Trish Regan: Tonight, I have a special guest joining me all the way from Beijing, China to discuss the challenges of trade between the US and her home country.

She's the host of a primetime English language television programme overseen by the CCP, the Chinese Communist Party. And though she and I may not agree on everything, I believe this is actually a really unique opportunity, an opportunity to hear a very different view.

As these trade negotiations stall out, it's helpful to know how the Chinese communist party is thinking about trade and about the United States. In the interests of transparency, I should explain that I don't speak for anyone but myself as the host of a Fox Business show. My guest however is part of the CCP and that's fine. As I said, I welcome different perspectives on this show.

I'm very pleased tonight to welcome Ms. Liu Xin, host of the primetime opinion programme The Point with Liu Xin, to Trish Regan Primetime, tonight. To the viewers, please bear with us, as we have a significant time delay in our satellites between B
eijing and the US and because of that we’re going to do our very best not to speak over each other but Xin, welcome, it's good to have you here.

Liu Xin: Thank you Trish, thank you for having me, it’s a great opportunity for me, unprecedented, I never dreamed that I would have this kind of opportunity to speak to you and to speak to many audiences in ordinary households in the United States.

I have to get it straight, I am not a member of the Communist Party of China (CPC), this is on the record. So please don’t assume that I’m a member, and I don’t speak for the Communist Party of China, here today I’m only speaking for myself, as Liu Xin, a journalist working for CGTN.

Trish Regan: What is your current assessment of where the trade talks actually are? Do you believe a deal is possible?

Liu Xin: I don’t have any insider information. What I know is the talks were not very successful last time, they were going on in the United States and now I think both sides are considering where to go next.

But I think the Chinese government has made its position very clear, that unless the United States treat the Chinese government, treat the Chinese negotiating team with respect and show the willingness to talk without using outside pressure, there is high possibility that there could be a productive trade deal. Otherwise we might be facing a prolonged period of problems for both sides.

Trish Regan: I would stress that trade wars are never good. They're not good for anyone. So I want to believe that something can get done (LX: Agreed). These are certainly challenging times, I realise there's a lot of rhetoric out there. But let me turn to one of the biggest issues and that's intellectual property rights. Fundamentally, I think we can all agree it's never right to take something that's not yours. And yet in going through so many of these cases, cases that the independent World Trade Organisation, the WTO, that China is a member of, as well as the DOJ and FBI cases – you can actually see some of them on the screen right now – there's evidence th
ere that China has stolen enormous amounts of intellectual property. Hundreds of billions of dollars’ worth. That's a lot of money.

But I guess we shouldn’t really care if it’s hundreds of billions of dollars or just 50 cents. How do American businesses operate in China if they're at risk for having their property, their ideas, their hard work stolen?

**Liu Xin:** You have to ask American businesses whether they wanted to come to China, whether they find coming to China and cooperating with Chinese businesses (has not been) profitable or not, and they will tell you their answers. As far as I understand many American companies have been established in China, they're very profitable and the great majority of them I believe plan to continue to invest in China and explore the Chinese market. U.S. President Donald Trump’s tariff makes it a little bit more difficult, makes the future a little uncertain.

I do not deny that there are IP infringements, there are copyright issues or there are piracy or even theft of commercial secrets. I think that is something that has to be dealt with, and I think the Chinese government, the Chinese people and me as an individual, I think there’s a consensus because without the protection of IP rights, nobody, no country, no individual can be stronger, can develop itself. I think that is a very clear consensus among Chinese society.

And of course there are cases where individuals, where companies go and steal, and I think that’s a common practice probably in every part of the world, and there are companies in the United States who sue each other all the time over infringements on IP rights. You can’t say, simply because these cases are happening, that America is stealing, or China is stealing, or the Chinese people are stealing. And basically that’s the reason why I wrote that rebuttal, because that kind of blanket statement is really not helpful, really not helpful.

**Trish Regan:** It’s not just a statement, it’s multiple reports, including evidence from the WTO. But let me ask you about Huawei because that’s certainly in the headlines now...

I think we can all agree that if you’re going to do business with someone, it has to be based on trust. You don't want anyone stealing your valuable information that you've spent decades working on. Anyway, China passed a law in 2017 requiring tech companies to work with the military and the government, so it's not just individual companies that might be getting access to this technology, it’s the government itself, which is an interesting nuance. But I get that China is upset that Huawei is not being welcomed into the US markets, I totally get it, so let me just ask you this. It's an interesting way to think about it. What if we said, 'hey sure, Huawei, come on in, but here's the deal, you must share all those incredible technological advances that you've been working on, you've got to share it with us', would that be ok?
Liu Xin: I think if it is through cooperation, if it is through mutual learning, if you pay for the use of this IP or high technology, it’s absolutely fine, why not? We all prosper because we learn from each other, I learnt English because I had American teachers, I learnt English because I had American friends, I still learn how to do journalism because I have American copy editors or editors. I think that’s fine so long as it’s not illegal, I think everybody should do that and that’s how you get better.

Trish Regan: You mentioned something pretty important, which is that you should pay for the acquisition of that (IP). I think that the liberalized economic world in which we live has valued intellectual property and it’s governed by a set of laws. So we all need to play by the rules and play by those laws if we’re going to have that kind of trust between each other. But I think you bring up some good points. Let me turn to China right now which is, wow, the second largest economy. At what point will China decide to abandon its developing nation status and stop borrowing from the World Bank?

Liu Xin: Well I think this kind of discussion is going on, and I’ve heard very live discussions about this. And indeed there are people talking about China becoming so big, why don’t you just grow up? Basically I think you said it in your program as well, “China, grow up!” I think we want to grow up, we don’t want to be dwarfed or poor, underdeveloped all the time. But it depends on how you define developing country. If you look at China’s overall size, the overall size of the Chinese economy, yes, we are very big. But don’t forget we have 1.4 billion people, that is over three times the population of the United States. So if you divide the second largest overall economy in the world, basically when it comes down to per capita GDP we are less than one sixth of that of the United States, and even less than some other more developed countries in Europe.

So you tell me where we should put ourselves. This is a very complicated issue, because per capita as I said is very small, but overall it’s very big. So we can do a lot of big things, and people are looking upon us to do much more around the world. I think we are doing that, we are contributing to the United Nations. We are the world’s biggest contributor to the UN peacekeeping missions (among the five permanent members of the UN), we are giving out donations and humanitarian aid and all of that because we know we have to grow up. And Trish, thank you for that reminder.

Trish Regan: Let’s get to the tariffs. I’ve seen some of your commentaries too. And Xin, I appreciate that you think China could lower some of its tariffs. I watched you say that and I’m totally in agreement with you. In 2016, the average tariff, effectively a tax, that was charged on an American good in China was 9.9%. That was nearly three times what the US was charging. So what do you say about this, what do
you think about saying "hey, to heck with these tariffs, let's get rid of them altogether." Would that work?

Liu Xin: I think that would be a wonderful idea. Don't you think for American consumers, products from China would be even cheaper? And for consumers in China, products from America would be so much cheaper too? I think that would be a wonderful idea, I think we should work towards that. But you talked about rule-based system, rule-based order. This is the thing, if you want to change the rules it has to be done in mutual consensus, basically when we talk about tariffs it's not just between China and the United States. I understand if you lower tariffs just between China and the United States the Europeans will come, the Japanese will come, the Venezuelans will probably come and say 'hey, we want the same tariffs'. You can't discriminate between countries. So it's a very complicated settlement to reach. I think the last time the world agreed on the kind of tariff reduction China should commit to, was exactly the result of multilateral and years of difficult negotiations. The United States saw, in its interests, and decided to what degree they could agree, or to what degree they could lower their tariff - nobody put a gun to their head - and China agreed, although with some difficulty, to lower their, our, tariff considerably, it is all the decision of countries according to their own self-interest. Now things are different, yes, I agree, 20 years later, what are we going to do? Maybe these old rules need to be changed. You know what, let's talk about it, let's do it according to the rules, the same rules, but if you don't like the rules, we'll change the rules, but it has to be a multilateral process.

Trish Regan: There are rules. You can go back to the trade agreement of 1974, section 301, there is a rule that enables the United States to use tariffs to try and influence the behavior of China, should it be taking, stealing our intellectual property. And that, I think in some ways, is part of what this all comes back to and it's a sense of trust. I hear you on the forced technology transfer and I think that some American companies perhaps have made some mistakes in terms of being willing to overlock what they might have to give up in the near term, but this an issue where the country as a whole needs to step in. And we're seeing the United States do that, perhaps in a way that hasn't happened. It's been in the background, don't get me wrong.
I think previous administrations have identified the challenge but have really been a little unwilling to take it on so we're living in these very different times. How do you define state capitalism?

Liu Xin: You mean how do I define...? Sorry I didn't hear the last bit, you mean the forced technology transfer, or so-called forced technology transfer?
Trish Regan: No, state capitalism. I talked about forced technology transfer, but state capitalism.

Liu Xin: Because you started with the forced technology transfer and somehow you skit away.

Trish Regan: Hang on one second, Xin. Your system of economics is very interesting because you have a capitalist system but it's state-run, so talk to us about that, how do you define it?

Liu Xin: We would like to define it as socialism with Chinese characteristics, where market forces are expected to play the dominating or the deciding role in the allocation of resources. Basically, we want it to be a market economy but there are some Chinese characteristics, for instance some state owned enterprises which are playing an important but increasingly smaller role, maybe, in the economy. And everybody thinks that China's economy is state-owned, everything is state-controlled, everything is state, state, state, but let me tell you, it is not the true picture. If you look at the statistics, for instance 80% of Chinese employees were employed by private enterprises, 80% of Chinese exports were done by private companies, 65% of technological innovation were achieved, carried out, by private enterprises, some of the largest companies that affect our lives, for instance some Internet companies or some 5G technology companies, they are private companies. So we are, yes, a socialist economy with Chinese characteristics, but not everything is state-controlled, state-run, it's not like that, we are actually quite mixed, very dynamic and actually very very open as well.

Trish Regan: I think you need to probably keep being open. I think that, as a free trade person myself, I think that that's the direction to pursue and ultimately that leads to greater economic prosperity for you and better economic prosperity for us, so then you get a win-win. This was interesting, I appreciate you being here. Thank you.

Liu Xin: Thank you, thank you so much. If you want to have a discussion in the future, we can do that.

Trish Regan: I'd love it.

Liu Xin: If you want to come to China, you're welcome and I'll take you around. Thank you Trish for the opportunity.

Trish Regan: Thank you.

（来源：CGTN）