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US-China relations

US commerce secretary hails 'new approach' to handling China business frictions

Gina Raimondo pledges to make planned working group function better than past mechanisms



Gina Raimondo in Shanghai. Her trip to China was part of efforts to revive top-level dialogue with Beijing after ties chilled © Aly Song/Reuters

Joe Leahy in Shanghai AUGUST 30 2023

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US commerce secretary Gina Raimondo wrapped up a trip to China on Wednesday with a pledge to make a new mechanism for resolving commercial differences work better than past initiatives that failed to avert conflict over technology and trade.

Speaking in a Boeing hangar in Shanghai before departing for the US, Raimondo insisted the planned “commercial issues working group” would succeed where past such schemes were sidelined amid frictions between the world’s two largest economies.

“Why will this be different? We have to make it different. The US-Chinese relationship is too consequential and we can’t drift to a place of greater conflict,” said Raimondo, who has hailed the new working group as an achievement of her trip.

“This is the beginning of a new approach. There’s a strong appetite among US business to make this work,” she told reporters.

Raimondo’s trip is part of efforts to resurrect dialogue between Washington and Beijing after [relations](#) plunged to their worst levels in decades because of disputes over Taiwan, trade and technology controls.

[Raimondo](#) has said the commercial issues working group will include private sector and government representatives and will meet twice annually, with the first session in the US next year.

But some experts questioned how the new working group would improve on previous mechanisms, such as the US-China Joint Commission on Commerce and Trade.

Bill Bishop, author of the Sinocism newsletter, said it had been years since the US Department of Commerce website mentioned the JCCT, once the main forum for discussing commercial matters between the two sides.

Raimondo on Tuesday warned that American companies were beginning to [see China as “uninvestable”](#). She cited what she said were arbitrary fines, raids on businesses, counter-espionage law changes, new data localisation rules and local content requirements.

Raimondo, whose visit followed recent trips to Beijing by secretary of state Antony Blinken and Treasury secretary Janet Yellen, earlier this week met Chinese premier Li Qiang as well as economy chief He Lifeng and commerce minister Wang Wentao.

On Wednesday, she met the powerful Shanghai Communist party secretary Chen Jining, who told her business and trade were important to provide “stabilising ballast for bilateral ties”.

“The world today is quite complicated. The economic rebound is a bit lacklustre. So stable bilateral ties in terms of trade and business is in the interest of [the] two countries,” Chen said.

Raimondo, who toured Shanghai Disneyland and New York University’s campus in the Chinese financial capital on Wednesday, said the return to dialogue was important with US businesses still keen to invest in the country.

“Now the work begins with these new working groups and information exchanges,” Raimondo said, adding that she hoped they would “lead to action, which will make the playing field more level”.

Raimondo said she also raised during her trip problems with market access in China for Visa and Mastercard as well as the refusal of Chinese airlines to accept delivery of Boeing 737 Max aircraft.

Raimondo said in a later online press conference that she had complained to Chinese officials that her email was among US government accounts targeted by suspected Chinese hackers this year.

“I mentioned that as an example of an action that erodes trust at a time when we are trying to stabilise the relationship and increase channels of communication,” she said.

Eswar Prasad, a professor of trade policy at Cornell University, said Raimondo’s visit had “at least put a floor on the US-China relationship”.

While there were no breakthroughs, Prasad said the new more formal channels of communication would help mitigate the risk of “further escalation of bilateral tensions”.

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