

# The China-United States Strategic and Economic Dialogue

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This year marks the 30<sup>th</sup> anniversary of the establishment of diplomatic ties between China and the United States. Over the course of these three decades, the relationship has had its ups and downs. However, owing to our joint efforts, steady progress has been made and remarkable achievements have been noted.

The China-US relationship has had a smooth transition from the previous American administration to the current Obama administration, which took office in January. The relationship has had a good start and has maintained positive momentum for growth. On April 1, President Hu Jintao and President Obama had a successful meeting in London during the G-20 Summit. The two leaders reached an important agreement to build a positive, cooperative and comprehensive China-US relationship for the 21<sup>st</sup> century. The strategic direction of the China-US relationship in the new era has charted the course for the future growth of our relationship.

At the end of July, the first round of the China-US Strategic and Economic Dialogue took place in Washington. These talks represent an important milestone in our relationship this year, and they were a great success. The Dialogue reflects how far we have come in 30 years of diplomatic ties and demonstrates the commitment of both sides towards building a positive, cooperative and comprehensive China-US relationship for the 21<sup>st</sup> century. Specifically, the Dialogue has the following features:

First, the Dialogue is brand new. During the Bush administration, China and the United States had two separate tracks for dialogue: the Strategic Economic Dialogue and the Strategic Dialogue. When President Hu and President Obama met on April 1 in London, they decided to establish the China-US Strategic and Economic Dialogue, to be co-chaired by Vice Premier Wang Qishan and State Councilor Dai Bingguo as special representatives of President Hu, and Secretary of State Hillary Clinton and Secretary of the Treasury Timothy Geithner as special representatives of President Obama. As a result, the previous Strategic Economic Dialogue and Strategic Dialogue were combined into one higher-level dialogue. This new mechanism is an important tool for advancing China-US relations in this new era and represents a key forum for enhancing mutual understanding and trust and for promoting cooperation between our two countries.

Second, the Dialogue is high-level. The US delegation is comprised of 12 cabinet members and more than ten under secretaries. In addition to Vice Premier Wang and State Councilor Dai, the Chinese delegation includes seven ministers and 17 vice ministers. President Hu sent a congratulatory message that was read at the opening of the Dialogue. President Obama personally attended and gave an address at the opening ceremony. He also received the Chinese delegation at the White House. During the plenary meeting and the separate Strategic Track and Economic Track meetings under the framework of the

Strategic and Economic Dialogue, the two sides had a candid and comprehensive exchange of views on issues of strategic, long-term and overarching importance to the growth of the China-US relationship.

Third, the Dialogue is wide-ranging. The Dialogue has not only covered various aspects of the bilateral relationship, but also touched on the current international financial crisis and its solution, climate change, energy, the environment, infectious diseases and other global issues. It also has included discussion of international and regional issues such as the Korean nuclear issue, the Iranian nuclear issue, the Middle East, Afghanistan, Pakistan, Darfur and terrorism. Almost any issue that comes to mind has been discussed. This comprehensive dialogue demonstrates that the China-US relationship has gone beyond its bilateral scope and has acquired greater strategic significance and enhanced global influence.

Fourth, the Dialogue is fruitful. In the two days of sincere and in-depth dialogue, the two sides reached many important agreements and achieved the goals of strengthening mutual understanding, expanding common ground, reducing differences, enhancing mutual trust and advancing cooperation. The major outcomes include the following:

- ◆ President Obama will visit China this year at the invitation of President Hu Jintao. General Xu Caihou, Vice Chairman of the Central Military Commission of China, will visit the United States this year at the invitation of Secretary of Defense Robert Gates. China and the United States have decided to reconvene the China-US Legal Experts Dialogue and will seek to hold the next round of the Human Rights Dialogue before the end of the year. The two sides have agreed to hold the second round of the Strategic and Economic Dialogue in Beijing next year.
- ◆ In the area of finance and economics, China and the United States will advance policies to promote balanced and sustainable economic growth in their 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. The two sides will work together to build a strong financial system and improve financial regulation and supervision. China and the United States are committed to advancing free trade and investment and to fighting protectionism to promote economic growth, job creation and innovation.
- ◆ China and the United States are committed to responding vigorously to global climate change through ambitious domestic agendas and pledge to develop clean and efficient energy, to protect the environment and to promote energy security. The two sides have negotiated a Memorandum of Understanding to Enhance Cooperation on Climate Change, Energy and the Environment. The MOU expands and enhances cooperation between China and the United States 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 sides have decided to continue practical cooperation

within the Oil and Gas Industry Forum, the Energy Policy Dialogue and the new China-US Clean Energy Research Center.

- ◆ The two sides have resolved to maintain close communication and coordination and to work with the international community to resolve conflicts and reduce tensions that lead to regional and global instability. The two sides have reaffirmed the importance of the Six-Party Talks and the ongoing efforts to achieve the denuclearization of the Korean Peninsula and the promotion of peace and stability on the Peninsula and in Northeast Asia. China and the United States have underscored the importance of implementing UN Security Council Resolution 1874 and resolving the nuclear issue on the Peninsula through peaceful means. Both sides have agreed to step up efforts to ensure early realization of the above-mentioned goals.

The success of the first round of the China-US Strategic and Economic Dialogue represents a significant step forward in the China-US relationship in this new era. Communication between the two countries has never been as frequent as it is today. Our interests have never been as closely interwoven. Our mutually beneficial cooperation has never been as extensive, and the motivation for the growth of our relationship has never been as powerful.

China stands ready to work with the United States to view our relationship from a strategic and long-term perspective and to ensure that the relationship continues in the right direction. China and the United States also wish to work together to implement the important agreements reached by our leaders during the first round of the Strategic and Economic Dialogue, to further strengthen dialogue, exchanges and cooperation in various fields and to promote sound and steady progress towards a positive, cooperative and comprehensive China-US relationship that can help to bring more benefits to the people of our two countries and to those around the world.