

American

NEWS & VIEWS

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U.S. Acts to Ensure Iran's Humanitarian Imports Continue

25 July 2013

Washington – The U.S. Department of the Treasury took actions July 25 to reinforce long-standing U.S. government efforts to ensure that the extensive economic and financial sanctions on Iran – adopted to encourage Iran to comply with its international obligations – do not impede Iran's humanitarian imports.

Treasury's Office of Foreign Assets Control (OFAC) expanded the list of basic medical supplies authorized for export or re-export to Iran under an existing general license by adding hundreds of items. OFAC previously had issued specific licenses authorizing these items. The office also issued clarifying guidance on existing broad authorizations and exceptions applicable to the sale of food, agricultural commodities, medicine and medical devices by non-U.S. persons to Iran.

"Today's action to expand the general license for the export of medical devices to Iran reflects an important element of our sanctions policy. Even as we continue to implement and enforce our rigorous sanctions regime against Iran, we are committed to safeguarding legitimate humanitarian trade," said Treasury Under Secretary for Terrorism and Financial Intelligence David S. Cohen.

In the July 25 actions, OFAC expanded the list of basic medical supplies authorized for export or re-export under an existing general license, originally issued in October 2012, to include a broad range of medical supplies and devices, including electrocardiography machines (EKGs), electroencephalography machines (EEGs) and dialysis machines, along with other types of equipment that are used by hospitals, clinics and medical facilities in Iran. These items, which were previously eligible for specific licensing from OFAC, can now be exported without prior approval from the office, Treasury said. Exporters are also encouraged to apply for specific licenses for medical devices that may not be included in the expanded list, the department added.

Even as the U.S. and international sanctions have tightened, the Treasury and State departments have had extensive discussions with foreign pharmaceutical and medical supply companies that sell, export, and get paid for exports to Iran, as well as the foreign financial institutions involved in those transactions, to ensure that the exemptions from U.S. sanctions are understood. Medicine and medical supply exporters reporting barriers to trade have repeatedly pointed to obstacles placed by the government of Iran, including the Central Bank of Iran's failure to allocate sufficient foreign currency, Treasury said. "The Central Bank of Iran has access to sufficient foreign currency funds outside of Iran – which are otherwise usable only to fund bilateral trade – to

finance the import of medicines and medical equipment," Treasury said July 25 in announcing the changes..

As OFAC has made clear in its "Clarifying Guidance: Humanitarian Assistance and Related Exports to the Iranian People," issued February 6, 2013, and in the Iranian Financial Sanctions Regulations, foreign financial institutions may process transactions for the purchase of humanitarian goods, including food, agricultural commodities, medicine and medical devices, using funds in Central Bank of Iran accounts without being subject to U.S. sanctions. The July 25 "Guidance on Sales of Food, Agricultural Commodities, Medicine, and Medical Devices to Iran" is meant to ensure that all parties to these transactions fully understand the broad humanitarian allowances embedded in U.S. sanctions laws, Treasury said.

The July 25 expanded [List of Basic Medical Supplies](#) (PDF, 45KB) authorized for export or re-export to Iran, the [Guidance on Sales of Food, Agricultural Commodities, Medicine, and Medical Devices to Iran](#) (PDF, 135KB) and the [Clarifying Guidance: Humanitarian Assistance and Related Exports to the Iranian People](#) (PDF, 248KB) are available on the Treasury Department website.

Vietnam's President Hears Praise for Country's Economic Progress

24 July 2013

Washington – Vietnamese President Truong Tan Sang, meeting in Washington July 24 with U.S. Secretary of Commerce Penny Pritzker and other top U.S. trade officials, heard praise for the economic progress in his country.

Pritzker highlighted that Vietnam has made significant progress on economic reforms, which have contributed to its economic growth over the past decade, according to a summary of the meeting in a Commerce Department blog post the same day.

Pritzker also talked about how the U.S.-Vietnamese bilateral trade relationship continues to grow each year, with U.S. exports to Vietnam up 22 percent in May 2013 compared to the same period in 2012, and imports from Vietnam up 16 percent.

Sang and Pritzker were joined by other U.S. Commerce Department officials, including Under Secretary for International Trade Francisco Sánchez, Assistant Secretary for Import Administration Paul Piquado and Deputy Assistant Secretary for Asia Craig Allen. Vietnamese Minister of Industry and Trade Vu Huy Hoang took part in the meeting as well.

President Sang is only the second Vietnamese president to visit the United States since the normalization of diplomatic relations 18 years ago, the blog post said.

Commerce between Vietnam and the United States has thrived since the 2001 U.S.-Vietnam Bilateral Trade Agreement went into effect and Vietnam joined the World Trade Organization in 2007. Pritzker emphasized the importance of concluding the Trans-Pacific Partnership (TPP) trade negotiations in 2013, which is a top priority for the Obama administration.

With Japan's entry at the end of July, the 12 TPP countries will account for nearly 40 percent of global GDP. The secretary affirmed to President Sang the U.S. commitment to working closely with Vietnam to reach consensus on the TPP countries' shared vision for a comprehensive 21st-century trade and investment agreement.

Vietnam has a significant amount to gain from this agreement, the blog post said, particularly when it comes to increasing its exports. The country currently exports \$95.5 billion in goods and services, of which nearly \$17 billion is to the United States. Pritzker expressed the U.S. commitment to working with Vietnam on reciprocal market access of goods and services.

In addition, Sang and Pritzker discussed Vietnam's civil nuclear and renewable energy sectors, which are priorities for the country. Ensuring that Vietnam has access to the very best of American industry will help support both countries' economies, Pritzker said.

USAID Partners with Yunus Social Business

24 July 2013

Washington – The U.S. Agency for International Development (USAID) and Yunus Social Business (YSB) have signed a memorandum of understanding (MOU) to jointly promote entrepreneurship and the development of "social businesses" in vulnerable and underserved communities around the world.

YSB has been a pioneer in advancing social businesses, which are organizations that are focused on a core social or environmental mission but employ business models that enable them to generate revenues and be financially sustainable, USAID said in a July 23 press release.

"Our collaboration with Yunus Social Business is emblematic of our new model for development – a model that harnesses partnership and innovation to advance sustainable solutions to some of the toughest challenges we face," USAID Administrator Rajiv Shah said at the MOU signing, held at USAID headquarters July 22.

"We share a vision of how to address social, economic and environmental challenges in the developing world, and we look forward to delivering results for some of the world's poorest and most vulnerable communities," he said.

Nobel laureate Muhammad Yunus, chairman of YSB, said

USAID's technical support will help his organization "amplify the impact achieved by our social business incubator funds" and said "USAID's financial contribution will act as the catalyst in attracting new private sector capital into social business, enabling YSB to invest in more social businesses, and to reach even more poor people than before."

"This is not just a high-level partnership – YSB offices and programs in Haiti, Albania, Brazil, Colombia and Uganda will seek to collaborate with USAID bureaus and missions, combining USAID's vast international development knowledge with YSB's expertise in social business," he continued. "I am proud and excited to be joined by USAID in our effort to advance the concept of social business."

India-U.S. Partnership Has Unlimited Potential, Biden Says

By Merle David Kellerhals Jr. | Staff Writer | 24 July 2013

Washington – Vice President Biden told Indian business leaders that it is time to take the partnership between the United States and India to the next level for the well-being of both nations.

"I'd respectfully suggest that we begin by deepening our economic relationship to help accomplish our overarching individual domestic goals," Biden said. "They are similar. They are common."

The goals are totally consistent, Biden said during a [July 24 speech to business leaders](#) at the Bombay Stock Exchange in India's financial hub of Mumbai. His four-day visit to the Asian nation, a significant partner in the Group of 20 advanced economies, is Biden's first since becoming vice president. Biden last visited India in 2008 as a U.S. senator.

The top priority for the Obama administration is how best to shore up America's future and the foundations of its middle-class life with good paying jobs, affordable health care, housing, education and the dignity of retired Americans, the vice president said.

For India, its top priority is to lift hundreds of millions of people out of poverty to join the burgeoning middle class, Biden added. "Together, in our view, we can help each other achieve our core goals," he said.

In the last 13 years, the United States and India have increased bilateral trade fivefold, reaching nearly \$100 billion, he said.

"There's not a one of you sitting out there that knows there is any logical impediment as to why that could not be fivefold that number," Biden said. "There's no reason, if our countries make the right choices, that we can't grow together and more rapidly."

Biden told business leaders that expanding trade and commerce between the two nations should be a central part of the relationship. Expanding trade and commerce and eliminating barriers are crucial aspects of Biden's mission in India on this trip.

"But that requires us to be candid with each other about the obstacles that exist when it comes to a business environment: protection of intellectual property; requirements that companies buy local content; limits on foreign direct investment; inconsistent tax treatment; barriers to market access," Biden said.

While these are tough problems, they have to be negotiated and worked through to meet the potential for this expanding relationship, he added.

"One place to start would be with the Bilateral Investment Treaty. It would give investors in both countries more certainty and predictability; fair treatment under a single, consistent set of rules for companies small and large, foreign and domestic," Biden added.

Biden said the United States welcomes Indian business investment as well as the substantial investment of human capital. Indians receive more skilled-worker visas to the United States than any other country in the world.

The vice president said that Congress is now considering legislation that would increase the number of temporary visas and green cards available for highly skilled Indians to come work in the United States.

At the same time, Biden said it is imperative for U.S. and Indian scientists to work together on a vital common interest: clean energy and climate change to ensure that both can grow responsibly and sustainably.

Biden said that India is an indispensable part of the U.S. effort to rebalance relations and interests in Asia and the Pacific.

Biden met with India's political leaders in New Delhi and also invited Prime Minister Manmohan Singh to visit President Obama in Washington in September.

"We have an incredibly full agenda, but nothing gives me more hope for the prospects of that agenda, as we approach it, nothing gives me more hope that we can accomplish it together than our people," Biden said.

He cited the 720,000 visas per year that are issued in India for Indians to go to the United States and the 100,000 talented Indian students studying at American universities — adding that the United States aims to double that number by 2020 and triple the number of Americans studying in India.

Biden also met with prominent Indian business leaders shortly after delivering his speech at the Bombay Stock Exchange. He held discussions with Ratan Tata, the

former chairman of the Tata Group; Azim Premji, who heads India's leading information technology company, Wipro; Pratyush Kumar, the president of Boeing in India; and four other business leaders, according to press reports.

The discussions, which took place at the Taj Mahal Hotel in Mumbai and lasted nearly an hour, were "full and frank," Biden told journalists after they concluded. "There was an honest discussion about how both governments — the Indian government as well — could be productive in reducing trade barriers that have an impact on trade and commerce," he added.

He is also expected to travel to Singapore for more economic and security talks.

Kerry on Getting the U.S.-China Climate Partnership Right

20 July 2013

Secretary of State John Kerry discusses the need for China and the United States to work together to address the challenges of climate change in an op-ed that originally was posted July 19 on the [thinkprogress website](#).

Getting the U.S.-China Climate Partnership Right By Secretary of State John Kerry

President Nixon once changed the world with a single handshake on a Beijing tarmac, beginning a new relationship with China.

Today, it's not just our geopolitics that are changing — it's the earth itself. And it requires a new partnership with China to meet the challenge.

Nothing less than a complete and collaborative transformation of the way we use and produce energy will be enough to tackle the urgent threat of climate change.

Of course, the future has a way of humbling those who try to predict it with any certainty. But here's what the science is telling us: if we fail to connect the dots — if we fail to take action — the impacts of climate change will become unmanageable at catastrophic levels.

That's the message Todd Stern, our Special Envoy for Climate Change here at the State Department, carried with him this week to the Major Economies Forum. Plain and simple, all nations have a responsibility to make near-term emissions reductions. The costs of inaction get more and more expensive the longer we wait — and the longer we wait, the less likely we are to avoid the worst and leave future generations with a sustainable planet.

We all know China and the United States have unique national circumstances. But we also have a special role. Together, we account for more than 40 percent of greenhouse gas emissions. While that's a truly staggering

reality, it also means our two nations can make a profound difference. The decisions we make today – right now – will determine the fate of our planet not just for our children and grandchildren but for generations to come.

So here's the bottom line: For better or worse, the eyes of the world are upon us. Either we create the necessary momentum to galvanize a global response, or else we risk a global catastrophe. Either we set an example for the world, or the world will make an example out of us. After all, Mother Nature knows no boundaries.

The simple fact is that we have to act – and we can.

When I visited Beijing in April on my first trip to Asia as Secretary of State, we agreed to launch the Climate Change Working Group. We're elevating our climate concerns to a new level in our bilateral relationship, because no nation can take on this global challenge alone – nor should they.

And let me tell you: we're making progress. Our two nations just met again at the Strategic and Economic Dialogue, where our senior officials discuss the most pressing issues in the bilateral relationship. After roughly three months of hard work since our meeting in April, we agreed to accelerate our bilateral climate cooperation by approving five new joint initiatives to curb climate change. This is an important step forward.

While many measures – large and small – will be needed across our governments, two areas of focus will be reducing emissions from coal use and heavy and light-duty vehicles.

The United States and China are responsible for more than 40 percent of global coal consumption. What's more, heavy-duty vehicles are the fastest growing source of greenhouse gas emissions from transportation in the United States and account for more than half of transportation fuel consumed in China.

The pie is large enough for America and China to grow green together, even as we significantly reduce emissions in both these sectors.

Using the technologies we already have to capture, use and store carbon from coal plants, we've agreed to work together to overcome barriers and deploy these technologies through several large-scale, integrated demonstration projects. We've also agreed to advance transportation policies that improve fuel efficiency standards, promote cleaner fuels and vehicle emissions control technologies, and increase efficiency in clean freight.

And we didn't stop there. We're combining forces to promote energy efficiency in buildings, which account for over 30 percent of energy use in both countries. We're assisting China in improving greenhouse gas data

collection and management, the foundation for any effective climate policies. And, together, we're promoting the growth of smart grids that are more resilient, more efficient, and capable of incorporating more renewable energy and distributed generation.

These climate measures will have all the more significance if we can help China diversify its fuel mix away from coal. That's why our energy dialogue focused on helping China take the commercial steps needed to increase the use of natural gas. In the United States, our gas revolution has helped drive down our carbon emissions to their lowest levels in 16 years as we shift to renewable and lower carbon fuels. We stand ready to help China do the same as we pioneer the clean technologies of the future.

The opportunity is immense. And if we get it right, we will inspire more than 1.6 billion Americans and Chinese citizens to take ownership of this challenge, and to prove to the world that we can rise to meet it together.

And guess what? Putting the world on a path to a clean energy future will create millions of new jobs right here in America and around world.

Why? Because it will unleash market forces that reflect the very best of the entrepreneurial spirit and creativity of our two nations. Remember: we're talking about a global energy market that's valued at \$6 trillion with four billion users worldwide – growing to nine billion in 40 years. And the fastest growing segment of that market is clean and renewable energy.

The discussions at the S&ED have continued to knit together a powerful collaboration between our two countries. By acting to address climate change, we can secure America's place – and China's – in the energy economy of the future. This isn't about who wins and who loses. Revolutionizing the way we use and produce energy can be a "win, win, win" – a win for America, a win for China, and win for the world. Let's seize the opportunity.

China, U.S. Partner to Fight Wildlife Trafficking

19 July 2013

The United States and China have committed to work together to combat wildlife trafficking, the State Department said in a July 16 announcement.

During the 2013 U.S.-China Strategic and Economic Dialogue in Washington, U.S. Under Secretary of State for Economic Growth, Energy and the Environment Robert D. Hormats and Administrator Zhao Shucong of the Chinese State Forestry Administration led a historic breakout session on wildlife trafficking. At the session, experts from multiple agencies met to review efforts to combat the global illegal trade in wildlife and identify areas for increased cooperation.

"The United States is committed to working with China to address this global challenge," the State Department said.

"In recognition of the economic and security consequences of burgeoning illicit trade networks, the two nations committed to pursue more effective mechanisms for cooperation; strengthen enforcement at the national, regional and global level, including enhanced cooperation among law enforcement agencies; efforts to eliminate the supply and demand for illegal wildlife products; the development of innovative technologies to advance such efforts; and strengthening international cooperation in wildlife conservation and protection," the department said.

Wildlife trafficking is a multibillion-dollar illicit trade that undermines security, economic development, health and the rule of law across the globe, the department said. The United States and China are major destinations for trafficked wildlife products.

The United States has been leading an international effort to halt wildlife trafficking, and on July 1, President Obama signed an executive order establishing a presidential task force and calling for a U.S. national strategy to combat wildlife trafficking. The order, in part, calls for the United States to assist foreign nations in building their capacity to combat wildlife trafficking.

"The poaching of protected species and the illegal trade in wildlife and their derivative parts and products (together known as "wildlife trafficking") represent an international crisis that continues to escalate," Obama said in the executive order. "Poaching operations have expanded beyond small-scale, opportunistic actions to coordinated slaughter commissioned by armed and organized criminal syndicates.

"The survival of protected wildlife species such as elephants, rhinos, great apes, tigers, sharks, tuna, and turtles has beneficial economic, social, and environmental impacts that are important to all nations," Obama said.

Secretary Lew: Put Job Creation at Heart of Global Recovery

19 July 2013

This commentary by U.S. Treasury Secretary Jack Lew addresses finance ministers and central bank governors. It originally appeared in the Financial Times on July 18.

Put job creation at the heart of the global recovery By Jack Lew

The G20 must pursue policies that boost domestic demand and employment, says Jack Lew

The US is again a source of strength in the world economy, only five years after it was the centre of a global crisis. This has not happened by accident. While we have

more work to do, this shows that, with good macroeconomic policy, a resilient economy can bounce back and create jobs.

When the finance and labour ministers of the Group of 20 leading nations gather today in Moscow, getting people back to work must be top of the agenda. In many parts of the world, such as Europe, growth is too weak to drive job creation, and it is critical to take steps to bolster private hiring. Elsewhere, as in China, it is critical to speed reforms to shift towards demand-led growth.

Back in 2008 the US promised to address the vulnerabilities in our economy. And we did. President Barack Obama's administration reformed, repaired and recapitalised the financial sector, and introduced rigorous stress tests to make sure our banks have the capital needed to start providing credit again. The Federal Reserve has provided the US economy with vital support tied to its dual mandate of full employment and price stability.

When the economy was in free fall, Mr. Obama acted decisively to provide fiscal support for jobs and private demand through, for example, tax credits and extending the duration of unemployment benefits. While long-term fiscal policy requires tough decisions, we knew we could not cut our way to prosperity. When it became clear that the private sector needed further time to gain strength in the face of headwinds from Europe, we acted again through a temporary cut in the payroll tax.

Our businesses have created more than 7m new jobs since the depths of the crisis, and private demand is strong enough to sustain momentum. Challenges remain but there is broad strength throughout the economy, including in housing, cars and the fast-growing energy sector. Health reform is expanding access and making care more affordable – and helping to reduce our deficits.

To remain on the path of continued growth, we need to avoid self-inflicted wounds while we are still trying to make up lost ground.

America's commitment to pay its bills should not be brought into question with a debate about whether or not to extend the debt limit. And job growth would be faster if the across-the-board cuts known as sequestration were replaced by a more balanced path of fiscal consolidation.

We need to continue to invest in reforms to strengthen the middle class. The US needs investments in centres of excellence for advanced manufacturing, in job training, in education and in clean energy. Comprehensive immigration reform is necessary – not just because it is the right thing to do but because it is a smart way to grow our economy. And more work remains to be done to bring down the number of long-term unemployed.

Similarly, for global growth to be sustainable, other G20

nations must pursue macroeconomic policies that are centred on increasing domestic demand and employment.

The eurozone's first priority is to maintain financial stability, which it is doing through the establishment of new instruments, the implementation of difficult reforms and a commitment to move to a banking union. As a result, Europe is now in a position where it can put greater priority on boosting demand and addressing unemployment levels that have reached historic highs. Demand in the eurozone has shrunk for eight consecutive quarters and is now 5 per cent below its 2007 levels, while in southern Europe it is 15 per cent lower.

We have an enormous stake in Europe's success. Recalibrating the pace of fiscal consolidation, so that a fall in activity does not require more cuts, is a step in the right direction. Equally important will be meaningful measures to restart the flow of credit to small companies. Europe needs to look closely at using its macroeconomic tools to drive growth up and unemployment down.

Asia's economic challenges differ. Japan can strengthen its growth by reducing barriers to the creation of new businesses and increasing the labour force participation of women and youth. China has enjoyed solid job growth and rising wages over the past few years. But it now faces the challenge of generating jobs that match the aspirations of its increasingly educated workforce.

The world's second-largest economy must make the transition from a low-wage economy producing goods for export to a more developed one where consumption by a growing middle class drives growth. It is important that these growth strategies work through the use of domestic measures and not by targeting exchange rates.

We have learnt difficult lessons from our own crisis. And now there are lessons to be learnt from our recovery. The G20 meeting this weekend provides an important opportunity to put jobs at the centre of macroeconomic policy.

Jack Lew is the U.S Treasury Secretary.

Vice President Biden on Asia-Pacific Policy

18 July 2013

THE WHITE HOUSE

Office of the Vice President

July 18, 2013

REMARKS BY VICE PRESIDENT JOE BIDEN ON ASIA-PACIFIC POLICY

George Washington University

Washington, D.C.

1:34 P.M. EDT

THE VICE PRESIDENT: Good afternoon, folks. Thank you for your patience.

I'd like to begin by thanking -- Mr. President, thank you for offering the venue here at GW. You're always generous, and we appreciate it a great deal. And I was -- it's terrible being dated. I was -- I did speak the first year that the Center for American Progress was inaugurated, and here I'm speaking at the 10th anniversary. And the amazing thing is they're still going; that's having me speak there first.

But, Neera, thank you. We miss you. And, Rich, thank you as well. And to the ambassadors who are here, thank you very much. I'm honored that you'd take the time.

Today I want to talk to you about why and how we are pursuing our announced policy of elevated engagement in the Asia-Pacific, and where I believe -- we believe -- that policy is headed.

When President Obama and I came to office, to state the obvious, we inherited two wars. And it was costing us in blood and treasure and time. And we knew we had to end both those wars responsibly. We've done that in Iraq, and we're doing that as I speak in Afghanistan. We'll obviously continue to be engaged in both places. And of course we'll continue to take the fight to Al Qaeda and its affiliates there or wherever they are. But winding down those wars has allowed us to turn to the opportunities that reflect the realities of a fast-changing world.

We ask ourselves two things in the review of how to proceed: Where should we focus additional attention and resources that would enable us to create greater opportunity at home and generate greater growth -- economic growth -- around the world? And where must we make strategic investments that are required to enhance not only our security but global stability?

Both -- I say to the ambassadors -- both pointed to the Asia-Pacific.

In terms of economics, the Asia-Pacific region -- stretching from India to the Pacific nations of the Americas -- is home to a middle class of about a billion people. Some of the fastest growing growth rates in the world are within that region. Emerging markets whose choices will shape the character of the entire global economy are within that purview.

So we reached out. We reached out to deepen economic ties and promote open markets and a rule-based competition for the 21st century.

We finished a free-trade agreement with South Korea, as well as deals with Panama and Colombia. We launched negotiations on a new Trans-Pacific Partnership that will connect diverse -- economies as diverse as Singapore and Peru. We've worked toward a more constructive economic relationship with China, including through the Strategic and Economic Dialogue. And I opened the fifth round of that dialogue just last week.

In terms of security, we undertook a major strategic review at the Defense Department and with our security personnel on how to assess how our global posture and where do we need to evolve to match the moment.

In the Asia-Pacific, we saw a region of remarkable promise, but also genuine uncertainty and political risk. Many nations have experienced rapid economic transformation that has fundamentally created a new dynamic: rising ambitions and rising tensions. But the rules and norms that could provide predictability to deal with both those changes, the order needed remained incomplete.

We are focused on the risks of disruptions of commerce, proliferation, human disasters, conflict between nations and the persistent threat posed by North Korea.

So we set about doing several things: first of all, strengthening our alliances; deepening security partnerships and investing like never before in regional institutions to help manage disputes peacefully.

President Obama adopted a new Defense Strategic Guidance endorsed by the Joint Chiefs of Staff after months of study that elevates our focus in the Asia-Pacific area.

And economically and strategically it's clear why the United States had to rebalance -- to direct more resources and attention toward the Asia-Pacific region.

Because imagine what can happen if growing Asia-Pacific middle classes help lift the global economy even more than they already are; if nations reject the temptations of zero-sum thinking and rise peacefully together; if progress toward greater rights and freedoms proves that no country has to make a choice between democracy and development, which is a false choice.

Let me put it slightly differently: Just imagine what will happen if those things don't come to pass. We'll all be in a world of trouble. So we're all in, this administration. Absolutely committed to this rebalance. The President is absolutely committed, and so am I. And so is our entire national security and economic teams.

And you don't need to look any further than my own recent engagement to understand the breadth and scope of the rebalance. I'm traveling to India next week. Twenty, even 10 years ago, some might have suggested that India be left out of discussions about the Asia-Pacific.

One of the reasons why President Obama called our relationship with India "a defining partnership of the century ahead" is that India is increasingly looking east as a force for security and growth in Southeast Asia and beyond.

To us that's welcome news. We encourage it. We welcome India's engagement in the region, and we welcome its

efforts to develop new trade and transportation links by land and by sea in the area.

I'll also visit Singapore, a country of 5 million people, that has become the 17th-largest economy in the world, a partner in the TPP and an important player in Southeast Asia and beyond.

The reasons President Obama has put particular focus on Southeast Asia: ASEAN now represents a \$2 trillion economy of 600 million people. There is more American investment in Southeast Asia than in China. Southeast Asian nations like Singapore and Indonesia have become important partners on everything from counter-proliferation to counter-piracy. That's why I'm going to Singapore.

And, of course, at the core of our strategy in the region are our alliances: Japan, South Korea, Australia, the Philippines, Thailand.

Across the board in these alliances, we're at a high water mark in terms of cooperation between our leaders -- both military and political -- and the support of our people.

Closer to home, our intensified engagement within the Western Hemisphere is also part -- not just parallel to -- our overall rebalancing policy.

You see that very concretely in the Trans-Pacific Partnership which includes five countries in the Western Hemisphere. You can also see it in the initiatives within the Hemisphere like the Alliance for the Pacific -- a new group of free-market-oriented countries that are integrating their economies and looking west for trade and investment.

As I said in a speech not long ago, for the first time, at least the first time I can remember, I believe the first time in history, it's possible -- it's not Pollyannaish -- to envision an America -- an Americas that is middle class, secure and democratic from northern Canada to the tip of Chile and everything in between. There's much work to be done, but that is within reach.

That kind of Americas connected economically, strategically and through common values can make a great contribution to a more prosperous and secure Pacific.

That's one of the reasons why President Obama recently visited Mexico and Costa Rica. That's why I was recently in Colombia, Thailand [sic] and Brazil in May and will return to the region this fall. So what does all this add up to?

Our goal is to help tie Asia-Pacific nations together -- from India to the Americas -- through strong alliances, institutions and partnerships.

For the past 60 years, the security we provided has

enabled the region's people to turn their talents and hard work into an economic miracle. And now, we want to hasten the emergence of an Asian-Pacific order that delivers security and prosperity for all the nations involved.

In short, we want to help lead in creating the 21st century rules of the road that will benefit not only the United States, and the region, but the world as a whole. The lifeblood of the region, to state the obvious, is economic development. But growth has slowed in India, China and many places in Asia. And each country faces distinct and different challenges.

But from our perspective, the way forward is fairly clear. To spark new growth, there has to be: fewer barriers at and behind our borders; protections for intellectual property to reward innovation; new commitments to make sure everyone plays by the same rules because that's what attracts investment and jobs; as well as greater economic integration.

That's what we're pursuing right now, today in Malaysia as our team negotiates the Trans-Pacific Partnership with countries as diverse as Vietnam, Chile, New Zealand, Mexico, very soon, Japan, and at which point the group will account for 40% of the world's GDP.

The TPP has potential to set new standards for collective commitments to fair competition -- on state-owned enterprises, fair competition on investments, labor, the environment, open markets for automobiles and other industries.

And we firmly believe this will create a strong incentive for other nations to raise their standards, as well, so that they can join. We've already had discussions with some of those very nations both in the Americas as well as in the Pacific.

But not only is this ambitious, this TPP effort of ours, we believe it is also doable. And we're working hard to get this done this year.

At the same time, we're reaching out to the emerging economies of Southeast Asia: partnering with Lower Mekong countries to improve food security, connectivity, water and health; encouraging responsible investments and reforms in Burma; and last fall, the President launched a new initiative for Enhanced Economic Engagement with the ASEAN.

We are addressing the challenges in our economic relationships with China as well. They are not at all inconsistent. We do not view our relationship and future relations with China in terms of conflict or the talk of inevitable conflict. We view it in terms of a healthy mix of competition and cooperation. A competition that we welcome. It's stamped into our DNA. We like to compete. Competition is good for both of us, as long as the game is

fair.

It is clear that the Chinese understand that to reverse their declining growth, there are internal reforms they need to make -- not reforms we're suggesting they have to make. They've made their own judgment -- judgments if they follow through on them will not only help China in our view, but help the region and the world. They've concluded China needs to shift to a more consumer-driven economy. They've concluded they have to create a market-based, well-regulated financial system. And they've concluded they need to liberalize their exchange rates. It will be difficult. It's difficult internally for them to do that, but I'm convinced they believe -- and we clearly do -- that it's necessary.

And we are engaging directly with India as it makes some fundamental choices that the Ambassador could speak to more directly than I could about its own economic future.

In the last 13 years, we've increased fivefold our bilateral trade, reaching nearly \$100 billion. But if you look at it from a distance, an uninformed person looked at it from a distance, there is no reason, that if our countries make the right choices, trade cannot grow fivefold or more.

Just this week, India announced that it will relax caps on foreign direct investment in certain sectors. We still have a lot of work to do on a wide range of issues, including the civil nuclear cooperation, a bilateral investment treaty, policies protecting innovation. There's a lot of work to do. But we believe doing -- going with an open mind and listening, as well as making our case, we believe it can be done.

As we all strive for greater growth, we have to recognize that the impact of climate change also has an impact on growth as well as security. This is a priority for the President and for me. America now has the lowest level of carbon emission in two decades. And we're determined to move further, and in the process where we can, where our technological capability is available, also help other countries do the same.

That's why we're working with ASEAN to promote investment in clean energy; why we're helping Pacific island nations mitigate the effects of rising sea levels. They are rising. We just concluded an agreement with China to reduce the use of pollutants called HFCs that cause climate change. And there's no reason we cannot do more with India as well. That's why Secretary Kerry agreed to an enhanced dialogue with India on climate change just last month.

Look, economic growth may be at the core of all we're saying. Economic growth critically depends on peace and stability. That's why we have to be -- there have to be 21st century rules of the road not only in the economic sphere, but also with regard to security.

With regard to maritime disputes, it's critical that all nations have a clear understanding of what constitutes acceptable international behavior. That means no intimidation, no coercion, no aggression, and a commitment from all parties to reduce the risk of mistake and miscalculation.

My dad, God love him, used to have an expression. He'd say, Joey, the only war that's worse than one that's intended is one that is unintended. The prospects where they're so close -- cheek-to-jowl -- for mistakes are real. So it's in everyone's interest that there be freedom of navigation, unimpeded lawful commerce, respect for international laws and norms, and peaceful resolution of territorial disputes.

That's why I encourage China and ASEAN to work even more quickly to reach an agreement on a code of conduct in the South China Sea. Setting clear rules is the first step to managing these disputes. And the U.S. has a strong interest in seeing that happen as well.

With regard to North Korea, the one thing I think everyone now agrees on -- we agree that its nuclear and missile programs present a clear and present danger to stability in the area, in East Asia in particular. That's why we're working closely with our allies, Japan and South Korea. But we're also working more closely than the 40 years I've been engaged with China and with Russia.

In light of North Korea's recent provocative behavior, we welcome President Xi's important statement: achieving a denuclearized Korean Peninsula, as that being a Chinese priority. Not just something they wish for, but a priority. We welcome that firm assertion.

Now, North Korea is calling for dialogue. As my mother would say, I've seen this movie before. (Laughter.) We've been there before. But we are ready. We are ready, but only if North Korea is prepared to engage in genuine negotiations. We will not countenance North Korea's pattern of provoking a crisis and then insisting they be rewarded in order to cease and desist from the actions they are taking. We've been there before, only to find that once they're gotten the space or the aid they need, they return to the same provocative, dangerous behavior and continue their nuclear march.

North Korea can have peace and prosperity like the rest of the region, but only without nuclear weapons. North Korea has a clear choice: It can choose a better path for its people, or continue down the road they're on.

Make no mistake about it, though. We are open to engaging with any nation that's prepared to live up to its international obligations. That's what we did in Burma. And I think most would say we're already seeing some tangible benefits from that engagement.

So we've got a full agenda ahead of us in Asia. And we're

committed to seeing it through. But as I travel around the world, and I'm heading to India -- I'm about to cross the 700,000-mile barrier since Vice President, not counting the previous 36 years -- but I hear questions wherever I go, questions in Asia about whether we're truly committed to this rebalance. I've also heard questions in my recent trips to Europe, with European leaders, about whether or not we're going to be leaving Europe behind.

It should be clear on its face, we're not leaving Europe. I recently spoke to the European nations, NATO members and EU members, in Munich. And I said that Europe remains "the cornerstone of our engagement with the rest of the world." That is a fact. We're not going anywhere.

As a matter of fact, we're absolutely convinced that our engagement in the Pacific is in the overwhelming self-interest of Europe. We're convinced the combination of new transatlantic economic agreements that we're now negotiating and the Trans-Pacific Partnership I've discussed, they reinforce one another. They are not at odds with one another. Together, they're designed to update and strengthen the global economic rules of the world in the 21st century.

Europe, just like us, will benefit greatly as well from stability in the Pacific, in Asia. And by the way, there is no reason why we cannot bring greater focus to the Asia-Pacific and keep our eye on the ball in the Middle East. Folks, that's what big powers do. To use the vernacular, we can walk and chew gum at the same time. That's what big powers do.

And there is no evidence that we are taking our eye off the ball -- as we should [sic] in the Middle East, leaving Europe or not intending on following through on our rebalance in the Asia-Pacific area.

Folks, we're better positioned than any time before to be able to do it all. I know you'll think it sounds like a campaign assertion I've been making for years, but America is back. When I was last in China, as I pointed out to the Chinese leadership, it's never, never, never been a good bet to bet against America. The resiliency of the American people and the nature of our system -- America is back.

To paraphrase Mark Twain, the reports of our demise are very premature. Our businesses have created 7.2 million jobs since we've taken office. We've gone from losing more than 400,000 jobs a month, over 12 months in 2009, to creating over 200,000 jobs per month thus far this year. Manufacturing is back -- the biggest increase in manufacturing in nearly 20 years. And an awful lot of high-tech companies are looking to come home.

There's a reason for it. American workers are incredibly productive -- three times as productive as Chinese workers, to give you one example. They can be assured their intellectual property will be protected. We have a

transparent court system that will enforce contracts.

Our deficit is down more than 50 percent as a share of the economy since we took office. Household wealth -- over \$17 trillion in household wealth was lost in the Great Recession we inherited. It's all back. We're producing more energy from all sources. We now have over 100 years' supply of natural gas that would enable us to meet every single need we have in America -- energy need for the next 100 years. We're the largest natural gas producer in the world -- another reason why companies are coming back. The cost is a third to a fifth of what it is around the world.

We are prepared to help other countries as well. Our oil imports are the lowest they've been in the last 20 years. And I believe -- if my colleagues from abroad will forgive me, I believe we remain the most innovative country in the world.

But I also think, folks, that the rest of the world understands why this is happening, and it's not just the good fortune of having shale gas or having two oceans, et cetera. I think it's because of the enduring strength of our people and of our system. For all our difficulty in education for our children, they're still taught to challenge orthodoxy. No one in America is diminished or punished for challenging orthodoxy.

It's the only way there can be a breakthrough, is to challenge orthodoxy -- where competition is fair; where people have a right to express their views, practice their religion, and decide their future. These are universal values. They're not unique to Americans. I believe there is no Asian exception to the universal desire for freedom.

And the issues that young people are seized with all across Asia and the world -- corruption, land rights, pollution, food and product safety -- these are all fundamentally linked to openness and transparency, to greater rights and freedom.

In my humble opinion, no nation has to adopt the exact system we have. That's not what I'm suggesting at all. But it's awful hard to be innovative where you can't breathe free. It's awful hard to make significant technological breakthroughs where orthodoxy is the norm.

In my humble opinion, the very things that made us such a prosperous, innovative and resilient nation -- our openness, our free exchange of ideas, free enterprise and liberty -- all of which have their downsides, as we've recently seen in Boston and other places -- they have downsides -- but we would not trade them for all the world.

Presumptuous for me to say, because you never tell another leader what's in their interest, never tell another country what they should do. But I believe these elements are the fundamental ingredients for success for any nation

in the 21st century.

There was that famous line by the founder of Apple, when asked at Stanford, what do I have to do to be more like you? And his response was, think different. You can only think different where you can think freely, where you can breathe free air.

So let me conclude by saying we see, as Neera said, this is not a zero-sum game. It's overwhelmingly in our interest that India continues to grow. It's overwhelmingly in our interest that China grows. It's overwhelmingly in our interest that the world economy grow. Because we believe Asia's success is fundamentally linked to ours.

So the President and I are going to continue to reach across the ocean, both east and west, particularly to the indispensable Pacific nations, to help us shape a prosperous future, for America, for their people, and I would argue for the world.

Thank you all for being so gracious and listening. Thank you. (Applause.)

END 2:04 P.M. EDT

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