

12th UK-China Joint Economic and Trade Commission (JETCO) Outcomes Paper

The Chinese Minister of Commerce Gao Hucheng met with the UK's Secretary of State for Business Innovation and Skills Sajid Javid on 26 February 2016. They concluded the 12th meeting of the UK-China Joint Economic and Trade Commission (JETCO). The JETCO remains an essential pillar of the UK-China bilateral relationship, alongside the Prime Minister's Summit, the Economic and Financial Dialogue, the People to People Dialogue, the UK/China IP Symposium and other Ministerial Dialogues that support the growing trade and investment relationship between our two countries.

At the State Visit in October 2015 Prime Minister Cameron and President Xi announced the elevation of the UK-China relationship to a Global Comprehensive Strategic Partnership for the 21st Century and the beginning of a new Golden Era in our bilateral relations. At the JETCO we agreed to work together in the spirit of the new Golden Era to:

- deepen mutual political trust;
- connect our respective growth initiatives;
- expand existing areas of co-operation;
- extend our trade and investment relationship into new areas as China opens more of its economy to foreign participation;
- work constructively in multilateral fora to address the challenges to global trade and investment;
- and foster more collaboration between our companies around the world.

The two sides committed to continue working actively to create a favourable environment for enhanced trade and investment in both markets. The UK underlined its support for the economic reform programme set out at the Third Party Plenum in 2013 and the importance of the rule of law in providing the certainty and predictability needed to support increased two-way trade and investment to support growth and innovation. Both sides recognise the UK as a world leader in financial and professional services and the leading offshore RMB trading hub outside of Asia, and look forward to the UK playing an increased role in the further development of China's services sector.

In 2015, the UK was ranked the 2nd most innovative country in the world by the Global Innovation Index. Both sides agree that a deepening and broadening of UK-China trade will help China to achieve its goal of becoming a moderately prosperous society with a focus on innovation by 2020 as outlined in the draft 13th Five Year Plan.

In the spirit of the Golden Era both sides have agreed to work on the following outcomes:

1. Region to Region Exports and Investment platform

Both sides welcomed the establishment of a new export and investment platform created through the Memorandum of Understanding signed between BIS and MOFCOM during President Xi Jinping's 2015 State Visit to the UK. The two sides reaffirm that its aim is to promote more region-to-region, and city-to-city trade and investment collaboration. The UK side welcomes the participation of Qingdao, Xuzhou, Nanchang and

Ningbo in the new platform and supports increased collaboration between those cities, the Northern Powerhouse, Midlands Engine and Devolved Administrations of the UK. Both sides agree that more cities and regions on both sides could join the platform in future if it proves effective.

2. Intellectual Property

The UK and China agree that effective intellectual property protection underpins bilateral trade, investment and innovation collaboration. Both sides will continue to work together to help British companies protect IP in China and Chinese companies protect IP in the UK. Both sides agree to explore opportunities for Chinese companies to further benefit from the expertise of British patent and trade mark attorneys in obtaining IP protection in Europe.

China clarifies that “offering-for-sale” at a trade fair can be considered an infringement of a registered design right, in line with relevant articles of the Chinese Patent Law. China will seek to update Article 25 of the Measures for the Intellectual Property Protection at Exhibitions (2006) in due course.

The UK and China confirm their commitment to cooperate to discuss measures to combat online infringement to achieve a more favourable online IP environment and increase consumer confidence in e-commerce.

3. Joint Investment Working Group

The first meeting of the IWG took place on 7 December in London between UKTI and Ministry of Commerce officials. Both sides agreed to co-operate on the number of regional initiatives that are coming out of both China and the UK, namely the Yangtze River economic region, the collaborative development of Beijing, Tianjin, Hebei province, the Northern Powerhouse and the Midlands Engine. In addition the group would continue to co-operate on any barriers to investment and encourage the growing flows of investment.

4. UK-China co-operation on standards

Both sides welcomed the establishment of the new UK-China standardization co-operation commission (SCC) and its focus on smart cities and civil nuclear energy.

5. UK-China Infrastructure Alliance and Collaboration in Third Markets

In line with the joint statement between the Prime Minister and President during the October 2015 State Visit, BIS and MOFCOM agree to promote closer third country collaboration on infrastructure, principally focusing on Belt and Road Initiative markets and Africa; and Chinese infrastructure investment in the UK. UKTI and China International Contractors Association have been working effectively under the JETC through the UK-China Infrastructure Forum since 2011. UKTI and MOFCOM welcome the scoping work on founding a jointly governed Infrastructure Alliance Hub in Beijing to support UK-Chinese

infrastructure collaboration in third markets with representation from government, institutions and business. UKTI and MOFCOM agree to encourage practical collaboration between the commercial arms of our Embassies and High Commissions in support of UK-China infrastructure business in markets identified by the Infrastructure Alliance Hub as presenting a win-win-win for UK, China and host counties. UKTI and MOFCOM welcome the commencement of scoping work on founding an Infrastructure Alliance Academy in the UK to support Chinese infrastructure investment in the UK.

6. UK-China partnership on Energy Trade and Investment

Both sides agreed to continue supporting trade and investment partnerships between UK and China in the field of civil nuclear energy as a priority. Welcome inward investment and trade partnerships in wider energy sectors including oil and gas and renewable energy, particularly offshore wind.

7. UK-China co-operation on High-speed Rail

Both sides agree to continue working together on high speed rail.

8. Trade and Market Access

Both sides welcome the recent progress in the latest rounds of negotiations on an ambitious China-EU investment agreement and look forward to its swift conclusion. Both sides call for the swift launch of a joint feasibility study for a China-EU Free Trade Agreement to achieve the goals set out in the 17th China-EU Summit Joint Statement, which is,

once the conditions are right, to build a deep and comprehensive FTA, as a longer term perspective.

The UK and China both agree on the importance of the multilateral trading system for supporting economic growth and welcome in particular the landmark agreements reached at MC10 in Nairobi on agriculture export competition and the information technology agreement. Both sides believe that WTO members need to keep a sense of urgency and commit to push forward the multilateral negotiations on Doha issues and engage in discussions on other relevant new issues. Both sides also agree to work together to achieve a balanced outcome on the Environmental Goods Agreement negotiations.

Both sides agreed that trade in services will play an important role in supporting the Chinese economy to move towards more consumption and services orientated growth, and will cooperate in the fields of financial services, healthcare, creative industries and education, UK strengths.

Both sides agree to work together to address the concerns about the steel sector in affected economies.

Recognising the strong importance placed on agriculture as the focus of China's recent number 1 policy statement, both sides commit to collaborate in mutual market access and trade in the agri-food sector, in particular by progressing discussions on Transmissible Spongiform Encephalopathy (TSEs).

9. G20


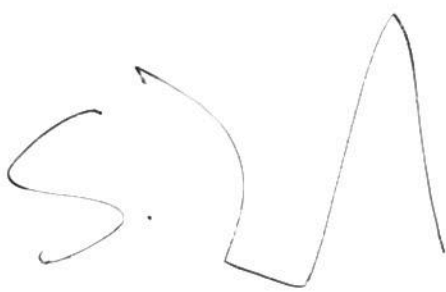
Both sides agreed to support the G20 as the premier forum for international economic cooperation. The UK welcomed China's G20 Presidency and its theme of innovative, invigorated, interconnected and inclusive growth. The UK looks forward to China successfully hosting the G20 summit in Hangzhou in September 2016 and the G20 Trade Ministers' Meeting in Shanghai in July. The two sides commit to working closely with other G20 members in order to fulfill the commitments made in previous Summits. Both sides also commit to working together under the newly established G20 Trade and Investment Working Group and realising tangible and meaningful deliverables to support global trade growth and investment. Both sides agree to further cooperation in the G20 on threats to economic growth, including Anti-Microbial Resistance and Anti-Corruption.

10. UK-China co-operation on Healthcare

Both sides welcome the agreement made during the People to People Dialogue to increase collaboration on many aspects of health policy including primary care, pharmaceutical research, public health security and hospital standards. Both sides also agreed to support the State Visit announcement to launch a Global Antimicrobial Resistance Research Innovation Fund. The two sides committed to support collaboration which identifies business opportunities for both the UK and China as well as working together to combat global health threats which can and do have adverse effects on trade and investment.

11. Made in China 2025

Both sides agreed to follow up on the work of the UK-China Aerospace Working by establishing a high level steering committee with representatives from each side to oversee developments in this stream of work. Sub-groups will be formed under this group as needed. Both sides welcome Chinese investments in to the UK by automotive companies focusing on technical cooperation. Both sides agree to support the work of UKTI, the Automotive Investment Organisation (AIO) and Chinese suppliers to identify and fill gaps in the UK supply chain. Both the UK and China agree to further collaborate on low emission vehicles development.

 <p>Mr Gao Hucheng Minister of Commerce, Ministry of Commerce</p>	 <p>Rt. Hon Sajid Javid MP Secretary of State for Business, Innovation and Skills</p>
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