

U.S. DEPARTMENT OF THE TREASURY

Press Center



Joint Press Release on the First Round of the U.S.-China Strategic and Economic Dialogue

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The first round of the U.S.-China Strategic and Economic Dialogue was held in Washington, D.C. from 27 to 28 July, 2009. Secretary of State Hillary Rodham Clinton and Secretary of the Treasury Timothy F. Geithner, as special representatives of President Barack Obama, and Vice Premier Wang Qishan and State Councilor Dai Bingguo, as special representatives of Chinese President Hu Jintao, co-chaired the Dialogue, which included Strategic and Economic tracks under this framework. President Hu Jintao sent a congratulatory message for the opening of the Dialogue. President Barack Obama personally appeared at the opening session to deliver a speech and met the Chinese delegation. During the Dialogue, the two sides had a candid and in-depth exchange of views on the strategic, long-term and overarching issues concerning the development of bilateral relations. Both sides recognized that the Dialogue offers a unique forum to promote understanding, expand common ground, reduce differences, enhance mutual trust, and step up cooperation. The Dialogue helps to address shared challenges such as the global financial crisis, regional security concerns, global sustainable development, and climate change. The Dialogue is a reflection of the progress in the U.S.-China relationship over the course of the last thirty years and represents the two sides' shared commitment to build a positive, cooperative and comprehensive relationship for the 21st century. This inaugural round of the Dialogue produced positive results and defined the path that will guide the two sides' efforts into the future.

I. On U.S.-China Relations

As a result of two days of high-level meetings, both sides gave a positive assessment of the current development of U.S.-China relations. They recognized that U.S.-China relations have maintained strong, positive momentum. In particular, the meeting between President Barack Obama and President Hu Jintao in London in April charted the course for the growth of U.S.-China relations in a new era and provided a strong impetus to deepen mutually beneficial cooperation. The two sides also affirmed that the Dialogue provides an important framework for strengthening relations on the basis of the April Summit.

The two sides noted that, at a time of continued challenges in international financial markets, and when the international situation is undergoing complex and profound changes, the United States and China share ever more important responsibilities, extensive common interests, and a broader basis for cooperation. Increased U.S.-China cooperation not only serves the common interests of the two peoples, but also contributes to peace, stability and prosperity of the Asia-Pacific region and the world at large.

The two sides stressed that close high-level contacts and exchanges play an irreplaceable role in developing U.S.-China relations and confirmed that President Barack Obama will visit China this year at the invitation of President Hu Jintao. The two sides will work together to prepare well for upcoming bilateral interactions at various levels.

The two sides welcomed recent improvements in military-to-military relations and agreed that the two militaries would expand exchanges at all levels. The two sides gave a positive assessment of the results of the recent Ministry of National Defense-Defense Department co-led Defense Consultative Talks (DCT) in Beijing. The two sides noted that Vice Chairman of the Central Military Commission General Xu Caihou is going to visit the United States within this year at the invitation of Defense Secretary Robert Gates.

All participants expressed willingness to encourage U.S.-China cultural and people-to-people exchanges and cooperation, particularly youth exchanges, as well as the U.S.-China Friendship Volunteers Program, to enhance mutual understanding. The Chinese side welcomed the U.S. reaffirmation of its participation with a national pavilion in the Shanghai World Expo 2010, which was made official on July 10, 2009. The U.S. side also described new policies being developed to expedite visa processing for Chinese citizens to visit the United States and committed to maintain close consultation on this issue. The Chinese side reiterated that it hopes the U.S. side will further facilitate visa processing for Chinese citizens to visit the United States. The two sides intend to build on our already growing educational, athletic, scientific and technological exchanges, and to continue to hold the U.S.-China Cultural Forum. The two sides are committed to carrying out their shared education goals laid out in the U.S.-China Work Plan, which was recently signed by the educational authorities of the two countries.

The two sides also discussed ways to enhance mutual understanding and positive cooperation on human rights issues through our Human Rights Dialogue and other initiatives on the basis of equality and mutual respect. In light of the importance of the rule of law to our two countries, the United States and China decided to reconvene the U.S.-China Legal Experts Dialogue and will seek to hold the next Human Rights Dialogue before the end of the year.

II. On U.S.-China Cooperation in Economic, Financial and Other Sectors

The Economic Track of the first U.S.-China Strategic and Economic Dialogue has enhanced bilateral communications, and our mutual understanding and trust.

Recognizing that cooperation on economic and financial issues is important to the health of the world economy, both sides re-affirmed their commitment to sustained high level dialogue and reached consensus on important outcomes.

First, the United States and China will respectively take measures to promote balanced and sustainable economic growth in our domestic economies to ensure a strong recovery from the international financial crisis; these include measures to increase savings in the United States and the contribution of consumption to GDP growth in China.

Second, both sides will work together to build a sound financial system, and improve financial regulation and supervision.

Third, both sides are committed to more open trade and investment and to fighting protectionism to promote economic growth, job creation and innovation.

Fourth, both sides pledged to cooperate on reforming and strengthening the international financial institutions to increase the voice and representation of emerging and developing economies, including China, and to ensure adequate financing for development and to respond to future crises.

Upon conclusion of the Economic Track, the United States and China released a Joint Fact Sheet.

III. On U.S.-China Cooperation on Global Issues

The United States and China, being the world's largest producers and consumers of energy, face common challenges and share common interests in combating global climate change, developing clean and efficient energy, protecting the environment and ensuring energy security. The two sides commit to respond vigorously through ambitious domestic action and recognize that cooperation between the United States and China is critical to address these challenges. Towards this end, the two sides negotiated a Memorandum of Understanding to Enhance Cooperation on Climate Change, Energy and the Environment (MOU), led by the Department of State and Department of Energy in the United States and the National Development and Reform Commission in China.

The MOU establishes a mechanism for climate change policy dialogue and cooperation to promote (i) discussion and exchange of views on domestic strategies and policies for addressing climate change; (ii) practical solutions for promoting the transition to low-carbon economies; (iii) successful international negotiations on climate change; (iv) joint research, development, deployment, and transfer, as mutually agreed, of climate-friendly technologies; (v) cooperation on specific projects; (vi) adaptation to climate change; (vii) capacity building and the raising of public awareness; and (viii) pragmatic cooperation on climate change between cities, universities, provinces and states of the two countries.

Consistent with equity and their common but differentiated responsibilities, and respective capabilities, the United States and China recognize they have a very important role in combating climate change. The two sides reaffirmed their commitment to work together to further promote the full, effective and sustained implementation of the *United Nations Framework Convention on Climate Change* and to achieve a successful outcome in Copenhagen at the end of this year.

In addition, the MOU expands and enhances cooperation between the United States and China on clean and efficient energy and environmental protection to help both countries achieve environmentally sustainable and low-carbon growth and meet national economic and development goals. Both countries resolve to pursue areas of cooperation where joint expertise, resources, research capacity and combined market size can accelerate progress towards mutual objectives. The two sides recognize the ongoing importance of the Framework for Ten Year Cooperation on Energy and Environment (TYF) in facilitating practical cooperation between the two countries in the areas of energy and the environment. Both sides are committed to implementing all five existing action plans under the TYF, covering clean and efficient electricity and transportation, clean air and water, conservation of forests and wetlands, and to expanding the work of the TYF through new action plans, including energy conservation and efficiency. Both sides also recognize the importance of and are committed to strengthening the EcoPartnerships initiative under the TYF.

The two sides decided to continue practical cooperation within the Oil and Gas Industry Forum, the Energy Policy Dialogue and the new U.S.-China Clean Energy Research Center and hold relevant meetings at appropriate times this year. The two sides pledged to strengthen cooperation on renewable energy, cleaner uses of coal, including carbon capture and sequestration, smart grid, shale gas, second and third generation biofuels and advanced nuclear. The two sides agreed to carry out dialogue in the fields of strategic

petroleum reserves and increased transparency in energy markets. The Chinese side invited representatives of U.S. government, media and academia to visit China's clean energy facilities. The U.S. side acknowledged the invitation.

The two sides expressed their willingness to continue collaboration on pandemic and infectious disease outbreaks, including the challenge of drug-resistant tuberculosis (TB). The two sides also intend to further enhance dialogue and cooperation on other critical global issues, such as strengthening global institutions and governance and addressing public health challenges and poverty alleviation around the world, in order to promote the well-being of mankind and global sustainable development.

IV. On U.S.-China Cooperation on Regional and International Issues

The two sides discussed international challenges facing both countries. The two sides resolved to maintain close communication and coordination and work together with the rest of the international community for the settlement of conflicts and reduction of tensions that trigger regional and global instability. The two sides noted that traditional and nontraditional security threats are intertwined, and situations in Northeast Asia, South Asia, the Middle East, and Africa require combined efforts.

The two sides affirmed the importance of the Six-Party Talks and continuing efforts to achieve denuclearization of the Korean Peninsula and maintaining peace and stability of the Peninsula and Northeast Asia. They emphasized the importance of implementing UN Security Council Resolution 1874 and resolving the nuclear issue on the Peninsula through peaceful means. Both sides agreed to step up their efforts for the early realization of the above-mentioned goals. The two sides pledged to increase coordination to jointly promote stability and development in Afghanistan and Pakistan. The two sides agreed that senior officials from both countries with responsibilities for Iran and the Middle East should continue to consult closely on these issues. The two sides expressed their willingness to increase coordination and consultation on the issue of Sudan to jointly seek an early and enduring political settlement of the Darfur issue and promote the peace process between the north and the south of Sudan.

Both sides noted their shared opposition to terrorism and pledged to work collaboratively to strengthen global non-proliferation and arms control regimes. They reiterated their respective nuclear policies and discussed the upcoming 2010 Nuclear Nonproliferation Treaty (NPT) Review Conference and the Conference on Disarmament (CD). The two countries also exchanged views on the Global Nuclear Security Summit proposed by the U.S. side and reiterated the importance of existing dialogues on security, arms control, non-proliferation and counter-terrorism issues. The two sides intend to further enhance dialogue and cooperation to combat challenges that cross individual states' borders, such as transnational crime, terrorism, the illegal drug trade, and piracy.

The two sides agreed to enhance the bilateral sub-dialogues on policy planning, Asia, the Middle East, Africa, Central Asia and Latin America within the Strategic Dialogue framework, with a view to broadening and deepening cooperation on issues of mutual concern.

V. On the Mechanism of the U.S.-China Strategic and Economic Dialogue

The two sides expressed their shared view that the U.S.-China Strategic and Economic Dialogue will continue to advance U.S.-China relations in tandem with other existing bilateral mechanisms. The Dialogue represents a major initiative to further develop and improve U.S.-China relations in the new era, and offers an important platform for the two countries to deepen understanding, enhance mutual trust, and promote cooperation. In order to more fully explore shared solutions on a wide range of common challenges, the U.S. and Chinese delegations look forward to further discussions on specific matters raised at the dialogues through special representatives of the two presidents, working groups, and existing bilateral dialogues.

The co-chairs noted that this inaugural meeting of the U.S.-China Strategic and Economic Dialogue helped lay the groundwork for President Obama's visit to China this year.

The two sides decided to hold the second round of the U.S.-China Strategic and Economic Dialogue in Beijing next year.

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