

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

Hearing on “Research and Development, Technological Advances in Key Industries, and Changing Trade Flows with China”

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FOR IMMEDIATE RELEASE

July 9, 2008

Web site: www.uscc.gov

Contact: Nick Barone (202) 624-1484

nbarone@uscc.gov

The U.S.-China Economic and Security Review Commission will conduct a public hearing on July 16, 2008 on “Research and Development, Technological Advances in Key Industries, and Changing Trade Flows with China.” **The hearing will be held in Room 385 of the Russell Senate Office Building**, located at Delaware and Constitution Avenues, NE, Washington DC 20510.

The July 16 hearing will examine the changing nature of China’s trade flows, the domestic and foreign-funded research and development in China, and the development in key industries in China.

Scheduled to testify on July 16 are: Representative Walter Jones (R)-NC, Representative Michael H. Michaud (D)-ME, and Senator Debbie Stabenow (D)-MI; Dr. Charles W. McMillion, President and Chief Economist at MBG Information Services; Dr. Mary Amity, Senior Economist, International Research Department of the Federal Reserve Bank of New York; Ms. Kathleen Walsh, Professor of National Security Affairs at the Naval War College; Dr. Kent Hughes, Director, Science, Technology, America, and the Global Economy at the Woodrow Wilson International Center for Scholars; Dr. Qingjiu Tao, Assistant Professor of Management at Lehigh University; Mr. Owen Herrnstadt, Director of the Department of Trade and Globalization, International Association of Machinists and Aerospace Workers at the AFL-CIO; and Dr. Ernest H. Preeg, Senior Fellow at the Manufacturers Alliance/MAPI. [A copy of the agenda is attached at the end of the press announcement.](#)

Hearing Co-Chairs: Commissioners Michael R. Wessel and Dennis C. Shea

What: Public Hearing on “Research and Development, Technological Advances in Key Industries, and Changing Trade Flows with China”

When: Wednesday, July 16, 2008, 9:00 am to 3:45 p.m.

Where: Room 385, Russell Senate Office Building, Delaware and Constitution Avenues, NE Washington DC 20510

Panelists’ bios and written statements will be available on the Commission’s Web Site at www.uscc.gov on Wednesday, July 16, 2008.

Reservations are not required to attend – seating is available on a first-come, first-served basis.

Visit the USCC website, www.uscc.gov , for transcripts of previous hearings, commissioned research reports, the Commission’s annual reports to the Congress, and other information about the Commission’s activities.

Hearing on “Research and Development, Technological Advances in Key Industries, and Changing Trade Flows with China”
Wednesday, July 16, 2008
Room 385, Russell Senate Office Building
Delaware and Constitution Avenue, NE
Washington, DC 20510

As of July 9, 2008

Hearing Co-Chairs: Commissioners Michael R. Wessel and Dennis C. Shea

- 9:00 am **Opening Statements**
- 9:15 – 9:40 am **Panel I: Congressional Perspectives**
- **Representative Walter Jones (R)-NC**
 - **Representative Michael H. Michaud (D)-ME**
 - **Note: Also see 3:15 pm panel on next page**
- 9:45 – 11:15 am **Panel II: Changing Nature of China’s Trade Flows**
- *What are the causes of the following changes in global trade flows: Japan recently became the largest exporter to China. China recently surpassed the United States as the world’s second largest exporter. China is now the largest exporter to the European Union. China’s imports of raw materials have increased while its exports of advanced technology products have also increased.*
 - *How has the appreciation of the RMB affected the U.S.-China trade relationship?*
 - *What is the relationship between the increased amount of R&D spending in China, particularly by foreign-invested firms, and the increase in Chinese Advanced Technology Production?*
 - **Dr. Charles W. McMillion, President and Chief Economist, MBG Information Services, Washington, DC**
 - **Dr. Mary Amiti, Senior Economist, International Research Function, Federal Reserve Bank of New York, New York, NY**
- 11:30 am – 1:00 pm **Panel III: R&D: Domestic and Foreign-Funded**
- *Is Chinese R&D becoming more focused on basic rather than applied research?*
 - *Is China able to capitalize on the R&D undertaken in China by foreign-invested companies?*
 - *Does China’s government dictate the nature and scope of R&D projects undertaken there?*
 - *What do China’s R&D activities reveal about its economic and national security goals?*
 - *What ties exist between the military, the universities, and the state-owned companies cooperating on R&D?*
 - **Ms. Kathleen Walsh, Professor of National Security Affairs, Naval War College, Newport, RI**
 - **Dr. Kent Hughes, Director, Science, Technology, America, and the Global Economy, Woodrow Wilson International Center for Scholars, Washington, DC**

1:00 – 1:30 pm

Lunch Break

1:30 – 3:00 pm

Panel IV: Chinese Development in Key Industries

- *What progress has China made in producing vehicles for global export?*
 - *How much of China’s advanced production of vehicles is being funded by foreign investment and spurred by foreign R&D? How much by government or state-owned car companies?*
 - *Evaluate China’s announced plans to build a large passenger jet and its progress so far in building a regional passenger jet.*
 - *Discuss the contribution of Western technology in creation of a competitive Chinese passenger jet industry.*
 - *In what industries has China concentrated its efforts to develop high technology products?*
 - *What incentives does China provide to foreign companies to locate R&D facilities in China?*
 - *Do these foreign-funded R&D facilities lead to advanced technology production in Chinese factories?*
- Dr. Qingjiu Tao, Assistant Professor of Management, Lehigh University, Bethlehem, PA
 - Mr. Owen Herrstadt, Director of the Department of Trade and Globalization, International Association of Machinists and Aerospace Workers, AFL-CIO, Washington, DC
 - Dr. Ernest H. Preeg, Senior Fellow, The Manufacturers Alliance/MAPI, Arlington, VA

3:15 – 3:45 pm

Panel I – Continued: Congressional Perspectives

- **Senator Debbie Stabenow (D)-MI**

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