



Source: China Daily, January 20, 2009.



Obama administration China policy

“China’s rise offers great opportunity, but also poses serious challenges. It is critical the U.S. do all it can to assure China’s rise is peaceful, and, if it remains so, the U.S. should welcome China’s continuing emergence and prosperity.”

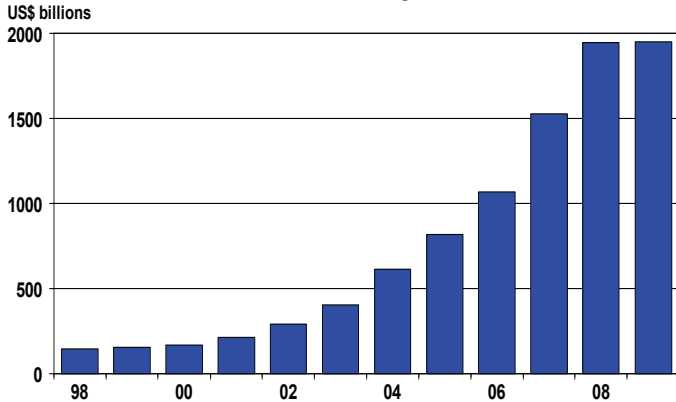
President Barack Obama

Source: BarackObama.com, Obama Statement, May 23, 2007.

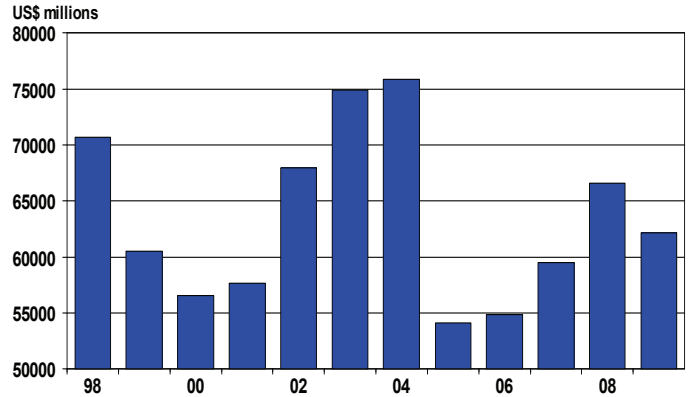


China and U.S. foreign exchange reserves

China



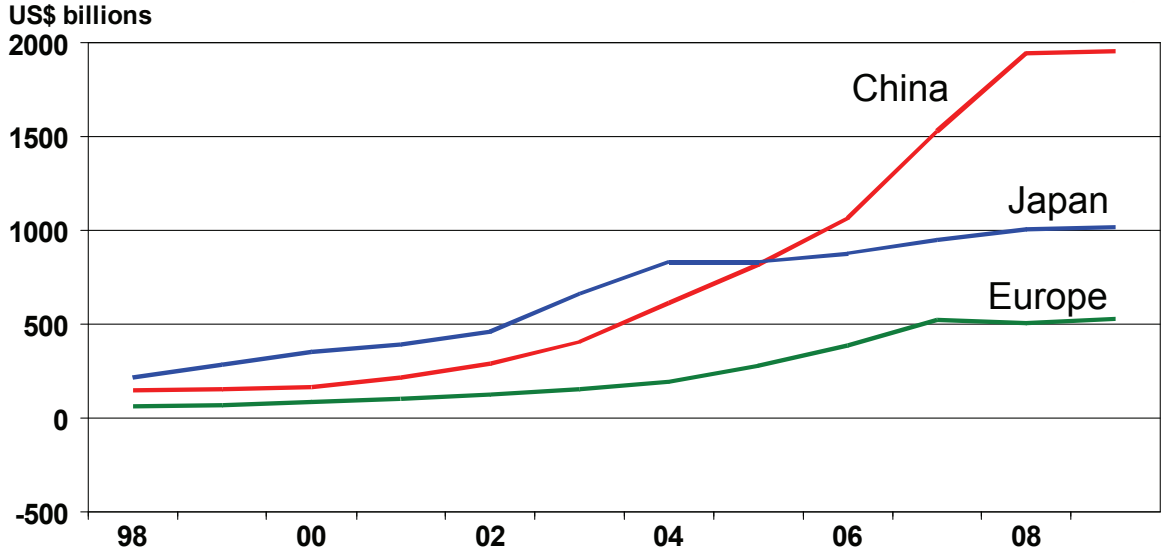
U.S.



Source: International Monetary Fund.

Top holders of foreign exchange reserves

1998 to Q1 2009



Source: International Monetary Fund.

Foreign holdings of U.S. securities

US\$ millions

2002

Rank	Country	Total	Equity	Short- and Long-term Debt
1	Japan	\$637.0	\$118.6	\$518.4
2	United Kingdom	\$367.5	\$194.3	\$173.2
3	Luxembourg	\$228.7	\$93.8	\$134.9
4	Canada	\$208.2	\$155.1	\$53.1
5	China	\$181.4	\$4.0	\$177.4
	World Total	\$4,338.0	\$1,395.4	\$2,942.6
	China's holdings as % of World Total	4.2%	0.3%	6.0%

2008

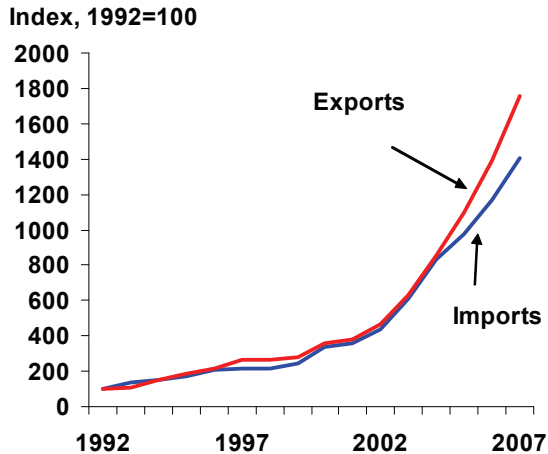
Rank	Country	Total	Equity	Short- and Long-term Debt
1	Japan	\$1,250.4	\$198.6	\$1,051.8
2	China	\$1,205.0	\$99.5	\$1,105.5
3	United Kingdom	\$863.9	\$375.9	\$488.0
4	Cayman Islands	\$832.3	\$316.8	\$515.5
5	Luxembourg	\$656.8	\$190.6	\$466.2
	World Total	\$10,324.0	\$2,969.9	\$7,354.8
	China's holdings as % of World Total	11.7%	3.4%	15.0%

Source: U.S. Department of the Treasury.

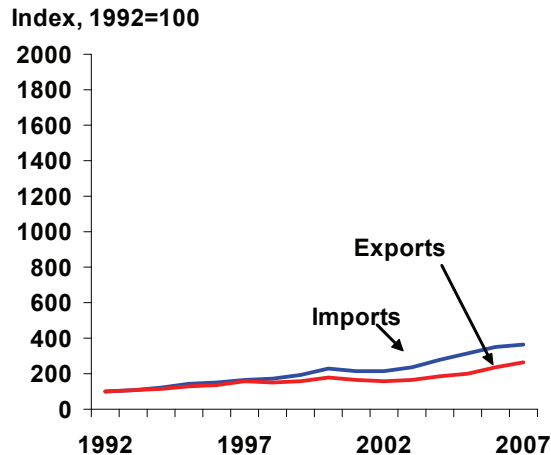
China and U.S. trade growth

US\$ billions, 1982 to 2007

China

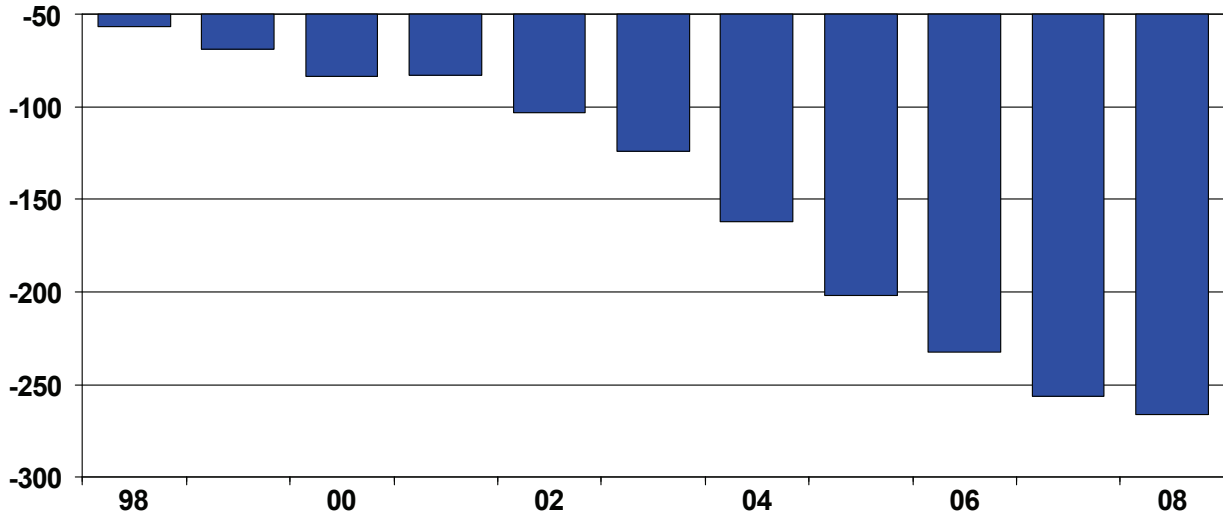


U.S.



U.S. trade deficit with China

US\$ billions, 1998 to 2008



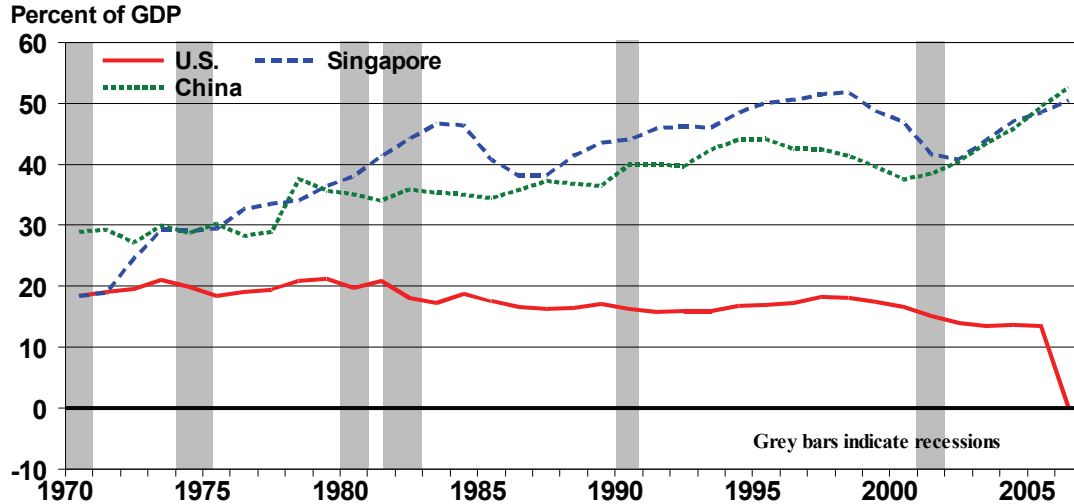
Source: U.S. Census Bureau, Foreign Trade Division .

Gross domestic savings

U.S., China and Singapore, 1960 to 2006



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Sources: World Development Indicators, Bureau of Economic Analysis, and Guidolin and Jeunesse, 2007

Chinese companies listed in U.S. stock exchange

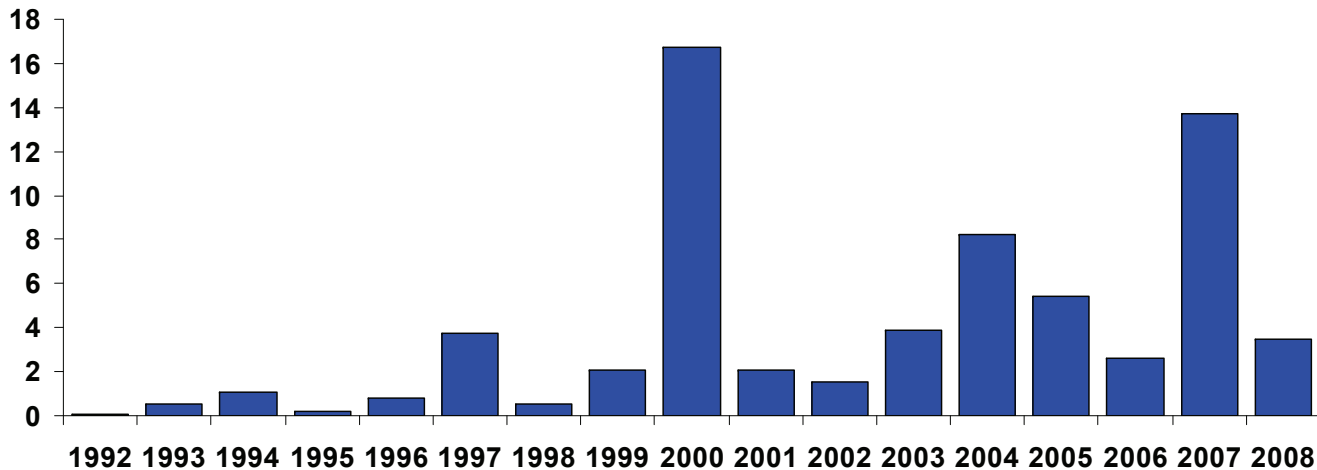


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- **Zero in 1998**
- **In 2008**
 - **NYSE: 19**
 - **NASDAQ: 30**
 - **Traded over-the-counter: 28**

Total amount raised by Chinese companies on U.S. stock exchanges

US\$ billions

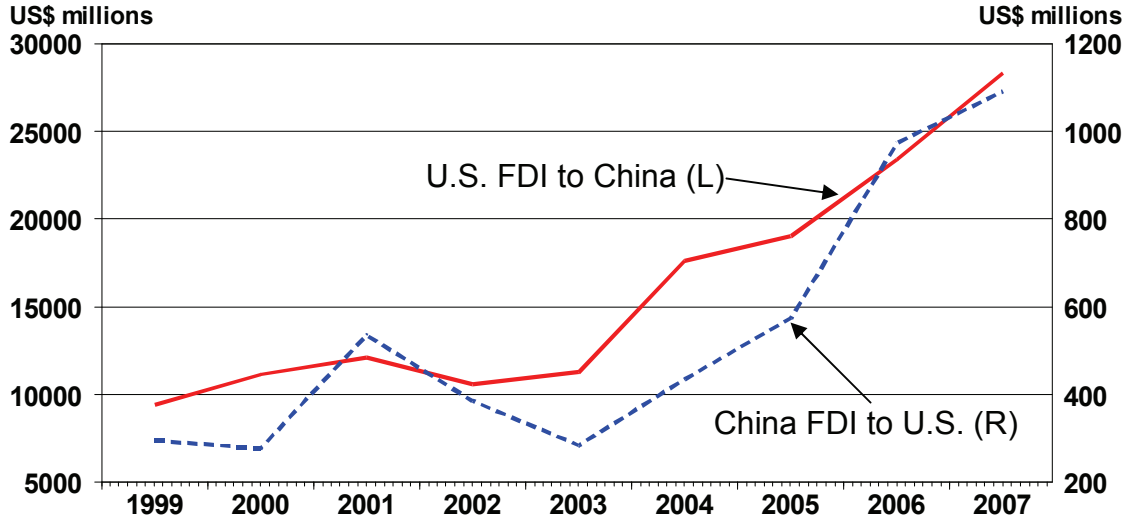


Source: Dealogic.

Foreign direct investment positions between U.S. and China



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Source: U.S. Bureau of Economic Analysis.



President Obama and President Hu Bilateral Meeting

- **Enhance U.S. – China relations**

- Established “U.S. – China Strategic and Economic Dialogue”, first round will be in Washington DC in the summer of 2009.
- Joint commission on Commerce and Trade
- Resume and expand consultations on non-proliferation and other international security
- To resume the human rights dialogue as soon as possible
- Coordination and work together for settlement of conflicts, including denuclearization of the Korean Peninsula, Iranian nuclear issue, Sudan humanitarian issues
- Intensify policy dialogue and practical cooperation in energy, environment, and climate change

- **Strengthen economic and financial cooperation**

- Agreed on the need for sweeping changes in governance structure of international financial institutions



China's growing Strategic Petroleum Reserve

	United States	China
Year of establishment	1976	2006
Current level (million barrels)	715	102
Increase since 2006	26	140
Equivalent days of oil consumption at 2008 rate	37	13
Capacity	727	104*

* To be expanded to 430 million barrels

Sources: EIA, BP Amocos, Xinhua News Agency, Milken Institute.

China completed major deals with oil exporters in recent months

Date	Deal	Deal value
January 2009	China National Petroleum Company signed a deal to develop north part of the Azadegan oil field in Iran.	\$1.76 billion
February 2009	China and Saudi Arabia signed a protocol of cooperation on oil, natural gas and metals.	n.a.
February 2009	China National Petroleum Company agreed to loan \$25 billion to Russia for \$1.2 billion barrels of oil.	\$25 billion
February 2009	Petrobras (Brazil) gets \$10 billion loan from China in exchange for 100,000 barrels per day contract in 2009 and 2010.	\$10 billion