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### Title:

United States Warn China in Trade Fight

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#### Summary:

The United States government criticizes China to resolve its rapidly growing trade deficit.

Deputy US Trade Representative Karan Bhatia said that their rival country can receive penalizing trade measures from the US government if they do not open up their market to American companies and if they do not treat US firms fairly. However, Bhatia did not imply that the US government would limit China's access to their market.

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Article Body: February 21th, 2006 by Elif Ozdemir

The United States government criticizes China to resolve its rapidly growing trade deficit.

Deputy US Trade Representative Karan Bhatia said that their rival country can receive penalizing trade measures from the US government if they do not open up their market to American companies and if they do not treat US firms fairly. However, Bhatia did not imply that the US government would limit China's access to their market.

On the other hand, US Trade Representative Rob Portman has a different take on United States-China trade situation. Last week, he expressed that the US government will set up a task force that will monitor China's compliance with global trade policies. These policies focuses on implementing of intellectual property rights, easing up local industries, and carrying out vows to open the market to US companies.

According to Karan Bhatia, China has very much profited from their access to the

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US market, yet China is not doing their share as they continue in not giving US companies a level playing field in their markets. Furthermore, as said by some critics, low-priced Chinese products has already flooded the United States, which resulted in financial struggles of US competitors and job insecurity in the industrial parts of the country. The Chinese government is also reported to keep the yuan currency weak in order to increase their exports.

Last year, the trade deficit went to a record low of \$725bn (£414bn) because oil prices rose and demand for imports of every kind increased.

In order to pacify US citizens who might lose their jobs because of the trade deficit, US legislators have proposed laws to lower trade relations with China. The US government also gave stern warnings to China to revalue its currency, and impose tariffs on Chinese products that is already flooding the country.

Analysts say that United States government has limited options and they could not afford to get even with China because these actions could backfire at them.

In response to United States' stern warnings and criticisms, Chinese Foreign Ministry Spokesman Qin Gang expressed that the US plan to impose penalizing trade measures on them will not help ease their trade relations. He also said that such impositions will not also be favorable to the business interests of the United States.

At the moment, people are anticipating a resolution to this problem when Chinese President Hu Jintao visits Washington for talks with the US President in April.