

U.S. and China make progress on beef, software trade

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(Reuters) - Top U.S. and Chinese officials said on Wednesday they had made progress on beef, software and other bilateral trade irritants, reducing some friction ahead of a presidential summit next month.

"The understandings that we reached today will help to protect American jobs and bolster America's competitiveness and help to grow our economy," U.S. Trade Representative Ron Kirk said at the conclusion of two days of talks.

Beef exporters hailed Chinese Vice Premier Wang Qishan's statement that China, in accordance with scientific principles and quarantine standards, would "resume the imports of American beef, both deboned and bone-in, under the age of 30 months."

Its market has been closed to U.S. beef since 2003, when the first case of mad cow disease was found in the United States. But some other countries, including South Korea, already buy U.S. beef with the 30-month age limit.

Reopening the Chinese market could mean "about \$200 million in annual beef business," said Joe Schuele, a spokesman for the U.S. Meat Export Federation.

Agriculture Secretary Tom Vilsack said a U.S. team would travel to China in early January for technical talks on a staged reintroduction of U.S. beef into the market.

He also welcomed a Chinese decision to lift a ban on poultry from in Idaho and Kentucky, also imposed because of disease concerns.

The announcements came at the conclusion of the 21st U.S.-China Joint Commission on Commerce and Trade, an annual bilateral forum to resolve trade irritants.

U.S. EXPECTS CONCRETE RESULTS

Wang also promised China will actively fight copyright piracy by promoting greater use of legal software, and will submit a revised offer to join the World Trade Organization's government procurement pact, he said.

"We expect to see concrete and measurable results on issues like intellectual property rights, including increased purchases and use of legal software in China," Kirk said.

The two sides signed seven agreements, including one to promote cooperation and information sharing regarding Chinese investment in the United States.

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Other pacts covered inspection and quarantine procedures for soybeans, energy grid standards, water monitoring and trade development programs.

Commerce Secretary Gary Locke said he expected further, broad trade deals when Chinese President Hu Jintao comes to Washington in January.

Some U.S. industry officials expect Hu to be accompanied by a large delegation of Chinese businesses announcing purchases of U.S. goods potentially worth tens of billions of dollars.

The U.S. Chamber of Commerce said the meeting yielded progress on several of their concerns, but urged the two governments to agree on "metrics" to measure results.

"We note that today's promises must be measured not by words on paper, but by tangible progress on the ground," said Myron Brilliant, the business group's vice president for international affairs.

U.S. officials welcomed a pledge that Chinese government procurement decisions would not discriminate against products containing intellectual property developed outside of China.

That addressed one major concern about China's "indigenous innovation" policies, the U.S. officials said.

BILATERAL INVESTMENT PACT

The two sides also agreed to take steps to promote bilateral investment. That's a priority for China, whose companies' attempts to invest in the United States have sometimes been challenged on national security grounds.

"Chinese businesses are very confident about investing in the United States" and would like the two countries to complete work on a bilateral investment pact to establish clearer ground rules, said China's Commerce Minister Chen Deming.

The United States also agreed to consider accelerating talks on China's desire to be designated a market economy under U.S. trade law, Wang said. Beijing believes that would lead to more favorable treatment in anti-dumping cases brought by U.S. companies against Chinese imports.

U.S. officials promised to consider China's interest in importing more high-technology products from the United States as the Obama administration continues its reform of national security export controls, Wang said.

A major irritant -- U.S. concerns about China's "undervalued" yuan currency -- was not on the official agenda for this week's meeting but lurked in the background.

Wang met on Tuesday with Treasury Secretary Timothy Geithner, who has been at the forefront of U.S. efforts to push China to let its currency rise more quickly in value as part of an

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effort to reduce global trade imbalances.

An effort in the Senate to pass legislation to pressure China to allow a faster appreciation of the yuan fizzled this week. That likely killed the effort for this year, although supporters may mount an uphill effort to attach the measure to other legislation before Congress adjourns.