

Yellen says 'significant disagreements' remain in US-China relationship, but sees 'progress'

Story by Landon Mion • Jul 9

[U.S. Treasury Secretary Janet Yellen](#) said her recent bilateral meetings with senior Chinese officials were productive and helped stabilize the relationship between the two world powers.

Yellen, who departs from Beijing on Sunday after a four-day visit, said the U.S. and China remained in disagreement on several issues, but she is confident that her visit moved forward U.S. plans to "put the U.S.-China relationship on surer footing."

"The U.S. and China have significant disagreements," Yellen said at a press conference at the U.S. embassy in Beijing, pointing to U.S. concerns about what she described as "unfair economic practices" and recent punishment against U.S. firms.

"But President Biden and I do not see the relationship between the U.S. and China through the frame of great power conflict," she continued. "We believe that the world is big enough for both of our countries to thrive."

Yellen's visit comes as the U.S. federal government attempts to rekindle its [relationship with China](#), which has been damaged in recent years over a number of issues, including Taiwan and technology.

Secretary of State Antony Blinken visited Beijing last month in his first visit under the Biden administration. Blinken initially planned to visit in February until the trip was canceled over the presence of what lawmakers in Washington called a Chinese spy balloon that was seen traveling across the U.S. Climate envoy John Kerry is expected to visit China later this month.

A possible meeting between Biden and Chinese President Xi could come as soon as September for the Group of 20 summit in New Delhi or in November for the Asia-Pacific Economic Cooperation gathering in San Francisco.

Yellen said the goal of her visit was to strengthen ties to China's new economic team, reduce the risk of misunderstanding and create a path for cooperation in climate change, debt distress, and other areas.



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"I do think we've made some progress and I think we can have a healthy economic relationship that benefits both of us and the world," she said, noting that she expected increased communications by staff.

Chinese officials raised concerns about an expected executive order restricting outbound investment, Yellen said. But she assured them that any measure addressing this issue would be narrow in scope and would be enacted transparently through a rule-making process that would allow public input.



U.S. Treasury Secretary Janet Yellen, left, shakes hands with Chinese Vice Premier He Lifeng during a meeting at the Diaoyutai State Guesthouse in Beijing, China, Saturday, July 8, 2023. Mark Schiefelbein/Pool via REUTERS© Mark Schiefelbein/Pool via REUTERS

Yellen said she told Chinese officials they could voice their concerns about U.S. actions, so Washington could explain and "possibly in some situations, respond to unintended consequences of our actions if they're not carefully targeted."

She emphasized that Washington was not looking to distance itself from [China's economy](#), since doing so would be "disastrous for both countries and destabilizing for the world." Yellen said the U.S. would like to see an "open, free and fair economy" instead of one that forces countries to pick a side.

When she was asked about plans by BRICS countries Brazil, Russia, India and China to announce a new currency, Yellen said she anticipates that the dollar to remain the dominant currency in international transactions.

"All of the data of which I'm aware shows that the dollar is overwhelmingly - close to 90% - used in international transactions, and I don't think that there is an alternative that could possibly displace that in the foreseeable future," she said.



Chinese Premier Li Qiang, right, shakes hands with Treasury Secretary Janet Yellen, left, during a meeting at the Great Hall of the People in Beijing, China, on July 7, 2023. AP Photo/Mark Schiefelbein, Pool© AP Photo/Mark Schiefelbein, Pool

During her meetings, Yellen met with senior Chinese officials, U.S. companies doing business in China, climate finance experts and women economists. She called for more cooperation between the countries on economic and climate issues while criticizing "punitive actions" against U.S. companies in China.

Yellen also addressed Russia's war in Ukraine with Chinese officials and said it was "essential" that Chinese firms avoid providing Russia with material support for the war.

The U.S. and China have both downplayed expectations for solutions during the talks.

"No one visit will solve our challenges overnight. But I expect that this trip will help build a resilient and productive channel of communication," Yellen said.

Reuters contributed to this report.