup>2811</sup> Case R759 - Aluminium Road Wheels (certain), European Commission (Brussels) 19 January 2022. Access Date: 21 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caselid=2575>

<sup>2812</sup> Case R757 - Monosodium Glutamate, European Commission (Brussels) 23 January 2022. Access Date: 21 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caselid=2573>

<sup>2813</sup> Case R758 - Tubes and pipe fittings of stainless steel (butt-welding fittings), European Commission (Brussels) 25 January 2022. Access Date: 21 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caselid=2574>

<sup>2814</sup> EU refers China to WTO following its trade restrictions on Lithuania, European Commission (Brussels) 27 January 2022. Access Date: 21 March 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2355&title=EU-refers-China-to-WTO-following-its-trade-restrictions-on-Lithuania>

<sup>2815</sup> European Commission imposes anti-dumping measures on fasteners from China, European Commission (Brussels) 17 February 2022. Access Date: 21 March 2022. <https://trade.ec.europa.eu/doclib/press/index.cfm?id=2362&title=European-Commission-imposes-anti-dumping-measures-on-fasteners-from-China>

used illegally or without appropriate compensation by, for example, Chinese mobile phone manufacturers.”<sup>2816</sup> The EU’s case attempts to better assert technology rights across borders and prevent the appropriation of patented and copyrighted material, which creates an unfair market environment.

On 22 February 2022, the European Commission on Trade started an expiry review into extending anti-dumping duties applied to polyester yarn of high tenacity originating from China under Article 11(2).<sup>2817</sup> The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 24 February 2022, the European Commission on Trade began an expiry investigation into further applying anti-dumping against certain Chinese heavy plates of non-alloy or other alloy steel imports under Article 11(2).<sup>2818</sup> The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 25 February 2022, the European Commission on Trade began an investigation into extending its anti-dumping duties on glass fiber fabrics originating from China to Morocco to stop Chinese exporters from circumventing glass fiber fabric duties via Morocco.<sup>2819</sup> The commission determined that the investigation would allow the EU to prevent the recurrence of injury to the industry in member states.

On 11 March 2022, the European Commission on Trade extended its anti-dumping duties varying from 6.4 to 30 per cent on aluminum household foil imports from China.<sup>2820</sup> While extending the duties, the European Commission ensures their proper enforcement by citing China's history of circumventing said import duties. The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 16 March 2022, the European Commission imposed anti-subsidy sanctions on Indian and Indonesian stainless-steel cold-rolled flat products.<sup>2821</sup> By imposing sanctions on Indonesia, the EU describes how it is “countering the highly trade-distorting export restrictions on key raw materials — linked also to Chinese financing.”

On 24 March 2022, the European Commission introduced anti-dumping duties on Chinese calcium silicon imports ranging from 31.1 and 50.7 per cent.<sup>2822</sup>

On 1 April 2022, the European Commission published a press statement on the EU-China Summit.<sup>2823</sup> In the statement, President Ursula von der Leyen asserted that, “China must stop its unjustified trade measures

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<sup>2816</sup> EU Challenges China at the WTO to defend its high-tech sector, European Commission (Brussels) 18 February 2022. Access Date: 21 April 2022. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_1103](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1103)

<sup>2817</sup>Case R760 - Polyester yarn (High tenacity), European Commission (Brussels) 22 February 2022. Access Date: 22 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2582>

<sup>2818</sup> Case R761 - Heavy plate of non-alloy or other alloy steel (certain), European Commission (Brussels) 24 February 2022. Access Date: 22 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caseId=2583>

<sup>2819</sup> EU acts to stop Chinese glass fiber fabrics circumventing EU tariffs via Morocco, European Commission (Brussels) 25 February 2022. Access Date: 22 April 2022. [https://policy.trade.ec.europa.eu/news/eu-acts-stop-chinese-glass-fibre-fabrics-circumventing-eu-tariffs-morocco-2022-02-25\\_en](https://policy.trade.ec.europa.eu/news/eu-acts-stop-chinese-glass-fibre-fabrics-circumventing-eu-tariffs-morocco-2022-02-25_en)

<sup>2820</sup> EU takes action on dumped imports of aluminum household foil from China, European Commission (Brussels) 11 March 2022. Access Date: 23 April 2022. [https://policy.trade.ec.europa.eu/news/eu-takes-action-dumped-imports-aluminium-household-foil-china-2022-03-11\\_en](https://policy.trade.ec.europa.eu/news/eu-takes-action-dumped-imports-aluminium-household-foil-china-2022-03-11_en)

<sup>2821</sup> EU counters steel subsidies resulting from export restrictions on raw materials and transnational subsidies from China, European Commission (Brussels) 16 March 2022. Access Date: 23 April 2022. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_1774](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1774)

<sup>2822</sup> EU takes action on dumped calcium silicon from China, European Commission (Brussels) 24 March 2022. Access Date: 23 April 2022. [https://policy.trade.ec.europa.eu/news/eu-takes-action-dumped-calcium-silicon-china-2022-03-24\\_en](https://policy.trade.ec.europa.eu/news/eu-takes-action-dumped-calcium-silicon-china-2022-03-24_en)

<sup>2823</sup> Statement by President von der Leyen at the joint press conference with President Michel following the EU-China Summit via videoconference, European Commission (Brussels) 1 April 2022. Access Date: 23 April 2022. [https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT\\_22\\_2221](https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_22_2221)

against Lithuania, which violate WTO rules and disrupt the EU's Internal Market. [... We] need a level playing field in our trade and investment relations. China needs to improve the access and conditions for our companies on the Chinese market.” In her statement, President von der Leyen takes a firm stance, emphasizing the EU’s strong commitment to promoting and enforcing pro-market policies and practices.

On 4 April 2022, the European Commission commenced an expiry investigation into extending its anti-dumping sanctions imposed on Okoume plywood originating from China under Article 5(4).<sup>2824</sup> The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 4 April 2022, the European Commission began an expiry review into continuing to impose anti-dumping duties on certain Chinese hot-rolled flat products of iron, non-alloy or other alloy steel under Article 5(4).<sup>2825</sup> The commission determined that the review would allow the EU to prevent the recurrence of injury to the industry in member states.

On 7 April 2022, the European Commission enacted anti-dumping sanctions varying from 25.5 to 74.9 per cent on graphite electrodes from China.<sup>2826</sup>

On 20 April 2022, the European Commission began an expiry review into its imposition of anti-dumping measures on certain Chinese continuous filament glass fiber products under Article 11(2).<sup>2827</sup> The EU review marks its commitment to challenging non-market practices and policies.

On 14 May 2022, the G7 Foreign Ministers released a communique following their meeting. Pillar five of the communique focused on China, and included language aimed at encouraging China to act responsibly in the international economy. Specifically, the communique called on China to cooperate in the “provision of global public goods” and refrain from “arbitrary and coercive economic policies and practices.”<sup>2828</sup>

The European Union has partially complied with its commitment to consult on collective approaches to challenging non-market policies and practices which undermine the fair and transparent operation of the global economy. Particularly through extensive consultation among EU members concerning anti-dumping measures, the EU has demonstrated its commitment toward addressing lack of transparency regarding the role of the state over the economy as well as harmful and excessive subsidization. These actions however represent largely unilateral initiatives, and the EU has not adequately consulted with global partners especially in the area of forced technology transfer.

Thus, the European Union receives a score of 0.

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<sup>2824</sup> R764 - Okoume plywood, European Commission (Brussels) 4 April 2022. Access Date: 23 April 2022.

<https://tron.trade.ec.europa.eu/investigations/case-view?caselId=2588>

<sup>2825</sup> Case R765 - Hot-rolled flat products of iron, non-alloy or other alloy steel (certain), European Commission (Brussels) 4 April 2022. Access Date: 23 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caselId=2594>

<sup>2826</sup> EU counters dumped imports of graphite electrodes from China (Brussels) 20 April 2022. Access Date: 23 April 2022. [https://policy.trade.ec.europa.eu/news/eu-counters-dumped-imports-graphite-electrodes-china-2022-04-07\\_en](https://policy.trade.ec.europa.eu/news/eu-counters-dumped-imports-graphite-electrodes-china-2022-04-07_en)

<sup>2827</sup> Case R767 - Glass fiber products (certain continuous filament), European Commission (Brussels) 20 April 2022. Access Date: 23 April 2022. <https://tron.trade.ec.europa.eu/investigations/case-view?caselId=2595>

<sup>2828</sup> Foreign Ministers’ Communique, G7 Information Centre (Toronto) 14 May 2022. Access Date: 29 May 2022.

<http://www.g7.utoronto.ca/foreign/220514-communiqué.html>