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Economy/ Global Economy

Janet Yellen's China plan: US Treasury secretary to meet American firms in Guangzhou before officials in Beijing, sources say

April follow-up trip to Beijing by Janet Yellen to be preceded by a stop in Guangzhou, where she will hear concerns related to overcapacity and intellectual protection

Dealing with US business community overseas would normally fall under the oversight of Secretary of Commerce Gina Raimondo



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US Secretary of the Treasury Janet Yellen is seen during her visit to Beijing in July. She is scheduled to return to China in early April. Photo: Reuters

US Secretary of the Treasury Janet Yellen is scheduled to meet representatives of American businesses in the southern city of Guangzhou before heading to Beijing in early April to get face time with Chinese counterparts, sources say.

A “small town hall meeting” will be held, and Yellen will have a 45-minute question-and-answer session with the business community, according to details shared with the Post.

“The secretary wants to hear about the issues facing US firms in China and is particularly interested in overcapacity, IP [intellectual property] issues and import-substitution-related issues,” a source said on condition of anonymity.

Invitations have already been sent to US business representatives with operations in China, the source added.

China's foreign firms fear golden era over as Beijing aims to 'solidify control'

15 Feb 2024



The US official, who visited Beijing in July to help set up a bilateral economic and financial working group, will travel to the Chinese capital where she is likely to meet with Vice-Premier He Lifeng, commerce minister Wang Wentao and central bank governor Pan Gongsheng, another source added on background.

She had been [expected to return to China](#) this year after the working group convened three meetings following her July trip. Her April visit is likely to be for the fourth meeting.

Yellen's Guangzhou stop and meeting with American businesses would be unusual because that is largely regarded as falling under the purview of US Secretary of Commerce Gina Raimondo.

The trip will come at a time when China's overcapacity issues, particularly in regard to electric vehicles, have raised eyebrows and intensified discussions in the run-up to November's US presidential election.

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Yellen hails 'step forward' in US-China ties despite national security concerns



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President Joe Biden said [in late February](#): "China's policies could flood our market with its vehicles, posing risks to our national security."

To address the risks of connected vehicles that use technology from China and other countries of concern, his administration said "unprecedented action" was being taken.

Former US president Donald Trump, the presumptive Republican candidate for November's election, also said in a campaign speech [earlier this month](#) that he would impose a 100 per cent tariff on Chinese cars made in Mexico.

Han Shen Lin, China country director at The Asia Group, a Washington-based consultancy, said: "Yellen's forthcoming visit signals continued commitment for substantive US-China collaboration at the working levels – where it matters the most to multinationals, which depend on the government for clarity on policy guardrails."



Sustained interactions ... are important and constructive for the most consequential bilateral relationship globally
Wang Zichen, Centre for China and Globalisation

Beijing and Washington have expressed a desire to maintain strong bilateral communication and deepen engagement following President [Xi Jinping's](#) visit to San Francisco in November, but [analysts have questioned](#) how much progress can be made on economic matters in the face of political contrasts.

The US embassy in China did not reply to the Post's request for comment.

During a [virtual meeting](#) with undersecretary of commerce for international trade Marisa Lago in February, China's vice commerce minister, Wang Shouwen, raised concerns over US restrictions on semiconductors and cloud services, as well as photovoltaic containments, and he demanded fair treatment for Chinese companies in America.

"Sustained interactions between the two sides – especially in a US election year when getting tough on China is increasingly an electoral purity test – are important and constructive for the most consequential bilateral relationship globally and the world at large," said Wang Zichen, a research fellow at the Centre for China and Globalisation, a Beijing-based think tank.

China's private firms fed up with crippling payment delays, 'red-tape excuses'

19 Mar 2024



Beijing is on high alert for any politicisation of economic, investment and trade activities as Washington escalates action on semiconductors, [TikTok](#), EVs and [even cranes](#), Wang warned.

American politicians are also expected to challenge China's exports of electric vehicles, lithium batteries and solar cells, due to concerns about oversupplies distorting the US market.

China's EV exports to the US were down by 42 per cent in the first two months of 2024, year on year, with lithium-battery exports to the country decreasing by 46 per cent.

The European Union started an anti-subsidy probe into Chinese electric vehicles in October. China's EV export volume to the bloc fell by nearly 20 per cent from a year earlier to 75,626 units, customs data showed.

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'Overtaking on a bend': how China's EV industry charged ahead to dominate the global market



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However, as Beijing [embraces other markets](#), such as countries under the Regional Comprehensive Economic Partnership, China's EV export volume rose 8 per cent, year on year, to 248,211 units in the January–February period.

Stephen Orlins, president of the non-profit National Committee on US-China Relations, said at the China Development Forum on Sunday that the bilateral relationship still has room for improvement.

There was an increase in the number of CEOs who attended the forum, creating a better vibe, Orlins said, adding that American firms have been keen to get a handle on China's policy direction following the pandemic.