

# U.S. DEPARTMENT OF THE TREASURY

## Press Center



### Remarks of Treasury Secretary Jacob J. Lew at the Economic Track Opening Session of the 2013 U.S.-China Strategic and Economic Dialogue

7/10/2013

*As prepared for delivery*

**WASHINGTON** - On behalf of President Obama and my U.S. colleagues, I would like to welcome you, Vice Premier Wang, and your colleagues from across China's government.

Last night and this morning we began constructive discussions on a broad range of strategic and economic matters. As we gather here for a more detailed discussion of economic issues, the world is looking to our two economies to advance global prosperity and stability. We are the world's two largest economies, and we both share the responsibility to work together cooperatively, even sometimes in the face of our differences.

We come to this dialogue with a new set of opportunities and challenges.

In the United States, we are focused on further strengthening our economy. The President moved quickly to respond to the financial crisis and reignite economic growth. There are clear signs of improvement. Since 2009, the economy has expanded for 15 consecutive quarters.

Since job growth resumed, private employers have added more than 7 million jobs, and manufacturing has registered the strongest period of job growth, in percentage terms, since 1986. Our financial system is stronger, with far more effective oversight, than before the crisis. U.S. innovation has unlocked our domestic energy production potential and is helping to find new ways to cut our emissions as we grow the economy. To protect these gains, we are putting the country on a path of fiscal sustainability while making the investments we need to promote cleaner energy, jobs, and growth.

In China, there is an increasing focus on reforms to sustain and broaden growth with an expanding middle class. As wages rise and the labor force falls, China cannot continue to rely on cheap, low-skilled labor, and huge capital investment, if it is to continue on the path of growth and development. China's leadership recognizes that this means shifting to a balanced and sustainable economic model that relies more on consumption, and less on investment and exports; more on innovation and services and less on resources and heavy industry.

Exchange rate reform is an essential part of this process because it will boost the purchasing power of Chinese households.

The transition will not be easy. But as long as it is delayed, risks in the system continue to build.

We are encouraged by the commitments China has made and your determination to implement necessary reforms. As the world's second largest economy, China's successful transition has enormous implications – not just for China, but also for the United States and the global economy.

Over the course of the next two days, we have a broad and ambitious agenda:

We will have open and frank discussions about tough issues, including the growing concern about the theft of confidential business information and trade secrets through government-sponsored cyber intrusions.

We will work to ensure an open, balanced, and mutually beneficial trade and investment relationship that provides a level playing field for our companies, and that supports jobs and growth.

We will assess the outlook for economic growth in China and the United States, and review our progress in implementing reforms that will sustain our growth going forward, both in our own countries and the global economy.

We hope to make further progress to strengthen and develop our financial systems and to build a more resilient global financial system. In the United States, this means continuing our efforts to promote financial stability. In China, it means deepening financial reforms that support dynamic private sector firms, and integrating China into the global financial system.

And we will discuss how the United States and China can continue to work together to address global economic challenges.

These meetings are an invaluable way for our two countries to communicate priorities, manage frictions, and improve trust, so that we can make progress on the issues that matter most to us.

Again, we welcome you warmly, and we look forward to a candid exchange of views.

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