



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

Speech at the Opening Dinner

by

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**Check against delivery!**

Distinguished Conference Chairman,  
Distinguished Deputy Chancellor and Foreign Minister of Germany,  
Distinguished Deputy Prime Minister of the People's Republic of China,  
Excellencies,  
Ladies and Gentlemen,

First I want to express my sincere thanks for the invitation. It is great to be here in the Hanseatic City of Hamburg which is an ideal place for Europe and China to meet. Hamburg has been for centuries a crossroad for traders. Today, it is a major port for Chinese business and containers entering the European Union.

Speaking on behalf of the European Commission, I wish to extend a special welcome to Deputy Prime Minister Mr Zhang Dejiang and I want to take this opportunity to congratulate him and his country on the fantastic organisation of the Summer Olympic Games in Beijing, and on the fantastic performance of the Chinese athletes.

I have visited China in my different capacities. Twice as the Foreign Minister of Hungary and three times as European Commissioner responsible for Taxation and Customs Union. My trips have strengthened my conviction that China is a key player in the global scene whose rapid development and remarkable influence on international politics and world economy can neither be contested nor ignored.

The European Union is one of the major players in the rapidly growing international trade. So is China. China is our second largest partner and has displaced the US as our first source of imports. The EU is China's number one trading partner and its largest export market. We have shared interests and a great deal of inter-dependence. We have common responsibility to address the global challenges. Consequently there is an imperious need to build and sustain a constructive working relationship between the European Union and China in order to guarantee the security of our energy supply, to slow down the climate change and global warming, to settle or prevent local and regional conflicts, to combat international terrorism. I want to express my appreciation for the efforts by the Chinese Government to balance the immense challenges of managing China's rapid growth with the expectations and concerns of its international partners.



The overriding interest of Europe is to have a successful China as our partner. We need a China that has the will and the capacity to successfully address the economic, social and environmental challenges it faces. We need a China that is a responsible and therefore respected player in the international community.

This is particularly true in our trade relations. China's intense competitive pressure on parts of the European economy requires that we continue to persuade China to trade fairly and open its markets so that our companies can compete on a level playing field. Many of the reforms we seek in the Chinese trading practices and in broader economic policy - from the conditions for investment to the development of financial markets or the protection of intellectual property rights - are also central to China's interests. They require therefore that we cooperate in a true spirit of partnership.

We are aware that China cannot be treated like a student by the schoolmaster. China can only be treated as a partner, on the basis of shared interests and mutual respect. This spirit of partnership prevailed the visit to China of a delegation of 9 EU Commissioners headed by President Barroso last April and this spirit will prevail in the work of the High Level Dialogue on Economic and Trade Matters established in 2007.

The agenda for EU's relations with China is very ambitious and the end of the year will be an important milestone. We expect concrete progress at the next EU-China Summit in December 2008 in such key domains as climate change, balancing our economic and trade relations and the negotiation of a Partnership and Cooperation agreement. More specifically, on customs matters which are part of my portfolio, we have intensive cooperation under the EC-China Customs Cooperation Agreement, concluded, in 2005. In 2004, 80 p.c. of the fake goods seized by EU Customs came from China, while in 2007 it dropped to 60 p.c.

During my recent visits to China I agreed with my Chinese counterpart, Minister Sheng Guangzu, to further enhance and expand it in order to successfully manage the challenges stemming from the unprecedented boost in EU-China trade. We hope to sign an Agreement on the control of drug precursors and to agree on an ambitious Action Plan with concrete commitments to further reduce the flow of counterfeit from China into Europe.



Counterfeiting is a complex issue. It is a legal offence as it violates the intellectual property rights. It is a financial and economic problem as fake goods undermine the revenue of EU member states, steal the profit of the legitimate manufacturers and endanger jobs. In addition to all these, fake pharmaceuticals, foodstuffs, cosmetics, toys and car spareparts endanger the safety, the health and even the life of our citizens.

Indeed, as major trade partners, it is in the interest of both the EU and China to facilitate legitimate trade whilst ensuring the safety and security of citizens. In 2007, we launched a pilot project of smart and secure trade lanes, involving 3 ports, Shenzhen from China, Rotterdam from the Netherlands and Felixstowe from the UK. Experiences are promising. We are also working on the mutual recognition of the security standards of each other, the methods of security controls and the findings, and the customs trade partnership arrangements like the Authorized Economic Operator introduced in the European Union on the 1st January 2008 and a similar Chinese program which soon will be introduced. A successful implementation of the Action Plan to enforce intellectual property rights to be adopted at the next EU-China Summit would demonstrate that China is serious in its intention to step up efforts to reduce counterfeit trade flows into Europe. These should include action to cut off the production of faked goods and to roll up distribution networks of fake goods.

I would welcome the participation of Hamburg Customs in the implementation of the Action Plan.

Excellencies,

Ladies and Gentlemen,

The unprecedented boost of international trade flows between the European Union and China has created many new challenges but also great opportunities.

We need to continue our mutual cooperation based on shared interests and common objectives.

The way forward is the avenue of a strategic partnership. We need mutual understanding, trust, commitments and action from both sides. Hamburg as one of the Hanseatic cities has been and remains a crossroad for traders. Now it serves as a crossroad for new ideas and different cultures. I wish you all a lively and stimulating discussion, I wish you a successful Summit.

Thank you for your attention.