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## Trade war would be ‘disastrous for both of us’, US tells China

Story by Louise Watt • 9 Jul



Janet Yellen said 'the world is big enough for both of our countries to thrive' - Mark Schiefelbein/Reuters© Provided by The Telegraph

**T**he US and China were still [at odds over various issues](#) but “on surer footing”, the US treasury chief said after a visit to Beijing.

Janet Yellen spoke as she wrapped up a [four-day trip to Beijing](#) that included 10 hours of bilateral meetings.

“The US and China have significant disagreements,” Ms Yellen told reporters.

“But President Biden and I do not see the relationship between the US and China through the frame of great power conflict. We believe that the world is big enough for both of our countries to thrive.”



Ms Yellen shakes hands with He Lifeng - Pedro Pardo/AFP© Provided by The Telegraph

The two countries have been at odds over trade, technology and Taiwan’s self-governance. Beijing is furious with Washington’s decision to impose trade curbs on advanced Chinese technology which the latter claims is for security reasons.

Beijing says the curbs threaten to hamper its development of artificial intelligence and other industries.

Washington, meanwhile, accuses Beijing of unfair trade practices, including barriers faced by foreign companies entering the Chinese market.

Despite the tensions, two-way trade between China and the United States hit a record \$690 billion (£540 billion) last year.

Ms Yellen said the US does not want to decouple or separate its economy from China's, as that would be "disastrous for both countries and destabilising for the world". China also says there would be no winners in a trade war.

In her meetings with Chinese officials including Li Qiang, the Chinese premier, Ms Yellen urged more cooperation between Beijing and Washington on economic and climate issues. She said talks were "direct, substantive and productive". On Friday, Mr Li told Ms Yellen that bilateral relations could see "rainbows" after a round of "wind and rain".

Ms Yellen's meeting with He Lifeng, the vice premier, resulted in an agreement to "strengthen communication and cooperation on addressing global challenges", according to China's official Xinhua news agency.

The treasury chief's trip is the latest in a US diplomatic push to tamp down tense relations between China and the United States. Last month, Antony Blinken, the US Secretary of State, [met President Xi Jinping](#) in Beijing, with both stressing the importance of avoiding conflict. But China refused Blinken's call to resume military-to-military communication channels, which Beijing suspended in August over a visit by Nancy Pelosi, the then US house speaker, to Taiwan. China claims sovereignty over Taiwan.

Last month, President Joe Biden said he hopes to meet with Xi Jinping in the coming months.