



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

Hearing on China's WTO Compliance and Industrial Subsidies

**Opening Statement of
Larry M. Wortzel
Chairman**

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Washington, DC**

Good morning. Welcome to the U.S.-China Economic and Security Review Commission's hearing on *China's WTO Compliance and Industrial Subsidies*. The Administration has repeated over the last several months the importance of China taking responsible actions as a member of the international community. China's compliance with its WTO accession agreement is a major indicator of its ability and willingness to be a stakeholder in the international trading system.

This hearing continues the Commission's earlier examination of China's capacity to fulfill its WTO obligations. China has made progress in implementing the measures to which it agreed in joining the WTO. However, it has failed to protect intellectual property rights (IPR) and it continues to maintain a system of government subsidies and preferential treatment for domestic industries.

Today, the Commission will focus on examining the form and function of the Chinese government's subsidies regime and preferential treatment for its domestic industries. The cochairs for today's hearing are Commissioner Peter Brookes and Commissioner Michael Wessel.