

# US-China ties 'to shape century'



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'The relationship between the US and China will shape the 21st Century'

**The relationship between the US and China will shape the 21st Century, President Barack Obama has said, as top officials met in Washington for talks.** "Co-operation, not confrontation" was the way forward, he said, with climate change, security and the economy all areas where common ground existed. His comments opened two days of talks at a new forum between the two nations. The US-China Strategic and Economic Dialogue is expected to focus on working towards economic recovery.

Treasury Secretary Timothy Geithner and Secretary of State Hillary Clinton are co-hosting the talks.

China has sent Vice Premier Wang Qishan and State Councillor Dai Bingguo to the forum.

## 'Strong coordination'

The talks will cover a range of issues, including halting the spread of nuclear weapons in North Korea and Iran, and creating clean and secure energy sources.

But the main focus will be the economy.

## KEY ISSUES

Values of dollar and yuan

The US will press China to rely less on exports and more on domestic consumption

China will push for the US to make a priority of curbing inflation

Both sides will seek reassurances over accusations of trade protectionism

North Korea and Iran's nuclear programmes

Climate change and clean energy

"The current crisis has made it clear that the choices made within our borders reverberate across the global economy - and this is true not just of New York and Seattle, but Shanghai and Shenzhen as well," Mr Obama said.

"That is why we must remain committed to strong bilateral and multilateral coordination."

Mr Wang said the opening up of China's economy could help the US recovery.

"With the furthering of China's reform and opening up, China and the United States will have even closer economic cooperation and trade relations and (the) China-US relationship will surely keep moving forward," he said.

But there are areas of contention. The US is expected to push China to rely less on exports and to focus on encouraging its domestic market.

US manufacturers also complain they cannot compete fairly with their Chinese competitors, accusing Beijing of deliberately devaluing its currency to make its exports seem cheaper.

China, meanwhile, is worried about the value of the US dollar. It holds huge amounts of US debt - more than \$800bn (£486bn) of US Treasury securities alone.

It fears Mr Obama's stimulus spending will stoke inflation in the United States, eroding the value of the dollar and making the US debt China holds worth a lot less.

Mr Obama said that although the US and China would not agree on everything, he believed the two could make progress on pressing global challenges like trade, emissions and proliferation.

"My confidence is rooted in the fact that the United States and China share mutual interests," he said.

"If we advance those interests through cooperation, our people will benefit and the world will be better off."

The BBC's Adam Brookes, in Washington, says Mr Obama's speech laid out why it is that America needs China.

The degree to which the US president can enlist Beijing's help on global questions will do a great deal to shape the successes and failures of his administration, our correspondent says.