

China, US to discuss economic risks at talks

By GILLIAN WONG – Nov. 25 2008

BEIJING (AP) — Top officials from China and the United States will meet for high-level economic talks next week in Beijing as both countries grapple with the worst global downturn in decades.

The Dec. 4-5 talks will be led by U.S. Treasury Secretary Henry Paulson and Chinese Vice Premier Wang Qishan, foreign ministry spokesman Qin Gang said Tuesday. Wang leads a Chinese government committee on the financial crisis.

"The two countries will have discussions on strategies to manage macroeconomic risks and promote a balanced economic growth," Qin said in a weekly news briefing.

The talks are known as the Strategic Economic Dialogue, which was launched in 2006. The process was meant to address trade and financial tensions between two of the world's biggest economies, but has been overshadowed by the global financial crisis and economic slump.

Referring to President-elect Barack Obama's plans for a massive economic stimulus package, Qin said governments should take steps to restore public confidence and stable economic growth.

"The stability of the U.S. economy will bear great interest on the economic development of the world," Qin said.

China earlier this month unveiled its own stimulus package, planning to spend \$586 billion over two years to shore up the economy, which slowed sharply in the third quarter.

Qin said China welcomed Obama's selection of New York Federal Reserve President Timothy Geithner as his treasury secretary and others as top economic officials.

"We express congratulations to them and we are ready to strengthen cooperation with them," Qin said.

The two sides also plan to discuss cooperation in energy and environmental protection, Qin said.

Paulson says the two sides hope to make progress on a proposed 10-year cooperative agreement on energy security and environmental pollution issues and a separate investment treaty between the two nations.

The two countries began work on the investment treaty in June. Negotiations are not expected to be concluded until after Obama takes office in late January.

Previous high-level meetings have been dominated by complaints over trade barriers and currency controls which the United States and other trading partners say add to China's swollen trade surplus.

American manufacturers complain that China keeps its currency artificially weak against the dollar, giving its exporters an unfair price advantage. But the Chinese yuan has risen in value by more than 20 percent against the dollar over the past three years, taking some of the heat out of the issue.