

Premier says no winner will emerge from a trade war and friction should be tackled through dialogue

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China and the United States should promote trade balance by expanding trade volume and pragmatically tackle friction and differences through dialogue and negotiation, Premier Li Keqiang said on March 26.

Otherwise, he noted, it will do no good to either country or the international community.

Li made the remarks as he spoke to about 100 overseas representatives of Fortune 500 companies, leading research institutions and international organizations as part of the China Development Forum 2018 in Beijing. The three-day forum concluded on March 26.

"China's integration with the world will continue to get deeper," Li said, expressing his appreciation to those in attendance, who he sees as "passionate about China's development".

It was through market forces and business rules that trade volume between China and the US has grown to the current level, which, in essence, has benefited both countries, Li said. He said no winner will emerge from a trade war between the US and China.

Closing the door to other countries also blocks a country's own way out, Li said.

Noting that 2018 marks the 40th anniversary of China's State policy of reform and opening-up, Li said



Premier Li Keqiang talks with foreign delegates at the China Development Forum 2018 in Beijing on March 26. WU ZHIYI / CHINA DAILY

Closing door hurts all: Li

this year China will open up further and deepen reform, moves that serve China's own interest while facilitating healthy international free trade.

China is willing to learn about advanced technologies and management expertise from other countries and expand cooperation with them in areas of products, knowledge, technology and services, he said.

The Made In China 2025 strategy is being promoted in an open and fair environment with equal treatment to domestic and overseas busi-

nesses, Li said, adding that China will not force any technology transfer from any foreign company.

He said China will enhance efforts to protect intellectual property rights while severely cracking down on infringement, extending his welcome to more globally competitive businesses wishing to share growth opportunities.

Representatives at the meeting, including Tim Cook, CEO of Apple, told the premier they are willing to participate in China's reform and

opening-up to realize a win-win outcome.

General Administration of Customs data show that in 2017, China's trade volume with the US expanded 15.2 percent to 3.95 trillion yuan (\$627 billion), and its trade surplus increased 13 percent year-on-year to 1.87 trillion yuan.

Zhang Jianping, a professor at the Chinese Academy of International Trade and Economic Cooperation in the Ministry of Commerce, said China and the US must expand trade

volume in general, because the current trade imbalance was not formed overnight and requires structural changes to tackle gradually.

Peter Salovey, president of Yale University, said at the forum the key issue between China and the US is to further improve trust and the ability to work together to solve problems. He said he does not want to see a trade deficit "undermine the great work that our countries have done together on different dimensions in the last two decades".

China open to US trade talks

Beijing willing to negotiate with Washington to manage differences and avert further tensions

By ZHONG NAN
and JING SHUIYU

China stressed on March 26 the door for dialogue and consultation regarding trade disputes with the United States has always been open, and international trade today needs rules rather than supremacy by any one nation.

Foreign Ministry spokeswoman Hua Chunying said China is willing to negotiate with the US based on the principle of mutual respect, equality and mutual benefit to properly manage their differences.

It is time for the US to stop adopting hegemonic measures to intimidate others in areas of global trade, she said at a news briefing in Beijing.

Her comments came after US Treasury Secretary Steven Mnuchin said on March 25 that he is optimistic the US can reach an agreement

with China to avoid a trade war. On March 22, US President Donald Trump signed a memorandum that could impose tariffs on up to \$60 billion of imports from China, a move that poses a threat to global trade.

"Reviving talks on the China-US bilateral investment treaty would be a breakthrough in establishing a systematized arrangement for trade and other commercial activities," said Long Guoqiang, vice-president of the Development Research Center of the State Council.

There are a number of reasons the US is very concerned about the bilateral trade imbalance, with one of the most critical factors being the influence on its employment, he said. The idea that China is "stealing" jobs from the US through exports is a one-sided perspective, he added.

"China has an immense goods trade surplus with the US, but the

country's huge trade deficit in services reminds one of the comparative advantages of each country in terms of the manufacturing and service sectors, and demonstrates the complementary traits of their differing economic structures," Long said.

A study by the Development Research Center showed that restrictions on exports of high-tech products from the US to China undermine the competitiveness of US products in China.

The percentage of high-tech imports into the Chinese market from the US fell from 16.7 percent in 2001 to 8.2 percent in 2016. China imported \$227 billion in computer chip products in 2016, with only 4 percent of them coming from the US.

Wei Jianguo, former vice-minister of commerce, said effective measures that China can take to fight back against the US involve agricultural

products and high-tech companies if the country is forced into a trade war.

He cited trade affecting agricultural producers in Iowa and Indiana and high-tech giants like Boeing, General Motors and Qualcomm as potential targets.

"The entire international market is worried about a China-US trade war," said Wei. "Once the trade war starts, Chinese exports will stumble and the imports of raw materials will be cut. It will affect the exports of many countries, including the European Union, Australia, Canada and South Korea."

"The Association of Southeast Asian Nations is also paying close attention to the issue, for fear of the negative impact that would be caused by a trade war," he added.

Bernard Dewit, chairman of the Belgian-Chinese Chamber of Com-

merce, said he is quite concerned about a possible trade war between China and the US because the world economy would suffer.

Lawrence Summers, former US Treasury secretary, stressed on March 24 that the US cannot restrain China's rise. Instead of trying that, the US should build on its unique advantages including universities, opportunities for immigrants, and areas like Silicon Valley and entrepreneurship.

The US' proposed trade actions have already had a ripple effect as the EU started a study on March 26 into possible limits on steel imports. EU officials say they are facing increasing imports of steel that they fear have been diverted to Europe due to US tariff decisions.

Fu Jing and Zhou Jin contributed to this story.