



***Hearing on “Technology, Trade, and Military-Civil Fusion:
China’s Pursuit of Artificial Intelligence, New Materials, and New Energy”***

June 7, 2019

Opening Statement of Vice Chairman Robin Cleveland

Thank you, Commissioner Lee, and welcome to our panelists and guests.

Cutting across the policy-driven technological advances described by Commissioner Lee is China’s program of military-civil fusion, a whole-of-nation effort to foster linkages between commercial production, institutional research, and military programs.

China has long encouraged the integration of the civilian economy with its military industrial base, but under President Xi Jinping, these efforts have evolved and deepened, posing a new strategic threat to the United States. Military-civil fusion is a key component in each of China’s major industrial plans, from the 13th Five Year Plan and Made in China 2025, to the artificial intelligence plan mention by Commissioner Lee. Since 2017, President Xi has chaired a special oversight body to coordinate between government agencies and the military.

China’s military-civil fusion aims to reduce China’s dependence on foreign technology, align the civilian economy for rapid mobilization in support of the military, and establish strong capabilities in cyber and information warfare. U.S. universities and corporations are in danger of becoming unwitting partners in China’s military-civil fusion, as research and collaboration ostensibly conducted by the civilian sector can be made freely deployable by China’s military.

In considering our future economic relationship with China, U.S. policymakers must recognize and address these underlying risks. Where military application used to drive technological advances, the sectors examined in today’s hearing show that commercial off the shelf technologies are increasingly the leading edge of military development. Achieving and maintaining leadership in these technologies is a matter not only of economic but also strategic advantage.

Before we proceed, I would like to remind you that testimonies and transcript from today’s hearing will be posted on our website, www.uscc.gov. You’ll find a number of other resources there, including our Annual Reports, staff papers, and analysis of key developments in China and U.S.-China relations. And please mark your calendars for the Commission’s next hearing, “A ‘World-Class’ Military: Assessing China’s Global Military Ambitions,” which will take place on June 20th.