



China Pledges Steps to Open Markets Without Budging on Yuan

By Rebecca Christie and Belinda Cao - May 10, 2011

[China](#) pledged to open more of its markets to U.S. companies after a two-day gathering of top officials that underscored the gap between the two nations over how fast the Chinese currency should rise.

Treasury Secretary [Timothy F. Geithner](#) continued his push for a stronger yuan, which lawmakers say would boost American competitiveness and job growth. Chinese officials agreed on the upward direction of the currency, while splitting on the pace. "We have differences on the degree of appreciation," Deputy Finance Minister [Zhu Guangyao](#) said yesterday in Washington.

With distance on the yuan remaining at this year's Strategic and Economic Dialogue, the world's two biggest economies instead settled on incremental steps to improve business ties. China pledged to strengthen intellectual property rights and phase out domestic purchasing preferences by the government, while offering foreign financial firms a larger role.

"The two countries are becoming increasingly evenly matched in terms of economic clout and have little direct leverage over each other's policies," said [Eswar Prasad](#), a senior fellow at the Washington-based [Brookings Institution](#). "The quid-pro-quo approach may be the only productive avenue."

U.S. officials pledged increased opportunities for Chinese firms, with Geithner saying at a news conference after the meeting that "you're going to see Chinese investment in the [United States](#) continue to expand very, very rapidly," a step that will be "good for the United States, good for China."

Limited Gains

The Treasury chief, who co-led the talks with Secretary of State [Hillary Clinton](#), also played up a stronger yuan as a benefit to China in helping contain inflation. Government reports today showed China's consumer prices rose a more-than- estimated 5.3 percent in April from a year before, with lending also exceeding projections at 739.6 billion yuan (\$114 billion).