



The G7 Research Group presents the

2021 G7 Cornwall Summit Interim Compliance Report

14 June 2021 to 1 February 2022

Prepared by
Matthew Kieffer and Gabrielle Regimbal
and the G7 Research Group

20 March 2022

www.g7.utoronto.ca
g7@utoronto.ca
[@g7_rg](https://twitter.com/g7_rg)

“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

Contents

Introduction	3
Research Team	4
Compliance Directors	4
Lead Analysts	4
Compliance Analysts	4
Summary	6
The Interim Compliance Score	6
Compliance by Member	6
Compliance by Commitment	6
The Compliance Gap Between Members	6
Future Research and Reports	6
Table A: 2021 Priority Commitments Selected for Assessment	7
Table B: 2020 G7 Cornwall Interim Compliance Scores	9
Table C: 2020 G7 Cornwall Interim Compliance Scores by Member	10
Table D: 2020 G7 Cornwall Interim Compliance Scores by Commitment	11
1. Health: Vaccines	12
2. Health: Vaccine Equity	44
3. Health: Disease Prevention	55
4. Health: Indirect Impacts of COVID-19	78
5. Climate Change: Zero Emission Vehicles	111
6. Agriculture, Forestry and Land Use	131
7. Crime and Corruption: Environmental Crime	163
8. Environment: Halting and Reversing Biodiversity Loss	176
9. Environment: Marine Health and Litter	201
10. Energy: Renewables	226
11. Energy: Coal	249
12. Trade: Free Trade	276
13. Gender: Education Equality	298
14. Democracy: China	315
15. Regional Security: Addressing Instability	333
16. Development: Sustainable Growth in Africa	368
17. Infrastructure: Build Back Better	386
18. Human Rights: Forced Labour	407
19. Digital Economy: Open Internet	427
20. Macroeconomics: Strong, Resilient, Sustainable, Balanced and Inclusive Growth	446
21. International Cooperation: Research Transparency	509
22. International Cooperation: Research and Knowledge Sharing	530

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 1947.¹⁷³⁸ 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.¹⁷³⁹ 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).¹⁷⁴⁰ 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.”¹⁷⁴¹ China joined the WTO on 11 December 2001, and thus is subject to its agreements on fair trade and intellectual property.¹⁷⁴²

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.¹⁷⁴³

¹⁷³⁸ 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

¹⁷³⁹ 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

¹⁷⁴⁰ 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

¹⁷⁴¹ 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

¹⁷⁴² 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

¹⁷⁴³ 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>

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 necessary to promote innovation, knowledge, entrepreneurship, and creativity,” and that “innovation can be promoted via an effective IPR system.”¹⁷⁴⁴ 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.”¹⁷⁴⁵ 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.”¹⁷⁴⁶

The 2021 G7 Leaders' Communiqué is the first to explicitly reference China regarding unfair market policies.¹⁷⁴⁷ 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.¹⁷⁴⁸ 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.”¹⁷⁴⁹ 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 2021.¹⁷⁵⁰ 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:

¹⁷⁴⁴ 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>

¹⁷⁴⁵ 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>

¹⁷⁴⁶ 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>

¹⁷⁴⁷ 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>

¹⁷⁴⁸ 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>

¹⁷⁴⁹ 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>

¹⁷⁵⁰ 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/>

“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.”¹⁷⁵¹

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.¹⁷⁵² 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.¹⁷⁵³

“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.¹⁷⁵⁴ 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.¹⁷⁵⁵

“Undermine” can be defined as “to subvert or weaken insidiously or secretly.”¹⁷⁵⁶

“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.¹⁷⁵⁷ 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

¹⁷⁵¹ 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>

¹⁷⁵² Global Competitiveness Report 2014-2015, World Economic Forum (Geneva) 3 September 2014. Access Date: 28 September 2021. https://reports.weforum.org/global-competitiveness-report-2014-2015/methodology/?doing_wp_cron=1632968855.4877169132232666015625

¹⁷⁵³ 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>

¹⁷⁵⁴ Challenge, Merriam-Webster (Springfield) n.d. Access Date: 28 September 2021. <https://www.merriam-webster.com/dictionary/challenge>

¹⁷⁵⁵ 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>

¹⁷⁵⁶ Undermine, Merriam-Webster (Springfield) n.d. Access Date: 28 September 2021. <https://www.merriam-webster.com/dictionary/undermine>

¹⁷⁵⁷ 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.”¹⁷⁵⁸

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.¹⁷⁵⁹

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.”¹⁷⁶⁰

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.¹⁷⁶¹ 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

¹⁷⁵⁸ 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>

¹⁷⁵⁹ 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>

¹⁷⁶⁰ 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

¹⁷⁶¹ 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>

objectives of policy, its legal, institutional, and economic framework, policy decisions and their rationale, data 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."¹⁷⁶²

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."¹⁷⁶³ 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."¹⁷⁶⁴ 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."¹⁷⁶⁵ 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."¹⁷⁶⁶ 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.¹⁷⁶⁷

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."¹⁷⁶⁸ Essentially, foreign companies are obligated to share their

¹⁷⁶² 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>

¹⁷⁶³ 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>

¹⁷⁶⁴ 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

¹⁷⁶⁵ 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>

¹⁷⁶⁶ 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>

¹⁷⁶⁷ 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>

¹⁷⁶⁸ 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

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 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 FTTs 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: Malhaar 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.¹⁷⁶⁹ 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.

¹⁷⁶⁹ 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>

On 17 November 2021, Canadian International Trade Minister Mary Ng opened formal trade talks with the Association of Southeast Asian Nations (ASEAN).¹⁷⁷⁰ Canada and ASEAN published a joint statement that highlighted a free trade agreement's potential to "help diversify supply chains, increase trade and investment, 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.¹⁷⁷¹ 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."¹⁷⁷² 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.¹⁷⁷³ 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.

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

¹⁷⁷⁰ 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>

¹⁷⁷¹ 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>

¹⁷⁷² 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>

¹⁷⁷³ 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/>

trade ministers in Sorrento.¹⁷⁷⁴ Attending trade and investment ministers underscored “the importance of fair competition,” and affirmed the need to strengthen international rules on industrial subsidies.¹⁷⁷⁵

On 22 October 2021, Minister Delegate Riester and Minister Le Drian attended a meeting of G7 trade ministers in London.¹⁷⁷⁶ G7 Trade Ministers issued a statement saying they would increase efforts to counter 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 WTO General Council meeting.

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.¹⁷⁷⁷ 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 ASEAN members.¹⁷⁷⁸ 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.

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.

On 30 June 2021, German Federal Foreign Minister Heiko Maas signed a Joint Declaration of Intent with the UK’s Foreign Secretary Dominic Raab.¹⁷⁷⁹ The declaration included a commitment to strengthening NATO-EU cooperation on issues like cyber-security and addressing China. In addition, the declaration includes a

¹⁷⁷⁴ 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>

¹⁷⁷⁵ 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>

¹⁷⁷⁶ 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>

¹⁷⁷⁷ 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>

¹⁷⁷⁸ 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>

¹⁷⁷⁹ 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>

commitment to strengthening international bodies such as “the UN, the WTO and the Bretton Woods institution, and holding China to its international commitments.”¹⁷⁸⁰ 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.”¹⁷⁸¹ 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 ASEAN members.¹⁷⁸² 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.

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.

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.¹⁷⁸³ 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.

¹⁷⁸⁰ 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>

¹⁷⁸¹ 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>

¹⁷⁸² 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>

¹⁷⁸³ 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>

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."¹⁷⁸⁴ 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 ASEAN members.¹⁷⁸⁵ 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.

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.

Analyst: Lynn Hu

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 WTO concerning anti-dumping measures imposed by China on certain steel products from Japan, specifically steel billets, hot-rolled coils and hot-rolled plates.¹⁷⁸⁶ 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.¹⁷⁸⁷ 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 Fumio Kishida vowed during the summit between Japan and members of the Association of Southeast Asian Nations (ASEAN) to strengthen cooperation with ASEAN in order to

¹⁷⁸⁴ 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>

¹⁷⁸⁵ 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>

¹⁷⁸⁶ 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

¹⁷⁸⁷ 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/>

realize a free and open Indo-Pacific region and counter China's increasingly assertive territorial claims and military buildup.¹⁷⁸⁸ 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 Councillor and Foreign Minister Wang Yi.¹⁷⁸⁹ 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.¹⁷⁹⁰ 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.¹⁷⁹¹ 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.

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.¹⁷⁹² This framework included an agreement for both countries to jointly

¹⁷⁸⁸ 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>

¹⁷⁸⁹ 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

¹⁷⁹⁰ 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>

¹⁷⁹¹ 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>

¹⁷⁹² 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>

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.¹⁷⁹³ 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 and United Nations Simon Manley delivered a statement detailing some of the anti-competitive practices which China employs.¹⁷⁹⁴ 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.”¹⁷⁹⁵ In addition, Mordaunt supported “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.¹⁷⁹⁶ 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.

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

¹⁷⁹³ 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>

¹⁷⁹⁴ 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>

¹⁷⁹⁵ 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>

¹⁷⁹⁶ 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>

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.

On 15 June 2021, the United States and the European Union announced a cooperative framework to address large civil aircraft disputes.¹⁷⁹⁷ 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.”¹⁷⁹⁸

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.¹⁷⁹⁹ 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.¹⁸⁰⁰ 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 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.¹⁸⁰¹ 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, the United States Trade Representative Katherine Tai met with Canada’s Minister for Small Business, Export Promotion and International Trade Mary Ng during the Organization for Economic

¹⁷⁹⁷ 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>

¹⁷⁹⁸ 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/>

¹⁷⁹⁹ 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/>

¹⁸⁰⁰ 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/>

¹⁸⁰¹ 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>

Co-operation and Development Ministerial Council Meeting.¹⁸⁰² The pair discussed the importance of the multilateral trading system and the need for action to combat challenges posed by non-market economies.

On 12 October 2021, the United States Trade Representative Katherine 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."¹⁸⁰³

On 22 October 2021, the United States Trade Representative Katherine 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.¹⁸⁰⁴

On 4 November 2021, the United States Trade Representative Katherine Tai held a virtual meeting with Japan's Minister of Economy, Trade and Industry, Hagiuda Koichi.¹⁸⁰⁵ 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, the United States Trade Representative Katherine 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.¹⁸⁰⁶ 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, the United States Trade Representative Katherine Tai, Japanese Minister of Economy, Trade and Industry Hagiuda 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.¹⁸⁰⁷ The trio agreed to focus work in three areas: identifying problems due to non-market practices,

¹⁸⁰² 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-international-trade>

¹⁸⁰³ 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-tais-meeting-german-federal-minister-economics-and-energy-peter-altmaier-margins>

¹⁸⁰⁴ 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-tais-meeting-italy-minister-foreign-affairs-luigi-di-maio>

¹⁸⁰⁵ 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-tais-virtual-meeting-japanese-minister-economy-trade-and-industry>

¹⁸⁰⁶ 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>

¹⁸⁰⁷ 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>

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.¹⁸⁰⁸ 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.

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.¹⁸⁰⁹ 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.

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.

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.¹⁸¹⁰ 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.¹⁸¹¹ 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.¹⁸¹² This inquiry marks the EU’s effort to protect against non-market practices including dumping.

¹⁸⁰⁸ 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/>

¹⁸⁰⁹ 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>

¹⁸¹⁰ 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>

¹⁸¹¹ 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

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.¹⁸¹³ 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.¹⁸¹⁴

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.¹⁸¹⁵

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.¹⁸¹⁶ 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.¹⁸¹⁷ Consequently, the European Commission is examining whether to expand its anti-dumping duties on aluminum foil to Thailand.

On 16 September 2021, the European Parliament adopted texts on a new EU-China Strategy.¹⁸¹⁸ 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.¹⁸¹⁹ 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

¹⁸¹² 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

¹⁸¹³ 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

¹⁸¹⁴ 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

¹⁸¹⁵ 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

¹⁸¹⁶ 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

¹⁸¹⁷ 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>

¹⁸¹⁸ 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

¹⁸¹⁹ 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

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.¹⁸²⁰

On 29 September 2021, the EU-US Trade and Technology Council released a joint statement outlining the resolutions made during their meeting in Pittsburgh.¹⁸²¹ 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.¹⁸²²

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.¹⁸²³

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.¹⁸²⁴

On 18 November 2021, the European Commission decided to adopt anti-dumping measures in three different anti-dumping cases.¹⁸²⁵ 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.

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.¹⁸²⁶ 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.”

¹⁸²⁰ Case AD683- Electrolytic chromium coated steel (ECCS), European Commission (Brussels) 24 September 2021. Access Date: 26 November 2021.

¹⁸²¹ 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

¹⁸²² 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>

¹⁸²³ 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

¹⁸²⁴ 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

¹⁸²⁵ 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>

¹⁸²⁶ 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>

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.”¹⁸²⁷ 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.”¹⁸²⁸

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.¹⁸²⁹ 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.¹⁸³⁰

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.¹⁸³¹

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.

Analyst: Tara Parsons

¹⁸²⁷ 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

¹⁸²⁸ 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

¹⁸²⁹ 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

¹⁸³⁰ 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>

¹⁸³¹ 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>