

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks by Treasury Secretary Tim Geithner

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**2011 U.S.-China Strategic and Economic Dialogue (S&ED)
Economic Track Opening Session**

As Prepared for Delivery

Vice Premier Wang and members of the Chinese delegation, we now begin the economic part of our discussions.

We meet against the backdrop of a gradual improvement in the overall global economic outlook.

As always, we face new risks and challenges.

Over the next two days, we will have a chance to discuss the opportunities for closer economic ties, to address areas of concern between us, and to share perspectives on the major challenges facing each of us at home as well as in the broader global economy.

Overall, I believe we are making significant progress in strengthening our economic relationship.

Over the past two years, we have seen very promising changes in the overall direction of Chinese economic policy – towards a more flexible exchange rate, a growth strategy less reliant on exports, and stronger protections for U.S. companies operating in and exporting to China.

We have worked closely together to build a more effective global financial system, with reforms to make our financial systems more stable and with stronger tools to prevent and respond to future financial crisis.

And in the United States, we are working very hard to repair the damage caused by the financial crisis, to reform our financial system, and to restore fiscal sustainability.

We have set the agenda for these meetings to cover the most important economic challenges ahead of us – from trade and investment issues to energy and financial reform.

Our primary goal is of course to strengthen and sustain the global economic recovery. To that end, our core priorities are as follows:

First, we will continue our dialogue on China's move towards a more flexible exchange rate with more open capital markets.

Second, we look forward to discussing financial sector reforms that will more efficiently and effectively finance China's most dynamic firms, including small and medium-sized enterprises, and put more money in the pockets of Chinese consumers.

And third, we will work to build on the commitments made by President Hu and President Obama to begin building a more level playing field – so that firms and workers in both our nations can compete in each other's markets across the major sectors of trade between us – whether agriculture, manufacturing, energy, or advanced technology.

We hope to continue to make progress on the protection of intellectual property rights, the promotion of technological innovation without discrimination against foreign firms, and the expansion of investment opportunities for both our nations.

These meetings are very important to improve the level of understanding we each have of our respective economic priorities, to improve trust and confidence between us. We share an obligation to demonstrate to the people of China and the United States that we can continue to make progress.

I look forward to our discussions.

