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CHINA UPDATE

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QUOTE OF THE WEEK

“While we recognize the significant and complex challenges many American companies face in China, the U.S.-China trade relationship has a strong foundation and will continue to yield substantial dividends for both countries. We continue to look for opportunities such as the JCCT (U.S.-China Joint Commission on Commerce and Trade) process to resolve key trade and investment barriers in China, to ensure our shared prosperity, and to broaden cooperation on key issues with a view toward making it easier for U.S. service providers and exporters to do business with China.” – Under Secretary for International Trade Francisco Sánchez at the JCCT mid-year review in Beijing on September 11

U.S.-CHINA RELATIONS

Kerry to Meet with Chinese Foreign Minister

On September 19th, Secretary of State Kerry will host Chinese Foreign Minister Wang Yi for a bilateral meeting and working lunch as part of regular U.S.-China consultations on a range of bilateral, regional, and global issues. The Secretary and Foreign Minister are expected to discuss current issues such as North Korea and Syria. Foreign Minister Wang is visiting the U.S. September 19-21 and will then lead a delegation to attend the 68th Session of the United Nations General Assembly September 22 to 27.

China at Montana Economic Development Summit

This week, Senate Finance Chairman Max Baucus (D-MT) is hosting the 6th Montana Economic Development Summit. During the five-city, four-day ambassadors tour, Senator Baucus took the top diplomats from Canada, China, Germany, Japan and Peru to meet with a range of ranchers, farmers, workers and businesses, showcasing thriving sectors of the state’s economy closely connected to trade and highlighting opportunities to strengthen trade ties. Four of the

five ambassadors on the tour represent nations participating in the ongoing Trans-Pacific Partnership (TPP) and U.S.-E.U. trade negotiations. Additionally, Canada, China, Germany and Japan are four of the top six markets for U.S. exports.

ENERGY & THE ENVIRONMENT

China to Limit New Coal Plants

On September 12, China announced that it will prohibit new coal-fired power plants from being built in the Beijing, Shanghai, and Guangzhou regions. The plan includes a goal to reduce the amount of power from coal to below 65 percent by 2017. In 2011, coal comprised 68.4 percent of energy use.

California Governor Signs Climate Change Agreement With China

On September 13, California governor Jerry Brown joined China's top climate official, National Development and Reform Commission (NDRC) Vice Chairman Xie Zhenhua, to sign a first-of-its-kind agreement on climate change between the NDRC and a subnational entity. The NDRC oversees China's efforts to address climate change and much of the government's economic strategy. The MOU seeks to enhance cooperation through a range of activities, including: Mitigating carbon emissions; Strengthening performance standards to control greenhouse gasses; Designing and implementing carbon emissions trading systems; Sharing information on policies and programs to strengthen low carbon development; Exchanging personnel and jointly organizing workshops and training; and Researching clean and efficient energy technologies. The MOU can be found [here](#).

TRADE

JCCT Mid-Year Review in Beijing

On September 11, Under Secretary for International Trade Francisco Sánchez joined Acting Deputy U.S. Trade Representative Wendy Cutler to co-chair the U.S.-China Joint Commission on Commerce and Trade (JCCT) mid-year review in Beijing. Sánchez and Cutler stressed the importance of fully implementing past JCCT commitments and discussed U.S. priorities for the JCCT process, such as intellectual property rights, pharmaceuticals, government procurement, investment, services, industrial policies, regulatory obstacles, and agriculture. The annual high-level meeting of the JCCT will be later this year in China, co-chaired by the Secretary of Commerce and U.S. Trade Representative and China's Vice Premier. Sanchez and Cutler also encouraged their Chinese counterparts and Chinese multi-national companies to attend the SelectUSA Investment Summit on October 31 and November 1, 2013. President Obama is hosting the Summit to share why the U.S. is the premier location for foreign investment and what his administration is doing to encourage investment.

Rep. DeLauro Questions Imports of Chinese Poultry

Also on September 11, Representative Rosa DeLauro (D-CT) wrote to Agriculture Secretary Tom Vilsack asking for assurance that American consumers will not be at risk in the wake of the USDA's decision to allow poultry products to be exported from China to the U.S. DeLauro's letter, which can be found [here](#), asked Vilsack to respond with details on "how his department will ensure the safety of poultry products being exported to the United States, particularly considering U.S. inspectors will not be present in China to ensure the plants continue to uphold the safety standards we expect."

ITA Federal Register Notice on Chinese Frozen Warmwater Shrimp

On September 12, the International Trade Administration (ITA) published a notice in the Federal Register indicating that it will revoke an antidumping duty order on frozen warmwater shrimp for one Chinese producer while continuing to apply the China-wide antidumping rate to two other companies. The Federal Register notice can be found [here](#).

U.S. and the AmCham Shanghai Sign MOI

On September 16th, Under Secretary Sánchez co-signed a Memorandum of Intent (MOI) with the American Chamber of Commerce (AmCham) Shanghai, expanding collaboration between the United States and AmCham Shanghai in order to enhance trade between the U.S. and China. The MOI, which took effect immediately upon signing, will facilitate cooperation between the U.S. and the AmCham by having designated points of contact to foster greater mutual awareness of each other's programs and activities. These activities are anticipated to include discussions about entering into a more formal partnership in the near future. Sánchez and AmCham Shanghai officials also discussed increasing exports to China by U.S. small and medium-sized enterprises (SME) through the use of AmCham Shanghai's new SME Center. The SME Center provides resources such as market analysis, information on business issues, and investor match-making services, which can help support the success of small and medium-sized U.S. businesses in China.

USITC Launches Tire Products Investigation

On September 16, the U.S. International Trade Commission (USITC) announced that it has voted to institute an investigation of certain tires and products containing same. The products at issue in this investigation are tires with certain tread designs and sidewall designs. The complaint, filed by companies in Japan and the states of California and Georgia, alleges violations of section 337 of the Tariff Act of 1930 in the importation into the U.S. and sale of certain tires and products containing same that infringe patents asserted by the complainants. The complainants request that the USITC issue a limited exclusion order and cease and desist orders. Of the 22 respondents identified for the investigation, seven are located in China. The USITC will make a final determination in the investigation at the earliest practicable time. Within 45 days after institution of the investigation, the USITC will set a target date for completing the investigation. USITC remedial orders in section 337 cases are effective when issued and become final 60 days after issuance unless disapproved for policy reasons by the U.S. Trade Representative within that 60-day period.

ITA Federal Register Notices on Chinese Electrodes and Nails

Also on September 16, the ITA published in the Federal Register a final circumvention determination finding that certain graphite electrodes, produced and/or exported by two firms in China, should be included within the scope of an antidumping duty order on small diameter graphite electrodes (SDGE) from China. The Federal Register notice can be found [here](#). The ITA also published a Federal Register the same day a preliminary determination that between August 1, 2011 and July 31, 2012 steel nails from China were sold in the U.S. at less than normal value. The ITA is conducting the fourth administrative review of the antidumping order on certain steel nails from China, and the Federal Register notice can be found [here](#).

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