

US-China relations

US will not compromise with China on national security, says commerce secretary

Gina Raimondo also stresses economic stability as vital for two countries' \$700bn of annual trade in visit to Beijing



US commerce secretary Gina Raimondo, right, and ambassador Nick Burns attend a meeting at China's Ministry of Commerce in Beijing on Monday © Andy Wong/Getty Images

Joe Leahy in Beijing 6 HOURS AGO

US commerce secretary Gina Raimondo began a tour of China on Monday with a warning that Washington would not bend on national security, while adding that she saw opportunities in the majority of bilateral trade that did not touch on sensitive issues.

Speaking to her counterpart, Chinese commerce minister Wang Wentao, in Beijing as part of a trip designed to reinvigorate dialogue between the two sides, Raimondo said the US believed “a strong Chinese economy is a good thing”.

“Of course, in matters of national security, there is no room to compromise or negotiate,” Raimondo said. “And as you say, the vast majority of our trade and investment relationship does not involve national security concerns. And in this regard, we are committed to promoting trade and investment in those areas that are in our mutual best interest.”

Raimondo’s four-day visit to Beijing, the fourth by a high-level US official this year, is part of efforts by Washington to put the bilateral relationship with [China](#) on a firmer footing.

China is incensed at efforts by US president Joe Biden to continue tightening

restrictions on technology-related exports and investments in China, including curbs [announced this month](#) designed to stop US funding from flowing to the Chinese military.

But Beijing is struggling with flagging foreign and domestic investor confidence. A slowdown in its property sector and weakness in exports have hit economic growth.

Once confident in being able to attract foreign investors, Chinese officials are now trying to reignite overseas interest and convince factory owners to expand, just as many of them are [weighing alternatives elsewhere in Asia](#).

Raimondo later told a gathering of US businesses that she spoke with Wang for four hours, including a two-hour lunch.

The two sides agreed to set up an “export control enforcement information exchange”, which the US said would serve as a platform to “reduce misunderstanding of US national security policies”. The first meeting of this exchange would be on Tuesday this week.

The two sides also would start a commercial issues working group involving government and private sector representatives to meet twice annually. Finally, they planned to convene experts for discussions regarding strengthening the protection of trade secrets and confidential business information during administrative licensing proceedings. There would also be annual minister-level meetings.

Raimondo said the [US-China trade relationship](#), worth \$700bn, was one of the world’s most significant, and it was “profoundly important” that the two sides had a “stable economic relationship”.

She said investments by the Biden administration to strengthen supply chains in the US were not intended to “hinder China’s economic progress”.

The Biden administration last year signed into law the Inflation Reduction Act and the Chips and Science Act, which award tax credits, subsidies and loans to develop domestic industries in clean technology and semiconductors.

Raimondo singled out healthcare, climate change and “people-to-people” ties as areas in which the two sides could work together.

China’s Wang said most US-China trade was of a “benign” category and should be allowed to continue unhindered.

He said he was willing to work with Raimondo to foster “a more favourable policv

environment” and “inject stronger impetus into world economic recovery”.

Raimondo said later at a presentation on US personal care products marketed in China that 99 per cent of American trade with the world’s second-largest economy was not related to goods subject to export controls.

“Can you promote and protect at the same time? Absolutely, and this is a perfect example,” she said. “The plan and the hope is that our commercial relationship, if done right, can stabilise the political relationship.”

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