



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

Keynote Speech

by

**Li Yunpeng**

**President of China Ocean Shipping (Group) Company**

*– Check Against Delivery –*

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Honorable Mr. Prime Minister,

Honorable Mr.Chairman,

Ladies and gentlemen,

Good morning!

First of all, I would like to thank Handelskammer Hamburg and the Municipal Government of Hamburg for your long term support of the Summit. If it were not for your persistent endeavors for years, we would not have been able to share information, exchange views and work together on this good platform.

The 21st century is called the era of information. I thought internet could break all barriers to information transmission in this era. However, an experience last year changed my mind. Last year, I attended the first Assembly of the Arctic Circle in Iceland. Introduced by H.E.Mr.Grímsson, President of Iceland, I paid a visit to EIMSKIP, one of the largest shipping companies in Iceland. During the meeting, both sides found reefer transportation highly interesting. After that meeting, we signed the cooperation agreement quite soon. Henceforth, I have been thinking why such cooperation did not happen earlier.

To some extent, information barriers still exist because of physical distance, and the efficiency of information exchange holds key to a successful bilateral trade deal. Therefore, I firmly believe that Hamburg Summit, as an information exchange platform, has added powerful impetus to Sino-Europe trade over the past decade.

On the current basis, we still need to further improve the information channel, bring more companies in the same industry to negotiation table, and establish new information sharing platforms with advanced technology, so as to shape a diversified and multi-dimensional ecosystem for information exchange. These issues are significant for the future of Sino-Europe trade.

Nowadays, information can be transmitted by a simple click of mouse, but cargo transportation in bilateral trade does not have this magic. Therefore, the transportation industry, especially the shipping industry, is playing an indispensable role. It has become a cornerstone for trade, communication and collaboration among countries.

Since the global financial crisis occurred in 2008, subject to overcapacity and low demand in the marketplace, the shipping industry has faced tremendous difficulties and challenges. In the current situation, supportive policies from the government and corresponding measures from shipping companies ourselves are particularly important. In September 9 this year, the Chinese government promulgated the Several Opinions of the State Council on Promoting Healthy Development of the Shipping Industry. The document rendered great support to the shipping industry in terms of improving global shipping network, deepening the reform and opening-up of shipping industry, boosting energy saving, emission reduction, and transportation efficiency, etc. Shipping companies has also stepped up efforts in cutting costs, boosting efficiency, customer relations, and improving service.

Hereby, I would like to appeal to the governments, terminal operators, partners and shippers to render your deepest understanding and the firmest support to the peers in shipping industry, because bilateral trade could only be prosperous when basic industries like shipping grows healthy. We live in a community of common interests. If one industry's interests are fundamentally hampered, the ecosystem of trade will lose balance. Companies within the shipping industry should also facilitate strategic cooperation, overcoming the hardships hand in hand. COSCO is willing to work more closely with ship owners all over the world, contributing to healthy and sustained growth of shipping industry.

I started my career in COSCO as a crew member. Over the past years, I have witnessed the exiting journey of its growing into the largest shipping company in China, and one of the first Chinese companies that followed the "go global" strategy, serving as the bridge for Sino-Europe economic relations.

Now, over 500 container vessels in COSCO's 13 brand new liner services are calling at European ports every year, and there are also many other bulk carriers and special cargo ships. That means 3 COSCO vessels are calling at European ports every day. COSCO has made great efforts in the routing and network building in European region, because we attach great importance to the European market, and we want to better serve the bilateral trade between China and Europe.

Europe is proud of Airbus. China is proud of having the first non-European final assembly line of Airbus. And COSCO is proud of being the carrier of the Airbus project.

As known to all, large sized aircraft components have strict requirements on transportation, and the cargo must be fixed in the whole process. The acceleration and deceleration of transportation vehicles cannot be too fast. The Airbus project needs multiple transportation means, including barge transportation, inland transportation, ocean-going container shipping, and even air transportation.

Therefore, it is hard to complete the project only by ourselves. We pulled together resources both in China and abroad, received assistance from our European colleagues and thus have managed to complete the total transportation of the Airbus project in six consecutive years. All the aircraft components were delivered to Airbus Tianjin in time with zero freight damage.

Airbus project has become a best practice for trans-regional modern logistics service. It embodies COSCO's philosophy of putting customers first, and our capability of coordinating and allocating resources.

We also learned from the Airbus project that the operation of a trans-national project cannot succeed without the coordination and collaboration of all related links. If we want to further promote the common growth of China and Europe, more comprehensive and open cooperation like the Airbus project is needed. Only by open cooperation can we keep Sino-Europe trade smooth.

We cooperate for win-win. Good bilateral trade relations must be win-win. China has been encouraging and embracing investments from Europe. Just in the auto industry, there are a well chunk of European companies, including Benz, BMW, Audi, Volkswagen, Fiat, Citroen, Renault, Peugeot, investing in China or cooperating with Chinese counterparts. In other areas such as electric machines, daily necessities, and luxury products, China and Europe also work very closely. As a Chinese company, COSCO also hopes to have an equal, open and mutually beneficial investment environment in Europe.

In the COSCO-invested Piraeus Container Terminal project in Greece, besides a few Chinese technicians and managers, other employees are all hired locally. This project directly created over 1000 local jobs, and contributed to incremental job opportunities in other terminal-related industries.

During our operation in PCT, COSCO generously shared our research results and managerial experience, which greatly boosted the handling efficiency of the terminal, laying solid foundation for the prosperity of the Port. Our experience of running overseas business for decades tell us that cooperation can only be successful when all parties, investors, local governments and people, are benefited.

Of course, COSCO will not forget old friends when making new friends. Our cooperation with old friends will be further enhanced. We will further deepen our cooperation with the Port of Hamburg, Port of Rotterdam among others in Europe, and will have more extensive communications with our old friends. COSCO's cooperation with European partners is guided by the philosophy of mutual benefit, and aimed at comprehensive and balanced growth. Our confidence comes from the positive outlook that Sino-Europe trade will enjoy sustainable growth.

If transportation is the basis for bilateral trade, then infrastructure is undoubtedly the basis for transportation. European infrastructure is well established overall, but is unevenly developed among different regions. We are glad to see more communication and cooperation in infrastructure between China and Europe, in various areas such as high speed railway, deep water terminal, and logistics base. COSCO is willing to take part in appropriate infrastructure projects, provide high quality service to the projects, further contributing to Sino-Europe trade growth.

In the West Han Dynasty of China two thousand years ago, Mr. ZHANG Qian, an imperial envoy, visited the West Regions, ushering in a new era of cultural exchange between the East and West. Through incessant exploration and efforts of generations of people, the Silk Road and Martime Silk Road that connect China with Europe are paved. Today, China is striving for the ambitious goal of reviving the Maritime Silk Road and the Silk Road Economic Belt. Following the tradition of Sino-Europe trade cooperation and fueled by modern technology and logistics means, the new silk roads will further connect Asia and Europe with roads, railways and ocean shipping routes.

China and Europe are facing historic opportunities for growth. COSCO is willing to participate in this grand undertaking, take lead in the logistics and shipping industry, providing transportation platform for businesses on both continents in the spirit of mutual benefit. The mutually beneficial cooperation and connectivity between China and Europe are important guarantee for the future of our bilateral trade. I hope that every distinguished guest here can capture the precious opportunities through joint efforts and closer cooperation, so as to share the benefit of prosperity of the 21st century.

Finally, I wish this summit a complete success.

Thank you all!