

Business leaders meet with Hu, Obama to urge increasing U.S. exports to China

By Jia Lynn Yang
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Wednesday, January 19, 2011; 11:55 PM

Top U.S. business leaders met with President Obama and Chinese President Hu Jintao at the White House on Wednesday to press for increasing U.S. exports to China, a move that could create more American jobs.

The show of corporate might - which included Steve Ballmer of Microsoft, Lloyd Blankfein of Goldman Sachs and Jeff Immelt of General Electric - reflected the intense focus during Hu's state visit on the economic relationship between China and the United States.

Just before the summit, the White House announced a slew of deals between the United States and China that officials said will increase U.S. exports by \$45 billion.

"From machinery to software, from aviation to agriculture, these deals will support some 235,000 American jobs," Obama said. "And that includes many manufacturing jobs, so this is great news for America's workers."

The broad package of agreements included \$2 billion worth of joint ventures between GE and its Chinese partners in clean energy, aviation and rail transportation, as well as the sale of \$19 billion worth of Boeing aircraft. Also, American Electric Power signed

a deal with China Huaneng Group, China's largest power generation company, to develop carbon-capture technology.

Other chief executives at the summit included Intel's Paul Otellini, Dupont's Ellen Kullman and Carlyle Group's David Rubenstein. A handful of Chinese business leaders also attended, including Lenovo's Liu Chuanzhi and Haier's Zhang Ruimin.

The executives pointed out that China is one of the top markets for U.S. goods and that exports to China are growing nearly twice as fast as they are to the rest of the world, Obama said.

"Our goal here today was to make sure that we break out of the old stereotypes that somehow China is simply taking manufacturing jobs and taking advantage of

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low wages," he said. "The relationship is much more complex than that, and it has much more potential than that."

Leaders of some U.S. multinationals have grumbled in the past that the Chinese government has sometimes been hostile to American businesses as they seek to enter the fast-growing Chinese market. In another sign of China's rapid economic expansion, the government's statistics bureau in Beijing reported early Thursday that the nation's gross domestic product jumped 10.3 percent in 2010 from a year earlier.

Obama said he relayed that concern to Hu in their meeting Wednesday, stressing that "there has to be a level playing field."

Eswar Shanker Prasad, who teaches trade policy at Cornell University, called the \$45 billion in trade deals a "sizable" amount. But the more important question is whether China will open its markets significantly. So far, he said, the Chinese have been very selective in granting access, preferring firms that can provide them technological know-how, which they can later use to help their domestic industries.

"The firms that get access to the Chinese market are the firms where the Chinese see some significant benefits," Prasad said.

During the White House meeting, executives

also relayed concerns that China does not go far enough to enforce intellectual property laws. Only one in 10 Microsoft users in China have paid for the firm's product, Ballmer told the two leaders during the meeting, according to Obama.

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