

## US Treasury Secretary Lew Expects Good Year of Growth for US Economy

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- US Treasury Secretary expects 3% growth in economy in 2014
- Urges Congress to lift debt limit to avoid a “ false crisis ”
- US Commerce Secretary Pritzker says immigration reform has higher priority than corporate tax reform
- The theme of the 44th World Economic Forum [Annual Meeting](#) is “The Reshaping of the World: Consequences for Society, Politics and Business”
- For more information, visit <http://wef.ch/Davos>

Davos-Klosters, Switzerland, 23 January 2014 – The US economy will have a good year in 2014, spurred by strong core growth, rising confidence and an end to the fiscal drag, Jacob J. Lew, US Secretary of the Treasury, told participants in the 44th World Economic Forum Annual Meeting.

He said the US economy grew about 2% in 2013 even though contractionary fiscal policy cut 1.5% from growth. Now that the fiscal drag has ended, he would not make a specific prediction, but said: “ We are in the twos and we think it is reasonable to talk about 3%. ”

However, Lew warned the US Congress against creating a “ false crisis ” by failing to raise the debt limit promptly.

Treasury will reach the end of its borrowing authority at the end of February even after using extraordinary

measures, Lew said. If Congress has still failed to act by then, it would cause a “ self-inflicted wound ” to the US and

the global economy.

He reaffirmed that it is the responsibility of Congress to raise the debt limit, and that the President will not negotiate

under the threat of default. “ Not negotiating means not negotiating. I think Congress understands the President ’ s position. ”

Lew said extended unemployment benefits should be renewed even though the economy is strengthening, since long-term unemployment remained high. He said the President was working with industry leaders to end the stigma attached to long-term joblessness and to improve retraining programmes for workers.

Lew said the US financial system was stronger now than it was in 2008. He cited better capital levels, the creation of resolution processes for financial institutions, stress tests and the Volcker Rule to limit risk-taking. But Lew said more work remains to be done, particularly on the shadow banking system and cross-border resolution processes for global institutions.

Penny Pritzker, US Secretary of Commerce, told Forum participants that corporate tax reform in the US is

important, but immigration reform is a higher priority, and trade agreements are the highest priority for US business

leaders. Michael Froman, US Trade Representative, said that the boom in energy production has made the US

increasingly attractive for manufacturers from all over the world.

The Annual Meeting 2014 is taking place from 22 to 25 January under the theme, The Reshaping of

the World: Consequences for Society, Politics and Business. Participating this year are over 2,500 leaders from

nearly 100 countries, including 300 public figures, 1,500 business leaders and representatives from civil society,

academia, the media and arts.

The Co-Chairs of the Annual Meeting 2014 are Aliko Dangote, President and Chief Executive Officer, Dangote

Group, Nigeria; Kris Gopalakrishnan, President, Confederation of Indian Industry (CII); Vice-Chairman,

Infosys, India; Jiang Jianqing, Chairman of the Board, Industrial and Commercial Bank of China, People ' s

Republic of China; Joseph Jimenez, Chief Executive Officer, Novartis, Switzerland; Christophe de Margerie

, Chairman and Chief Executive Officer, Total, France; Marissa Mayer, Chief Executive Officer, Yahoo, USA

and Judith Rodin, President, Rockefeller Foundation, USA.

Notes to Editors

More information about the Annual Meeting 2014 is available at <http://wef.ch/davos2014>

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