

Secretary of Commerce Wilbur Ross

Remarks at reception hosted by the U.S. Chamber of Commerce, The U.S. China Business Council, and the China General Chamber of Commerce

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Thank you for that very kind introduction and thank you, also, to the U.S.-China business council, the U.S. chamber of commerce, and the China general chamber of commerce for hosting today's events. And especially would like to thank Tom Donohue, and now that I'm on such a limited government pay, getting a free lunch every now and again is a very valuable supplement for me.

I'm also delighted to be here with Secretary Mnuchin, and Vice Premier Wang. During our previous meetings I discovered that the vice is a man of eloquence, wisdom, and wit. He also is a highly experienced and effective negotiator, that's why the U.S. side has to have two people to try to work with Vice Premier Wang.

I'm glad that we can all work together to benefit both the United States and China. Our two countries now represent more than one third of global GDP. The U.S.-China trade and investment relationship is clearly about the most important one in the entire world.

And that relationship has brought benefits to both nations. Many of the firms in this audience have prospered because of the strong U.S.-China relationship built over long period of years, but there remain serious imbalances, which we must work to rectify.

China's exports to the U.S., as we all know, far exceed the exports of the U.S. to China, and the U.S. market has far fewer restrictions on Chinese investment than China has on U.S. investment.

These realities were logical when China's economy was smaller, and when Chinese firms were much less competitive than they are today. But today, China has the second biggest economy in the world. It's largest exporter, and accounts for nearly 50 percent of the U.S. trade deficient in goods.

Chinese firms are globally competitive, and China is investing heavily in overseas markets, including the United States. Also, the trade surplus has created some money supply accesses in China. So this is not just a problem that one side wants to deal with, this is a problem that both sides would like to deal with. So, therefore, it is time to rebalance our trade and investment relationship in a more fair, equitable, and reciprocal direction.

Our presidents have struck up a strong friendship since their meeting at Mar-a-Lago. Through this new comprehensive economic dialogue, they have created a forum with the potential for

resolving trade and economic issues. Trade discussions are normally denominated in years, not days. But together, we have made some concrete progress in a very short time.

After just 40 days, as Secretary Mnuchin mentioned, we agreed to several mutually-beneficial changes, including the resumption of U.S. beef shipments to China after a 14 year ban. American beef has already proven to be very popular with Chinese consumers.

China's beef market currently exceeds \$2.5 billion per year, and is rapidly growing, with current beef consumption per capita at only about \$1.60. Though this is a good start, a lot of work remains. We now have begun to grapple with larger and more sensitive issues, so the dialogue, itself, is becoming more challenging.

Our objective, however, will continue to be specific deliverables by specific dates, so that everyone on both sides, can measure the results on a continuing basis. Our working relationship is better today than it has been in many decades, even though we may occasionally disagree on individual items, we have fundamentally- shared objectives.

So I am very hopeful about the opportunities for further success. Vice Premier Wang has traveled a long way with a large delegation of senior Chinese officials, and that shows how seriously he and his government are approaching this dialogue.

I can assure you that the U.S. team is equally serious. So, once again, I'm delighted to welcome the vice premier to the United States and look forward to his remarks. Thank you very much.