

BEN 20 - US-China Economic Outlook

Discussion Questions

1. What do you think the role of these global superpowers should be in terms of setting political and economic examples?
2. How confident are you that China or America can help the global economy?
3. What are your biggest fears about the current economic situation in your country? Why?

Transcript

Hello and welcome back to Business English Pod, my name is Nigel and I will be your host for today's Business News lesson on the prospects for the US and Chinese economies.

The relationship between the world's two biggest economies is sure to **undergo** some major changes in the months ahead. With Obama set to remain in the White House for 4 more years, and Xi Jinping moving in to **Zhongnanhai** for the next decade, **all eyes** will be **on** how the **new faces** work together **amid** these **tough** economic times. From People's Daily:

This will be the start of a new **political cycle** that will be of **tremendous** global importance, as the **evolution** of **bilateral relations** will to a **considerable extent** determine the **pace** of the world's economic recovery, the response to global issues, and whether there is peace and stability in the Asia-Pacific region.

US trade with "**The Middle Kingdom**" dates back to the early 1800s, with products including silk, tea, and **opium** being **peddled** around the world. In 2011, imports and exports between the two were a **whopping** \$500B, resulting in a **trade deficit** with the US of nearly \$300B. This **trade gap** has been a **source of tension** in **Sino-American** relations over the years and, as Bloomberg reports, could lead to some big changes in the future:

Protectionist sentiments are **running high**, with recent U.S. complaints **filed with** the World Trade Organization and passage in March of a **countervailing tariff** bill. Such **measures** have been accompanied by a familiar **chorus** calling for a major **reevaluation** of the **Yuan** to **counteract** China's alleged **currency manipulation** intended to keep its exports cheap.

China has maintained that the **Renminbi** has **appreciated** by 33% since 2007, and if the rest of the world is getting richer, they're **entitled** to the same benefits. Donald Gross, author of "The China Fallacy" points out that America's **tendency to point the finger** is simply a way for them to **pass the buck**:

"They're **scapegoating** China to shift **blame** to foreigners for America's serious economic problems. They're actually **exploiting** the **vulnerabilities**, the **insecurities** that many Americans have about the economy and about the future."

Since the **Recession** began in 2008, these economic **superpowers** have faced numerous difficulties. Today, with talk of the US approaching a **fiscal cliff** and China's threat of a **hard landing**, economic recovery around the globe continues to be **sluggish** at best. This **slippery slope** could lead to **ominous** days ahead if decisions aren't made soon, as the Globe and Mail reports:

If the European debt crisis **deepens**, China's landing turns out to be a lot harder than **forecast**, and U.S. politicians somehow **walk off** that fiscal cliff on Jan. 1 – all **plausible** outcomes, based on past performance – the world would most certainly **slide back** into the **economic quicksand**.

With global **uncertainty** making for **jittery** market conditions, **woes** in the Eurozone have **significantly impacted** both China and America. However, frustrations with Europe's **inaction** are starting to appear, as Jin Liqun, chairman of China Investment Corporation, tells the Guardian:

"The way the Eurozone has **handled** the debt-**resolution** issue has been more **problematic**. Too much time has been wasted on **debates** over the terms and conditions of **piecemeal** bailouts. Political leaders have been **digging in** on their own **agendas**, with their objectives pulling in different directions."

With the Chinese economy **ramping up** in the years ahead, and set to **surpass** the US in the next decade, **collaboration** between the two countries will be **paramount** to global **prosperity**. Hillary Clinton summed up the **sentiment** with a **goodwill** message to mark China's National Day on October 1st:

"As we continue to expand our work on the **consequential** issues of our time, we must continue to build on this historic opportunity to deepen our relationship, because a **thriving** China is good for America and a thriving America is good for China."

Vocabulary

To undergo: To be subjected to or experience; "Mike's father underwent heart surgery last year, but now is feeling healthy again."

Zhongnanhai: A palace in central Beijing that serves as the central headquarters for the Communist Party of China and the State Council of the People's Republic of China.

All eyes on: Everyone is watching or observing; "During the latest Apple event, all eyes were on Tim Cook's presentation of the new iPad Mini."

New faces: A new person in a particular role; "Since the companies merged, there have been a lot of new faces in the office."

Amid: At a time of; "In an atmosphere of He cancelled a foreign trip amid growing concerns of a domestic crisis."

Tough: Difficult or challenging; "Learning a new language is tough, but not impossible."

Political Cycle: The course of events in politics that repeat themselves at regular occasions, such as elections that occur every 4 years in some countries.

Tremendous: Very great in amount, scale, or significance; "Bill Gates has a tremendous amount of money."

Evolution: The gradual development of something from simple to more complex; "Natalia's evolution from a student to one of the leading researchers in the country has surprised everyone in her family."

Bilateral relations: The political, economic, or cultural relations between two sovereign states; "Since the start of the Eurozone Crisis, bilateral relations between Greece and Germany have become very uncomfortable."

To a considerable extent: Mainly, largely; "The development of the US economy will to a considerable extent determine the fate of the Chinese economy."

Pace: A rate of movement or progress; "During the marathon, Alessandro's pace was very steady; he wanted to save his energy for the finish."

Middle Kingdom: Literal translation of 'Zhōng guó' the term for 'China' in Chinese.

Opium: A powerful and addictive drug, sometimes used as medicine; "The Opium Wars were the climax of disputes over trade and diplomatic relations between China under the Qing Dynasty and the British Empire."

To peddle: To try to sell something, usually by going to people's houses; "Chad has spent nearly 10 years peddling vacuum cleaners around the city."

Whopping: Very large; "Last week, Disney purchased LucasFilm for a whopping \$4.05 billion and plans to make 3 more Star Wars films!"

Trade deficit: The amount by which the cost of a country's imports exceeds the value of its exports.

Trade gap: The amount by which the cost of a country's imports exceeds the value of its exports.

Source of tension: The cause of a strained or difficult relationship between people, groups, or nations; "A lack of money can be a real source of tension between married couples."

Sino-American: Chinese-American

Protectionist sentiment: Desire or support for defensive and punitive actions, such as increasing import taxes; "Protectionist sentiments are on the rise around the globe as the world economy continues to struggle."

To run high: A period when feelings or emotions are very strong or intense; "Emotions are running high after the 3rd and final presidential debate."

To file: To put on public or official record; "Dexter filed his citizenship application with the Canadian Embassy in Rome."

Countervailing tariff: A tax imposed on imports of a specific product from a specific country in retaliation for the perceived unfair benefits the target country may be enjoying, such as government support outside agreed international limits; "If the US officially labels China a currency manipulator, and they place countervailing tariffs on Chinese products; it may lead to a trade war."

Measure: A plan or course of action taken to achieve a particular purpose; "Companies around the world have taken a lot of cost-cutting measures including reducing employees and outsourcing in order to save money."

Chorus: A group of people saying the same thing at the same time; "Caterina joined the chorus of students asking the government for more funding."

Revaluation: To increase or adjust the exchange value of a nation's currency; "One possible solution to the Eurozone Crisis would be the revaluation of the Euro in some of the weaker economies."

Yuan/Renminbi: The name of the Chinese currency.

To counteract: To act in opposition to; "In order to counteract each other's negative advertisements, the Romney and Obama campaigns spent more than \$1 billion on 'attack ads' during the election."

Currency manipulation: The act of artificially adjusting a currency by a government or central bank, and not allowing its value to be determined by the open market; "Some analysts agree that the US, as well as China, is also guilty of currency manipulation."

To appreciate: To increase in value or price over time; "Their property value has appreciated by more than 40% since they bought their house 10 years ago."

To be entitled to: The right to do or receive something; "After working for the government for 35 years, he was entitled to a full retirement pension."

Tendency: A natural habit to act in a particular way; "Many families have a tendency to spend more money than they budget during the Christmas holidays."

Point the finger: To blame or accuse someone of something; "The manager refused to point the finger at anyone in particular and said that everyone was sometimes guilty of being late."

Pass the buck: To give responsibility or blame to someone else; "Parents often try to pass the buck to teachers when children misbehave in school."

To scapegoat: To make a person or group take the blame for a situation.

Blame: The state of being responsible for a fault or error; "Jody accepted the blame for the project's failure."

To exploit: to take advantage of a person or situation, especially unethically; "American companies have been accused of exploiting Asia's cheap labor in order to make a higher profit."

Vulnerability: Open to physical or emotional injury.

Insecurity: the anxiety one experiences when they feel vulnerable and insecure; "It's not his lack of experience that cost him the promotion, it's his insecurity in front of the top management."

Recession: An extended decline in general business activity, typically two consecutive quarters of decreasing GNP; "The recession that started in 2008 may continue for another 5 years."

Superpower: A very powerful or influential nation.

Fiscal cliff: The situation in the United States where, on January 1st 2013, a series of spending cuts and increased taxes worth approximately \$600B risks putting the US back into recession and will affect global growth.

Hard landing: An economic state where the economy is slowing down sharply or goes recession after a period of rapid growth, due to government attempts to control inflation.

Sluggish: Slow moving or inactive, without energy; "After a sluggish start, many economists hope to see a faster recovery in the months ahead."

Slippery slope: A situation which is likely to lead to bad or unwanted consequences; "Britain is currently on a slippery slope towards a referendum on its membership of the European Union, even if the consequences are very unpredictable."

Ominous: Giving the impression that something bad or unpleasant is going to happen; "The skies before Hurricane Sandy were very ominous."

To deepen: To go or become deeper; "They deepened the river so that larger boats could pass through."

To forecast: To predict or expect; "Experts forecast that by the year 2050, Asia will contribute nearly 50% of the global GDP."

To walk off: To depart suddenly or walk away from; "Romantic movies often show the couple walking off into the sunset together."

Plausible: Reasonable, possible or likely; "Many political analysts considered Mitt Romney to be a very plausible president."

To slide back: to return to a negative position; "Worries that the global will slide back into a depression are very justified."

Economic quicksand: An economic situation where entry can be quick and sudden but from which exit can be difficult or impossible.

Uncertainty: The condition or state of being uncertain; "Once the CEO resigned, there was a lot of uncertainty surrounding the future of the company."

Jittery: Nervous or anxious; "The island dispute between Japan and China has left many countries in the region very jittery."

Woe: Trouble, difficulty, or distress; "Their biggest woes come from the fact that neither of them can find a stable job."

To significantly impact: To affect or influence; "Changes to the train schedule will have a significant impact on the daily commute for hundreds of residents in the town."

To handle: To deal with or manage; "Marsha received the promotion because of her ability to handle many difficult tasks at once."

Resolution: The act of resolving something; "The resolution of their disagreement was considered a win-win; both parties were happy with the decision."

Problematic: Difficult to solve, decide, or understand; "The rules of grammar can be very problematic for language learners."

Debate: A formal discussion on a particular topic; "During the American presidential campaign, Romney and Obama met for 3 debates on topics including domestic and foreign affairs, and the economy."

Piecemeal: Gradually or in parts; "They've made piecemeal changes in the past, but the company now needs major reorganization."

To dig in: To prepare for a difficult situation; "Both sides are digging in for a long negotiation."

Agenda: Plan, schedule, or program; "Our agenda for this afternoon's board meeting has been amended several times."

To ramp up: To increase; "Both Republican and Democratic parties ramped up fundraising efforts in the final months of the campaign."

To surpass: To exceed or be greater than; "By finishing the marathon in less than 4 hours, Marco surpassed his best time by more than 8 minutes."

Collaboration: To work jointly with others, cooperate; "Their musical collaboration has helped them sell millions of records."

Paramount: More important than anything else; "If you want to improve your language skills, it is paramount that you find the right balance between grammar exercises and practice."

Prosperity: The situation or state of being prosperous or successful; "Taiwan's competitive free-market economy has brought prosperity to all levels of society."

Sentiment: A thought, view, or attitude, especially one based on emotion; "An anti-American sentiment swept through the Arab world after the controversial video was seen on YouTube."

Goodwill: An attitude of kindness or friendliness; "As an act of goodwill, runners in New York delivered food and supplies to victims of Hurricane Sandy."

Consequential: Having important consequences, significant; "The year's only really consequential legislation was the reform of health care."

To thrive: To make steady progress, grow, prosper; "His family and friends were surprised at how Nicole thrived in her new environment."

Language Review

A. Collocations

Match the words in each column to make a collocation from today's lesson.

1. Political	A. Outcome	
2. Source of	B. Blame	
3. Historic	C. Opportunity	
4. Plausible	D. Cycle	
5. Tough	E. Income	
6. Global	F. Times	
7. Shift	G. Quicksand	
8. Economic	H. Uncertainty	

B. Review Quiz

- Which of the following is NOT a synonym of 'large'?
 - Tremendous
 - Whopping
 - Sluggish
 - Significantly
- Which of the following can refer to China's currency?
 - Renminbi
 - Yuan
 - Kuai
 - All of the above
- What would be the potential result of the United States labeling China a 'currency manipulator'?
 - Trade war
 - Trade deficit
 - Trade gap
 - Collaboration
- After working in different cities for many years, the two old colleagues _____ into their work routine within a couple of days.
 - Walked off
 - Ramped up
 - Dug in
 - Slid back

5. "Point the finger" and "pass the buck" are most similar in meaning to:
- Exploitation
 - Blame
 - Woe
 - Evolution
6. "I've _____ much more difficult problems than this... I'm quite certain I can deal with this _____ effectively."
- Peddled/insecurity
 - Surpassed/agenda
 - Handled/complaint
 - Impacted/tariff
7. "If a solution to this _____ situation isn't found soon, we'll need to take more aggressive cost-cutting measures."
- Prosperous
 - Woeful
 - Deep
 - Thriving
8. "I _____ everything you've done for us to help make this holiday so great!"
- Am entitled to
 - Have a tendency to
 - Underwent
 - Appreciate
9. All good managers need to have strong conflict _____ skills.
- Forecasting
 - Resolution
 - Problematic
 - Sentiment
10. In order to counteract the risk of walking off the fiscal _____, the US must make some tough decisions very quickly.
- Path
 - Cliff
 - Recovery
 - Forecast

Answers

A. Collocations

Match the words in each column to make a collocation from today's lesson.

1. Political Cycle
2. Source of Income
3. Historic Opportunity
4. Plausible Outcome
5. Tough Times
6. Global Uncertainty
7. Shift Blame
8. Economic Quicksand

B. Review Quiz

1. C; 2. D; 3. A; 4. D; 5. B; 6. C; 7. B; 8. D; 9. B; 10. B

Online Practice

Click the "Launch" button to open the **online practice:**

Launch Quiz