

Economic Plans for Global Dominance

The Chinese Communist Party is using all facets of state power to become leaders across many critical sectors at the expense of American competitiveness and leadership.

1. A Protected Domestic Market Allows Chinese Companies to Become National and Global Champions

- A. Market Access:** China has one of the most restrictive foreign investment regimes of countries in the G-20, prohibiting or restricting investment in 40 sectors.
- B. Licensing:** Administrative licensing procedures can be onerous and discriminatory, inhibiting market access to foreign companies in nominally open sectors.
- C. Standards-setting:** Foreign companies can be prohibited or restricted from participating fully in certain standard setting activities in China and some of their Chinese standards require indigenous (i.e. Chinese) intellectual property, keeping foreign products out.
- D. Procurement:** Procurement by central and local government agencies and state-owned enterprises can require products and services to either be manufactured in China or incorporate Chinese intellectual property.

2. Subsidies and State Funds Give Chinese Companies an Unfair Global Advantage

- A. Subsidies:** China gives tens of billions of dollars in subsidies to Chinese companies in key sectors, distorting global markets and destroying market competition.
- B. State Funds:** Government funding lets Chinese companies aggressively acquire competitors, technology, and talent from around the world.

3. The Theft of Intellectual Property is Condoned and, in Some Cases, Encouraged

- A. Their patent office, anti-trust authorities, standard setting bodies, and the courts can work in concert to coerce or induce the transfer of technology and intellectual property.
- B. Industry groups and state-backed research organizations can be used to obtain proprietary licensing information from and launch meritless lawsuits against foreign companies.
- C. Cybersecurity laws and regulations allow Chinese authorities to access any information—including confidential and proprietary business information—stored within company networks in the PRC.

4. Economic and Technological Dominance Will Support China's Military and Foreign Policy

- A. China's Military-Civil Fusion initiative gives the Chinese military access to any technology in China, including those owned by private sector companies.
- B. The CCP is aggressively pushing other countries to buy Chinese technology to control the digital infrastructure of the 21st century economy.
- C. The CCP could have access to all the information and data flowing through Chinese equipment around the world—strengthening its espionage capabilities and thereby enriching the State and their companies while increasing its political leverage over other countries.



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