



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

Speech

by

**Prof. Xu Kuangdi**

*Vice Chairman of Chinese People’s Political Consultative Conference  
President of Chinese Academy of Engineering  
Chairman of China Federation of Industrial Economics*

Hamburg Chamber of Commerce

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Respected Conference Chairman Mr. Nikolaus W. Schuees,  
Respected Mr. Ole von Beust, First Mayor of the Land Hamburg,  
Respected Dr. Karl-Joachim Dreyer of Hamburg Chamber of Commerce  
Distinguished guests, ladies and gentlemen,  
Good morning.

I am very glad to attend the 2nd Hamburg Summit. This year is the 31 anniversary of the establishment of diplomatic relations between China and the European Economic Community. Today,

I would like to express my personal views on China and Europe Trade Relations, an issue of common interest. China-Europe relations have been developing steadily since China and the European Economic Community established diplomatic relations in 1975. Especially since the European Union set out the first all-round policy on China-European relations, i.e. *“A Long Term Policy for China-Europe Relations”*, the bilateral relations have developed rapidly and the cooperation between China and the European Union has gained a new life and ushered into a new era.

China and European Union member countries, especially France, Germany and Britain, have made frequent high level visits mutually. The Chinese government has always treasured and developed China-Europe relations from a strategic point of view. Chinese leaders have visited EU member countries with delegations for many times to promote China-Europe relations. EU member countries have indicated that China is a very important country, playing an increasingly important role in international community, and the EU hopes to strengthen its ties with China. Leaders of major EU member countries have also visited China with delegations for many times. Some EU member countries have made valuable efforts in granting China full market economy status and transferring technology items and equipment to China. China-Europe political, economic and trade relations have developed vigorously.

Favourable China-Europe relations have promoted trade relations between China and Europe. Trade value between China and Europe reached US\$217.6 billion in 2005, exceeding US\$200 billion for the first time and exceeding the trade value between China and the United States of US\$211.6, thus successfully achieving the objectives set forth at the 6th EU-China Summit in 2003, 8 years ahead of schedule.

The EU is China's biggest trade partner, and China is EU's second biggest trade partner.

With rapid trade increase, China-Europe economic cooperation characterized by two-way investment and technology transfer has developed and expanded continuously. The European Union remains the biggest technology supplier to China and the fourth biggest investor in China. China has acquired 21,511 technology items from the EU by the end of 2005, with a contract value of US\$90 billion.

By November 2005, the EU had established over 22,360 companies in China. The bilateral economic cooperation is very important for both China and the European Union. China and Europe are economically inter-complementary to each other. In accordance with World Investment Report 2005 released by United Nations Conference on Trade and Development, 50 of the world's 100 largest non-financial transnational enterprises ranked by their overseas assets belong to EU countries, and 26 of them are among the top 50. The European Union is powerful in research and innovation and much of its research work in basic science and applied technology stay in the forefront of the world. The EU's energy technology, environmental protection technology and automobile manufacturing technology are most advanced all over the world.

Biotech, biomedicine, biochemistry and space and aviation technology rank the second. EU's technology and invention patents account for one third of the world's total. All these figures show that the EU proudly enjoys the fame of advanced technology and abundant capital.

On the other hand, China is the largest developing country in the world with a tremendous market and a huge population of 1.3 billion. Although China has seen outstanding economic performance since the opening up, China's GDP per capita still ranks rather low in the world. Besides, different regions are not developed on the same level, and industries are rather inadequately equipped.

Therefore, the Chinese government has worked out the regional economic development strategy of developing West China, revitalizing Northeast China, boosting rise of central China and speeding up growth of East China. This will doubtlessly bring about very many business opportunities for industries and businesses of EU countries. EU enterprises are a very important force in China's economic development and China's development will give a powerful impetus to EU's economic development.

The prosperity of the EU is in China's interests. China and Europe should break new grounds in the ways and means of their cooperation with broader prospect and look for new areas of cooperation to carry out various forms of cooperation through various channels.

China has made continuous efforts in promoting economic and trade cooperation between China and Europe. One year ago, China Federation of Industrial Economics and the people's government of Liaoning Province held the first China-Europe High Level Economic and Trade Conference in Shenyang, which has effectively propelled the establishment of the EU Economic Development Zone in Shenyang. And we are aware that some EU enterprises have already set out business there. I believe both parties will find a cooperation model of mutual benefit and promote the sound development of China-Europe economic relations as long as we improve our communication and build up mutual trust.

Yet we should not lose sight of the fact that there are still trade disputes of one kind or another in economic and trade cooperation between China and the EU. However, they should not have any serious adverse impact on the sound and rapidly expanding trade relations. We can solve the problems

existing in our cooperation, so far as both parties deal with them from a strategic point of view, in good faith and with deep insight, through consultation and dialogue.

We can foresee that China-Europe trade will develop further and to our satisfaction. In accordance with the increasing trend of China-Europe trade in the past ten years, the Ministry of Commerce of the Peoples Republic of China is conducting research to formulate the medium and long-term plans for China-Europe trade. It is expected that the two-way trade will reach US\$300 billion soon. More and more Chinese enterprises will invest and set up businesses in EU countries. In the next 10 years, China-Europe economic and trade development will give great impetus to global economy. It has been proved that mutual political trust and rapid economic development will bring about real benefits to Chinese and European peoples and are vital to peace and stability of the world.