

U.S. DEPARTMENT OF THE TREASURY

Press Center



Remarks by Treasury Secretary Jacob J. Lew at Opening Session of U.S.-China Strategic and Economic Dialogue

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As prepared for delivery

WASHINGTON - I would like to join Vice President Biden and Secretary Kerry in welcoming Vice Premier Liu, Vice Premier Wang, State Councilor Yang, and the entire Chinese delegation to Washington for this seventh meeting of the Strategic and Economic Dialogue. I particularly welcome the opportunity to co-chair our Economic Track discussions with Vice Premier Wang, with whom I have worked so closely over the last several years, and who has played a central role in strengthening our bilateral economic cooperation over the past few years.

The Strategic & Economic Dialogue is a key mechanism for generating practical cooperation on issues across our relationship and has led to important, tangible results for both sides. It also provides an opportunity for frank, high-level discussions in areas in which we have concerns, and need to manage our differences, and to work through issues to prepare for a productive leaders meeting in September.

Over the next two days, we will address a range of economic issues of importance to the American and Chinese peoples. These include promoting strong, sustainable and balanced growth, enhancing financial sector reform and stability, and emphasizing our joint responsibilities in upholding high governance and standards in the international economic system.

We will also discuss candidly — and work to make progress on — areas of concern such as cybersecurity, barriers to open trade and investment, and exchange rate reform.

Together, the United States and China account for a third of global GDP and nearly 40 percent of recent global growth. We have an enormous stake in each other's economic performance. As the world's two largest economies, a mutually beneficial economic relationship is of great importance not only to the prosperity of our own peoples, but to the health and development of the global economy.

The U.S. economy has strengthened in the past year, led by strong private demand. Though growth slowed somewhat in early 2015 — in part due to temporary factors— the near-term outlook and momentum remain strong. Improved labor market conditions, along with the recent sharp decline in energy prices, have been a boon for consumers, helping to lift consumer confidence to its highest level in a decade.

Continued strong growth in China, particularly growth based increasingly on domestic demand, is also essential to global growth and prosperity. We support China's economic reform agenda, including efforts to allow the market to play a more decisive role in the economy and rely more on consumption to drive China's economic growth. As part of these reforms, it is critical that China continue to move to a more market-determined exchange rate and a more transparent exchange rate policy.

We have a shared interest and a joint responsibility to pursue policies that support the global economy as well as uphold and continue to improve the global economic and financial architecture.

That includes responsibilities to abide by certain standards of behavior within cyberspace. We remain deeply concerned about government-sponsored cyber theft from companies and commercial sectors. The United States and China have a shared interest in ensuring that the Internet continues to drive growth and prosperity worldwide. We look forward to discussing these matters further.

China has a significant role in the global economic and financial architecture, and we hope China will work with us to maintain and advance high standards in multilateral institutions. This is especially critical as we head into China's G-20 host year.

We must work to achieve a mutually beneficial bilateral economic relationship, including through a trade and investment relationship that provides a level playing field, promotes innovation and supports jobs and growth. We must work together to show leadership on financing to combat climate change. And we look forward to working with China as it continues to deepen its domestic financial market reforms and becomes more integrated into the global financial system.

Our goal is to continue to make concrete and tangible progress on our respective issues of concern in order to deliver mutual benefits to the United States and China. We intend to use this forum — built up over the past decade and involving engagement at the most senior levels of both our governments — to tackle difficult issues; issues that if left unaddressed would hinder the bilateral relationship. I am confident that we will continue to make concrete progress during this seventh round of the S&ED.

We look forward to productive and cooperative discussions over the next two days as we address the mutual challenges that we face.

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