

U.S. DEPARTMENT OF THE TREASURY

Press Center



Forwarding from the White House: Joint Fact Sheet on Strengthening U.S.-China Economic Relations

2/14/2012

Building on the consensus reached by President Hu Jintao and President Barack Obama during President Hu's January 2011 state visit to the United States, the United States and China affirm that our two countries are promoting the healthy and steady development of the U.S.-China cooperative partnership based on mutual respect and mutual benefit. Under the framework of the Economic Track of the U.S.-China Strategic and Economic Dialogue (S&ED), the United States and China recognize the following outcomes.

Promoting Strong, Sustainable, and Balanced Growth

1. To address challenges to the global economic outlook, the United States and China pledge to enhance macroeconomic cooperation to work to ensure that the global recovery is durable and promotes steady job growth, and to establish strong, sustainable, and balanced future global growth. The United States and China commit to take comprehensive policy measures to achieve more balanced trade and expanded investment in each other's economies. China wishes to increase imports from the United States, including in commercial high technology products.
2. The United States and China are committed to continuing to exchange views on developments in European financial markets and discuss approaches that can support Europe's own efforts to respond to its sovereign debt crisis.
3. The U.S. economy is rebalancing toward sustainable growth, with higher domestic saving, a commitment to long-term fiscal sustainability, and productivity-enhancing investments. In line with the President's FY2013 Budget, the United States commits to achieving more than \$4 trillion in deficit reduction over the next ten years, including the \$1 trillion in discretionary spending reductions enacted last year, and to gradually reducing debt as a share of the economy from the middle of this decade.
4. China is committed to improving the livelihood of its people and actively expanding domestic demand, with increasing consumption as a strategic priority. During the course of 2012, China is to intensify structural tax reduction policies, including pressing ahead with the "VAT for business tax" pilot reform and making adjustments in import tariffs at the appropriate time in order to increase consumption, accelerate development of the services sector, actively expand imports, promote balanced trade, and satisfy the demands of people's lives.
5. China and the United States reaffirm our G-20 commitment to move more rapidly toward more market-determined exchange rate systems and enhance exchange rate flexibility to reflect underlying economic fundamentals, avoid persistent exchange rate misalignments, and refrain from competitive devaluation of currencies. We are determined to act on our commitments to exchange rate reform articulated in our Action plan for Growth and Jobs to address short term vulnerabilities and restoring financial stability and strengthen the medium-term foundations for growth. Our actions will help address the challenges created by developments in global liquidity and capital flows volatility, thus facilitating further progress on exchange rate reforms and reducing excessive accumulation of reserves.

Promoting Cross-Border Trade and Investment

6. The two sides affirm that WTO rules should be strictly observed when initiating trade remedy investigations and imposing trade remedy measures, to prevent their abuse.
7. The United States and China commit to sharing relevant information on our respective regional free trade agreements, including the Trans-Pacific Partnership (TPP) and the China, Japan, Republic of Korea FTA.
8. China reiterates its commitment to the policy of reform and opening up and welcomes and encourages, as always, foreign investment. China reiterates that technology transfer and technological cooperation shall be decided by businesses independently and will not be used by the Chinese government as a pre-condition for market access.
9. The United States continues to support hi-tech trade with China in commercial items for civil end users and civil end uses. When all of the information, consistent with U.S. relevant regulations, has been provided for the application of Commercial Aircraft Corporation for Validated End-User authorization, the U.S. Government commits to process the application in a timely manner.
10. The U.S. Government commits to process, in a timely manner, specific requests for items China wishes to procure that may be subject to export controls.
11. The United States and China decided to engage in a dialogue on investment policies, promotion, and practices in the United States and China, including in the area of infrastructure, at the Fifth Annual U.S.-China Investment Forum, which is to be held in the United States prior to the next S&ED and include State/Provincial and Municipal level officials and business community representatives.

12. For the United States, in the FY13 Budget, the Administration proposes to expand significantly the SelectUSA program to promote FDI in the United States, including with resources dedicated to attracting Chinese investors and facilitating their investment. As part of this expanded FY13 effort, China-based U.S. and Foreign Commercial Service (USFCS) staff are to take on increased responsibility for the promotion of investment by Chinese enterprises in the United States. Already for FY12, China is one of SelectUSA's ten focus markets for heightened USFCS staff engagement with investors.

13. The United States and China recognize the potential for their firms to play a positive role in infrastructure financing in each country, and commit to explore opportunities for deepening cooperation in this field. To further this, SelectUSA is to facilitate introductions to, at the State and local level, economic development organizations and other authorities responsible for or engaged in infrastructure financing.

14. The United States is committed to continued subnational cooperation with China at the State/Provincial and Municipal levels to expand the ties between our peoples and to increase trade and investment opportunities in both countries.

15. The United States is increasing visa processing capacity in China by 40 percent in 2012, in order to ensure that 80 percent of non-immigrant visa applicants are interviewed within three weeks of receipt of application. The United States is to establish and maintain a publicly available website with key information to assist industry and travelers in understanding visa processes and entry times. The United States is launching a pilot program to speed up the non-immigrant visa process for certain applicants, including the ability to waive interviews for some very low-risk applicants. Over the course of 2012, this policy could open up as many as 100,000 interview appointments for Chinese travelers applying for visas for the first time. China and the United States resolved to discuss visa arrangements on an equal and reciprocal basis, consistent with each country's laws, to facilitate people-to-people interaction between our two countries.

Promoting Financial Sector Development

16. China has decided to open up the Mandatory Third-Party Liability Insurance for motor vehicles to foreign-invested insurance companies. Relevant policy will be promulgated and implemented upon the completion of the amendment procedures of relevant regulations.

17. The United States welcomes foreign investment in all sectors, including the banking sector, and welcomes the participation by Chinese banks with approved branches in the United States. The United States remains committed to apply the same prudential and regulatory standards to applications made by Chinese banks to establish branches or subsidiaries or to acquire stakes in existing U.S. banking institutions as they apply to other foreign banks in like circumstances.

Strengthening International Cooperation

18. The United States and China decided to hold two bilateral seminars to promote transparency and mutual understanding of each other's export credit agency programs: the first meeting, in early February, brought together senior technical experts representing the U.S. Treasury Department and the U.S. Export-Import Bank on the U.S. side and the Ministry of Finance, China Ex-Im Bank, and Sinosure on the Chinese side; the second meeting is to take place prior to the next S&ED and is to include senior policy officials as well as technical experts. In addition, the United States and China are to establish an international working group of major providers of export financing to make concrete progress towards a set of international guidelines on the provision of official export financing that, taking into account varying national interests and situations, are consistent with international best practices, with the goal of concluding an agreement by 2014.

19. China and the United States commit to closer information sharing and cooperation to help ensure the smooth functioning of global commodity markets and to avoid excessive price volatility. The United States commits to inform the Chinese side of changes to the CFTC's supervision and data availability on financial transactions in the oil market. The United States and China commit to strengthen communication on the situation in petroleum markets, including supply, demand, the management of strategic petroleum reserves, and cooperation with the International Energy Agency (IEA).

20. The United States and China recognize each other's energy security and economic interests.

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