



## **“The Hamburg Summit: China meets Europe”**

Keynote Speech

“Forge closer Interdependence and join hands for mutual development”

by

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*– Check Against Delivery –*

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**Hamburg**  
Chamber of Commerce

Dear Prime Minister Xavier Bettel,

Dear President Fritz Horst Melsheimer,

Dear First Mayor Olaf Scholz,

Ladies and gentlemen,

Good morning!

Today, River Elbe has witnessed the opening of the sixth Hamburg Summit. Thanks to the outstanding work of Hamburg Chamber of Commerce, we got this precious moment of reunion in every two years. The past two years has been highlighted by continuous exchange of state visits and numerous eye-catching advances in economic and trade relations. Since the end of 2013, state leaders from the Netherlands, UK, France and Germany has paid visits to China while President XI Jinping and Premier LI Keqiang visited Europe respectively in March and June this year. Today, Premier LI Keqiang is meeting Chancellor Merkel for the 3rd round of intergovernmental consultation.

Sino-European economic and trade relations are among the most vibrant relations of the largest scale in the world. Under mutual efforts, bilateral economic and trade relations have made great headway.

First, China and Europe has been each other's steadfast trading partner. Sino-European trade volume in 2013 accounted for 10% of world's total. From January to July this year, the bilateral trade volume reached \$348.43 billion, increased by 12.1% over the same time last year. In the coming years, it is expected to increase by a compounded annual growth rate of 9%. Second, Sino-European mutual investments have made increasing advancement. From January to July this year, 28 states of EU have realized investment in 840 projects in China, an increase by 3.3% with a total amount of \$3.62 billion. Meanwhile, China's non-financial direct investment in EU reached \$7.04 billion, tripling the figure of the same time last year. Third, economic and trade cooperation is entering an advanced level. With the implementation of the "China-EU 2020 Strategic Agenda for Cooperation" and the positive progress in the negotiation of "Sino-EU Bilateral Investment Treaty", Sino-European economic and trade relations would be expanded into more extensive domains of finance, science and investment.

China's economy has become an essential component of world economy. In 2013, China's commodity trade volume totaled \$4.16 trillion and GDP reached 56.9 trillion RMB, constituting 12.3% of world economy. Currently, China is still among the fastest growing economies in the world. Through a raft of reform and adjustment measures, China has maintained a moderate overall increase in consumption, investment and export and gain greater vitality in its manufacturing sector, exhibiting the initial achievements of economic reform.

Under the impact of extensive readjustment in global economic pattern and sovereign debts of European nations, EU is undergoing structural reform and reestablishment of mechanisms to enhance competitiveness while having increasing demand for external market. Both China and Europe prioritize economic structural reform. The reforms on two sides bear some resemblances and have overlapping domains that

allows for complementation of each other's advantages. Now I would like to propose a few pieces of suggestion for Sino-EU economic and trade cooperation.

First, sticking to mutual opening strategy and promoting mutual trade and investment. China and EU should commit themselves to the optimization of trade structure and expanding of open market, facilitating the shift from the trade-dominant bilateral economic and trade relations to the kind of relations that feature equal focus on trade and investment. Europe, known for high-end manufacturing and R&D strength, calls for more capital in its economic recovery. Meanwhile, China boasts of a huge foreign reserve and vast market with great potential and its enterprises are stepping up their globalization process. Therefore, two-way investment should be encouraged; service sector opened to each other should be further expanded; positive efforts are needed to be made in the negotiations concerning Sino-European Bilateral Investment Treaty and in the construction of comprehensive mutual investment mechanisms that would add more dynamic and vigor to the slow recovery of world economy.

Second, complementing each other's advantages and enhancing cooperation in high & new technologies and new energies. The manufacturing sector in China is amid transition to the middle and higher end, generating enormous demand for energy. Europe has always highlighted energy technology and structure adjustment, and takes global lead in advanced manufacturing, new energy and energy saving and environmental protection. Countries like Germany, France and Denmark enjoy prominent advantages in high-end manufacturing, solar energy, wind power and nuclear power. China and Europe could integrate each other's strengths in a well-organized way, thus realizing sustainable development with mutual benefits and interests.

Third, expanding cooperation domain and exploring highlights in SME cooperation. SMEs in EU boast of great strengths, advanced technologies, excellent skills and great competitiveness in capital & technology intensive industries and service sector while SMEs in China are still in the stage of structural optimization, transformation and upgrading. Both sides should step up policy support in the areas like finance, technology transfers, commodity trade and project investment in an effort to facilitate Sino-EU SME cooperation.

Fourth, further tapping into each other's advantages to facilitate the transition of the economic and trade relations from complementation to integration. EU enjoys a solid R&D foundation and leads the world in research in basic science and applied technologies. China and EU should expand cooperation in multiple domains like high tech industry, strategic new industries, modern manufacturing sector, joining efforts in R&D, investments and market development in order to provide greater dynamic for each other's growth.

Ladies and gentlemen,

In history, China and Europe had learned from each other and also fought against each other. But more often, our two civilizations have been gazing at each other with admiration and good will for mutual development. Of course, there also exist problems and frictions, but they should not bring negative impact on our friendly and vast expanding bilateral relationship. I believe, with a vision and mentality for

development as well as a mindset that harbors understanding and tolerance, those differences could be solved via negotiations on equal footing.

2014 ushers in a new decade of a comprehensive strategic partnership between China and EU. Sino-EU economic and trade cooperation is about to make brand new headway from this new historic starting point. China needs "European Quality" and "European Technology" while Europe's development calls for "Chinese market" and "China speed". Both sides are seeking the best mode of cooperation to achieve mutual development and successful economic transition. Amid the volatile world economy, let us forge common sense into interactive assistance, shelve aside and bridge the differences, and join hands for common development.

I wish the sixth "Hamburg Summit" a full success. Thank you!