

**Remarks by Ambassador Zhou Wenzhong
At the US-China Business Council's Gala 2009**

December 2, 2009
Capital Hilton, Washington, DC

Thank you very much, Chairman Liveris, for you very kind words.

I really want to thank the US-China Business Council for hosting this Gala dinner to honor me. I take it not only as a personal honor, but also a gesture on the part of the Council to express the friendship towards my country.

The Council has a history of some 36 years. Over the years, I have been closely associated with the Council on many occasions. I think the Council has been an all-weather friend of China and we have been working all along at every stop, at every turn of the relations between our two countries.

I want to salute you, all of you, the management, the board and also the members, for all you have done for better China-US relations, particularly better China-US economic and trade relations. I am saying this from the bottom of my heart. In Chinese, I would say I am saying this from the bottom of my lung. We Chinese think that lung is more important than heart.

Ladies and Gentlemen,

This year has been a good year for China-US relations. The business community and the Council have done your share in making it so good in 2009.

Thanks to the efforts of the two countries and the leaders and the business communities of our two countries, our trade relations and economic ties have grown even closer.

Of course we are keenly aware of your concerns about the trade deficit and the exchange rate. And I think the fact that the leaders of our two countries now can talk about all these things in a very frank manner shows we are in the same boat.

As a saying goes, it takes the rising tide to lift the boat. So we need to work together and maybe even more closely to make sure that tide will rise and then the boat will be lifted.

In China, the situation is improving. The economic development in the third quarter is much better than the first and the second quarter. I think definitely we will be able to

reach the 8% growth rate. That is the target for this year. We are not sure whether the growth can be sustained, so the decision made by the central leadership at last week's Political Bureau meeting is that the proactive fiscal policy and the moderately eased monetary policy will continue. What we have been doing will continue at least for a while.

In the meantime, the trade surplus has decreased by a very large margin. It will be decreased this year by about 100 billion US dollars. That means we are exporting less. Rather, we are consuming more at home. We will definitely try to push the domestic consumption. But it will take time for us to do that.

We also have an employment problem in China. As I told my friends a few moments ago, the PLA is going to recruit soldiers from university graduates and one consideration is to try to help university students to find something to do. The government will reimburse all the tuition they have paid. That would be an incentive. From one angle, you can see that the employment situation in China is also quite serious.

What I am trying to say is that this is time for us to work together. Now I would like to brief you on the exchanges between President Hu Jintao and President Obama in Beijing, what we tend to do in the future, and what has been planned for the years ahead of us.

President Hu and President Obama held in-depth, productive and candid discussions on China-US relations and other issues of mutual interest. This was the third bilateral meeting of the two Presidents, following their meetings in London in April and in New York in September.

The two Presidents highlighted the substantial progress in China-US relations over the past 30 years since the establishment of diplomatic ties, and they reached agreement to advance China-US relations in the new era.

President Hu made five proposals on further advancing the China-US relationship, namely, to constantly enhance strategic mutual trust, to maintain high-level exchanges and dialogue and consultation at other levels, to strengthen coordination in macroeconomic and financial policies, to further advance exchanges and cooperation in various fields, and to jointly address regional and global challenges.

President Obama agreed with President Hu. President Obama said that the international relations have changed significantly in the 21st century. Relations between countries are no longer a zero-sum game. And international cooperation is necessary to meet global challenges.

He said the US side is prepared to work together with China to build on the growth of their relations in the past 30 years to make further progress, promote world economic

growth and prosperity, and jointly address common challenges.

This indicates that such face-to-face, sincere, and thorough exchange of views between leaders and decision-makers of the two countries is of great significance to enhancing mutual trust and cooperation and sustaining the momentum of bilateral ties in the new era.

President Obama invited President Hu to make a visit to the United States next year, and President Hu accepted the invitation with pleasure.

President Obama also had separate meetings with Wu Bangguo, Chairman of the Standing Committee of the National People's Congress and Premier Wen Jiabao.

During the visit, China and the United States issued a Joint Statement. The two sides reiterated that they are committed to building a positive, cooperative, and comprehensive China-US relationship for the 21st century and will take concrete actions to steadily build a partnership to address common challenges.

As I could recall, the last China-US Joint Statement was published in October 1997, 12 years ago, when then President Jiang Zemin was visiting Washington, DC.

The importance of the new Joint Statement cannot be overstated. It has defined our relations in five aspects, namely, the China-US relationship, building and deepening bilateral strategic trust, economic cooperation and global recovery, regional and global challenges, and climate change, energy and environment.

It has also charted the course for us to deepen consultation, coordination and cooperation in such important areas as trade, counter-terrorism, law-enforcement, military-to-military relations, energy, the environment, space and aviation, health, and people-to-people exchanges, as well as in efforts to address regional hot-spot issues and global challenges.

Moreover, it has outlined the fundamental principle that the two sides will embrace to properly handle differences and sensitive issues.

Many of you have noticed that President Obama also visited the Palace Museum and the Great Wall during this visit.

In the guestbook of the Palace Museum, President Obama wrote that the Museum "is truly majestic" and that it is a "testimony to the greatness and longevity of Chinese civilization." On the Great Wall, he said that the "spectacular" Wall is a "reminder of the ancient history of the Chinese people."

After traveling with President Obama in China, I was particularly impressed by the following two outcomes of the visit.

One is the new US initiative to send 100,000 students to China over the coming four years. This is a significant and forward-looking decision. I am sure as it unfolds, it will give a strong boost to mutual understanding and friendship between the two peoples, especially between the Chinese and American students.

And the other outcome that has impressed me most is the many concrete projects in climate change and clean energy. The two sides have agreed to mobilize at least 150 million US dollars in the next five years to support the joint clean energy research center. The Electric Vehicles initiative and the China-US Renewable Energy Partnership will be launched. The China-US Energy Cooperation Program will be established. And cooperation will be promoted on large-scale carbon capture and sequestration. These are all projects that promise great potential and will be the new highlights in our cooperation.

So this was a trip with many outcomes. President Obama's visit to China was a great success.

Ladies and Gentlemen,

This year marks the 30th anniversary of our diplomatic ties. Our relationship has made historic progress in the past three decades.

The evolution of China-US relations has proven that it is better for us to have cooperation rather than containment, dialogue rather than confrontation, and be partners rather than adversaries.

Over the years, China and the US have kept effective coordination with respect to international and regional hot-spot issues, as well as such global challenges as the financial crisis and climate change. The China-US relationship has thus assumed greater strategic and global significance. It is now one of the most dynamic and important bilateral relationships in the world.

Precisely as President Hu said to President Obama in Beijing, China and the US now share more extensive common interests and shoulder important common responsibility in a series of major issues that bear on peace and development for all mankind. Hence it is imperative and also entirely possible for China and the US to go beyond their differences and work together for a better future for all people in the 21st century.

I truly believe that in the new situation, the interests of China and the US are interconnected to such a degree that one could hardly do without the other. There may be bumps lying ahead, but I do hope and believe that the two sides will be able to work together in seizing the opportunity and enhancing cooperation to bring about a new chapter in the China-US relationship.

Thank you very much.