

China promises to crack down on pirated software

December 20 2012, by Shaun Tandon



The United States and China pledged on Wednesday to find ways to cooperate in their often fractious trade relationship in their first high-level talks since major political events in the two powers. Vice Premier Wang Qishan, pictured on September 8, 2011, the long-time Chinese pointperson on trade, opened annual trade talks in Washington.

China promised the United States that it would crack down on pirated software as the world's two largest economies looked to ease trade frictions amid political changes.



US and <u>Chinese officials</u> on Wednesday pointed to small signs of progress during annual trade talks, the nations' first high-level meeting since President <u>Barack Obama</u>'s re-election and <u>China</u>'s once-in-adecade leadership transition.

Chinese officials said that the central and provincial governments along with major financial institutions would speed up work next year on ensuring they use only legal software, addressing a concern for a US industry which says that piracy costs it billions of dollars a year.

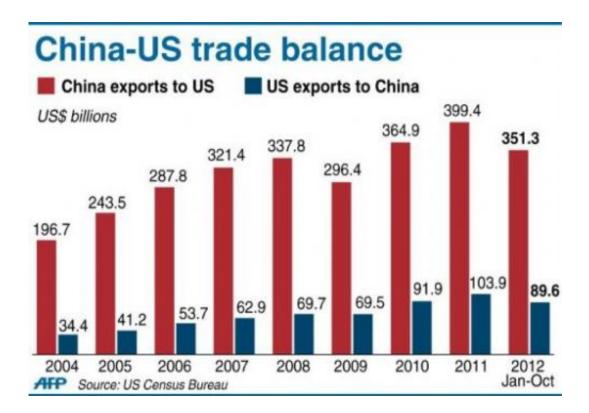
"We have confidence that the work will be completed at a faster pace," said Yan Xiaohong, the vice chairman of China's National Copyright Administration, told reporters after the two-day talks in Washington.

Commerce Minister Chen Deming said that the two powers took up 24 different issues during the talks and that Beijing's main priority was ensuring that it enjoys "fair and equal treatment" in trade and investment.

Chen said that the latest talks had yielded "some progress" on the issue but added: "Up to now we have not seen any substantial measures taken by the US side to implement or to honor its promises."

A congressional study in October called for the United States to ban contracts from telecom giants Huawei and ZTE, saying they posed a security threat. Similar concerns scuttled a 2005 bid by state-owned China National Offshore Oil Corp to take over former US oil giant Unocal.





Graphic charting US-China trade balance. China on Wednesday promised the US it would crack down on pirated software in their annual trade talks.

But US Trade Representative Ron Kirk said after the meeting of the forum, known as the US-China Joint Commission on Commerce and Trade, that the United States welcomed rising Chinese investment.

"Chinese investors are investing in technology, in wind power, in energy and they do so freely in most cases without any government review or any government knowledge," Kirk told reporters.

"Conversely, we are urging China to have this open investment environment as we do in the United States," he said.

Acting US commerce secretary Rebecca Blank said that China would also benefit from an ongoing push by the United States to ease its tight



restrictions on exports.

Most of the trade review focuses on military technology. The United States and European Union imposed an embargo on arms sales to China in the wake of its crushing of pro-democracy protests in Beijing's Tiananmen Square in 1989.



A customer selects various pirated DVDs at a shop in Beijing, on January 2, 2010. China has promised the United States that it would crack down on pirated software as the world's two largest economies are looking to ease trade frictions amid political changes.

"But there are other items that will be decontrolled and, to the extent that China is looking at exports for civilian uses and civilian-end users, China will have access and will benefit," she said.



Blank said that the talks also yielded progress on US concerns about regulations related to US auto sales in China and the certification of foreign products.

Trade with China has often been politically explosive in the <u>United</u> <u>States</u>, with a number of candidates in November 6 elections including Obama's failed challenger Mitt Romney vowing a tougher line on Beijing if elected.

US lawmakers have been particularly critical of China over the value of its currency, which they charge is kept artificially low to boost exports, although it has been rising.

The talks were the first since China's leadership cemented the elevation of Vice President Xi Jinping to be the country's leader next year. US officials have closely watched moves out of Beijing for signs of Xi's inclinations.

The Chinese delegation was headed by Vice Premier Wang Qishan, a veteran trade negotiator who was named last month to the Communist Party's seven-man leadership council, taking the top spot on fighting corruption.

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