

# U.S. DEPARTMENT OF THE TREASURY

## Press Center

### Closing Statement by Secretary Henry M. Paulson, Jr.

12/5/2008

HP-1315

#### *At the Fifth Meeting of the U.S. – China Strategic Economic Dialogue*

**Beijing** – Good afternoon. Thank you to my counterpart, Vice Premier Wang Qishan, and our Chinese colleagues for their hospitality during these past days. And thank you to my Cabinet colleagues for your active participation in and continued commitment to the Strategic Economic Dialogue between the United States and China.

These last two days, we have made progress on a number of important fronts. Our discussions have been productive, characterized by the straightforward back-and-forth that is only possible among colleagues who have built a relationship of trust and confidence. Broad participation on both sides allowed us to engage on a wide range of critical issues, from trade and investment to transportation, from currency reform to energy security, and from product safety to environmental sustainability.

We had a robust discussion of the current global financial market turmoil and economic downturn, its implications for both our nations and our efforts to address it. We are both committed to strengthening the global economy. I reviewed our efforts in the United States to stabilize our financial markets and restore our economy, and I welcomed the recent measures China has taken to strengthen domestic demand and maintain economic growth. As in the past, we discussed the importance of domestic-led growth, and the importance of a market-determined currency in promoting balanced growth in China that will contribute to a healthy global economy. I welcome the steps announced by the Chinese to further open their financial markets, such as allowing foreign banks to trade bonds on the same terms as Chinese banks. Strong financial markets will enable healthy economic development across China.

Protectionist sentiments grow during periods of economic downturn. We recognized this, and reiterated our commitment to fight protectionism, because open trade and investment are in the best interest of our people. Both nations reiterated the importance of completing a successful Doha round and meaningful progress toward that goal by the end of this year. The Chinese economy, like the US economy, depends on global trade, and China is stepping up its efforts to promote global growth and stability. I am particularly pleased to support China's membership in the Financial Stability Forum, which is charged with facilitating action on many of the global stability commitments endorsed by the G20 last month. To support trade flows during this period of financial turmoil, the US and China announced today that our two Export-Import Banks will make available an additional \$20 billion for trade finance, particularly for creditworthy importers in developing economies. This effort should support over \$38 billion in annual financing for exports from the US and China, and will benefit the global economy. Finally, global trade depends on the confidence of consumers in the safety of the products they buy. Again during this meeting of the SED, the US and China deepened cooperation on product safety and food safety protocols.

We also made significant strides at this meeting in cooperation on energy and the environment. Following up on the establishment of the 10 Year Framework for Energy and Environment Cooperation, which we launched at our SED meeting this past June, we announced today action plans on each of the five goals, and established a sixth goal of energy efficiency. The Ten Year Framework is a signature accomplishment of the SED. Sustained, comprehensive, constructive cooperation between the United States and China, reaching out to all parts of society, offers the best way to harness the resources and creativity of our two nations to meet the enormous environmental challenges facing our planet.

I particularly welcome yesterday's announcement of seven EcoPartnerships that will take concrete steps to share learning and test new ideas in targeted parts of both our nations. By creating partnerships between local governments in our two countries, and between US and Chinese universities and non-profits, these EcoPartnerships deepen the ties between the people of our two nations. Strong ties, on many levels, will contribute to the strength and vitality of the US-China relationship.

At this meeting, we have again shown that direct engagement is a pathway to success, that through engagement the United States and China can build a stronger relationship that benefits our citizens and the global economy. As I and my US colleagues take our leave, we all can be proud of what we have built in the SED. We have managed through times of tension, and through China's leadership transition earlier this year. The United States is now undergoing our own transition, and the U.S. – China economic relationship will continue to be vital to the health of our two economies and the global economy. Our countries will no doubt face future challenges, and through the foundation of mutual respect, trust and candor fostered by the SED, I have no doubt we will manage through those challenges as well. Thank you.

## REPORTS

- [U.S. Fact Sheet: Fifth Meeting of the SED](#)
- [Joint U.S.—China Fact Sheet: The Fifth U.S.—China SED](#)
- [US and China Announce Annual Trade Finance to Assist Global Trade](#)