

**RESET, PREVENT, BUILD:**  
**A STRATEGY TO WIN AMERICA'S**  
**ECONOMIC COMPETITION WITH**  
**THE CHINESE COMMUNIST PARTY**

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## EXECUTIVE SUMMARY

For a generation, the United States bet that robust economic engagement would lead the Chinese Communist Party (CCP) to open its economy and financial markets and in turn to liberalize its political system and abide by the rule of law. Those reforms did not occur.

Since its accession to the World Trade Organization in 2001, the CCP has pursued a multidecade campaign of economic aggression against the United States and its allies in the name of strategically decoupling the People's Republic of China (PRC) from the global economy, making the PRC less dependent on the United States in critical sectors, while making the United States more dependent on the PRC. In response, the United States must now chart a new path that puts its national security, economic security, and values at the core of the U.S.-PRC relationship.

The House Select Committee on the Strategic Competition between the United States and the Chinese Communist Party (Select Committee) has studied the PRC's pattern of aggression and economic manipulation and recommends the following strategy for economic and technological competition with the PRC. The strategy has three pillars, and the Select Committee identified the following key findings:

### **Pillar I: Reset the terms of our economic relationship with the PRC.**

1. The PRC's economic system is incompatible with the WTO and undermines U.S. economic security.
2. Despite the heightened risks associated with U.S. investment in Chinese companies, the full extent and distribution of that risk and the implications for U.S. national security and financial stability remain unknown.
3. The United States lacks a contingency plan for the economic and financial impacts of conflict with the PRC.
4. The PRC uses an intricate web of industrial policies, including subsidies, forced technology transfer, and market access restrictions, to distort markets behavior, achieve dominance in global markets, and increase U.S. dependency on PRC imports.

### **Pillar II: Stem the Flow of U.S. Capital and Technology Fueling the PRC's Military Modernization and Human Rights Abuses**

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