



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

Keynote Speech

**Dr. Guido Westerwelle**

**Deputy Chancellor and Minister of Foreign Affairs  
of the Federal Republic of Germany**

Hamburg Chamber of Commerce

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**Hamburg**  
Chamber of Commerce

General Secretary Ma,  
Commissioner Almunia,  
Mayor Ahlhaus,  
Excellencies,  
Ladies and gentlemen,

I would like to express my sincere thanks to the Hamburg Chamber of Commerce and the China Federation of Industrial Economics for their invitation and for organizing this important conference.

The Chinese and German economies are doing well. This year, China is set to grow by nearly ten percent. Even during the crisis, Chinese growth was robust.

This growth has now also reached the rural parts of the country, allowing more and more people in China to enjoy the benefits. We appreciate very much that China has lifted millions out of poverty. As a major exporter, Germany has also benefited from China's growth. Our exports to China were even growing in the years of the crisis.

This year, we expect the German economy to grow by 3.4 percent. Unlike in previous years, this growth is due not only to our strong exports but also to increasing domestic demand. The German Government attaches great importance to encouraging this development. Our country is doing better today than it was a year ago.

This is not just good news for the people of Germany. In closely interconnected national economies we each benefit from the other's growth.

We have a volume of bilateral trade of more than 90 billion euro. Germany is China's most important trading partner in the EU. And China is Germany's most important trading partner in Asia.

China and Germany, two export nations, depend particularly on networks, open markets and free trade. This is particularly true when it comes to raw materials. Last month, the federal government adopted a new raw materials strategy. We will work for a fair and sustainable use of these materials. In a globalized world with its international division of labour, free trade in raw materials is a great asset. Access to raw materials should be made fair and reliable. China would act in its own economic interests if China reconsidered its decisions on export restrictions.

China and Germany share an interest in a fair and stable system of world trade, and we should continue to work on that together. The world economy benefits from open markets, in Europe, in Asia, and elsewhere. That is why I strongly support all efforts to conclude free trade agreements between the EU and partners in Asia. We need strong exchange between strong partners. Large longterm current-account imbalances ought to be redressed as well as possible. I believe we all agree on this. However, we cannot focus on only one indicator. Competitiveness must not be penalized, but encouraged.

China and Germany are connected by a strategic partnership. In 2011, our governments will hold our first comprehensive consultations.

For all our differences, we cooperate in many ways, to our mutual benefit.

More cooperation should also be the basis of the EU's new strategy towards China. I will continue my efforts to help shaping the relationship between China and the EU. Today, China's rise has an impact on almost all of Europe's global interests.

Preserving our prosperity, free world trade, climate protection, the universality of human rights, security interests in Africa and the Middle East, in Afghanistan and Iran.

Given its size, its economic and political standing, China is a key partner for the EU in the 21st century.

As China's importance in the international community grows, the country's responsibility for international security grows as well. Only a year ago but a few would have expected the international community to agree on a common position on Iran. But we have succeeded. Thanks to the circumspection shown by those involved. Through consultations we were able to agree with Russia and China on a common position in the security council.

The international community cannot accept Iran holding nuclear weapons. We welcome the Chinese contribution towards this unified position.

We need China as an actor for global peace. This is especially true with regard to the dangerous provocation by North Korea. We are very concerned about the recent incidents on the South Korean island. We strongly condemn the North-Korean attacks on the island of Yeonpyeong. We asked China to use its influence to contribute to a de-escalation of the situation.

Ladies and Gentleman,

as an economic heavyweight, China shares responsibility to the global economy as a whole. We therefore welcome the fact that China will assume an even more important role in the International Monetary Fund following IMF reform.

China is an active member of the G20. The country is in close contact with the G8. The exchange rates between the world currencies are just one of the issues which we debate in these groups.

I welcome that China is allowing a gradual appreciation of its currency. We encourage China to take further steps in the same direction. It is in the interests of both the country itself and its partners in trade that the exchange rate properly reflects the strength of a country's economy.

China and the European Union are closely linked by direct investment. Chinese investors are very welcome in the European Union, as they are in Germany. We know what they contribute to economic growth and the protection of jobs here. In this great harbour city of Hamburg this can be witnessed every day.

I welcome very much Prime Minister Wen Jiabao's tribute to European companies doing business in the country. He said that foreign enterprises registered in China are Chinese enterprises. It is important that EU enterprises making products and paying taxes in China receive the same legal treatment as Chinese companies.

Chinese companies enjoy equal treatment in the EU. We need to do the same for EU companies, whether in awarding public contracts, in labour law or any other area. We acknowledge China's progress in the protection of intellectual property.

Many innovative Chinese companies have accumulated intellectual property very much worth protecting. I am convinced that this protection is essential for a creative and innovative environment.

The rule of law and the right to take legal action are very important for foreign investment. China has undertaken great efforts in the last several years to reform its legal system. The rule of law is the basis of political reform, which your Government has recognized as essential. I wish you courage and strength when you continue on this path.

The German Government supports China in this process through our intensive rule of law dialogue. Together with our human rights dialogue, this builds a solid foundation for a real partnership. Values and interests are not opposites, we need them both as pillars of our foreign policy.

When it comes to the big global issues, China and the European Union should work closely together. You all know the challenges involved and have been discussing them in great depth over the last few days.

No one denies any longer that climate change affects us all. Climate policy is a task for the entire international community. In the long term, we want to set targets that are binding under international law. The European Union is all set to work with China on this constructive cooperation. My recent talks with the Chinese foreign minister confirmed that the Chinese government wants to tackle climate change as a matter of urgency.

Together, we need to make progress at the Climate Change Conference in Cancún. Climate protection is compatible with economic growth. Anyone who is serious about combating climate change is going to need innovation and new technology. During Chancellor Angela Merkel's last visit to Beijing, she and Prime Minister Wen Jiabao agreed a very concrete agenda to tackle this issue. Companies from Germany and the EU have a lot of both to offer.

They have a strong interest in supporting China on its road towards becoming a low-carbon economy.

The economy is not everything, but without the economy, nothing else can work. Who would know this better than all of you. The German Government attaches great importance to the cultural exchange between China and Europe, between China and Germany. We seek to know each other even better and learn from each other.

I thank all the companies and the city of Hamburg for their committed work in our festival "Germany and China – Moving Ahead Together". With a focus on sustainable urbanization, this series of events was far more than the traditional cultural year. I also extend my thanks to everyone who worked on our success at the Expo in Shanghai. More than four million visitors showed great interest in our country. Next spring, the National Museum of China's new premises in Beijing will open with an exhibition called "The Art of Enlightenment". And we also look forward to the year of Chinese culture in Germany in 2012.

Political action is far more than what governments do. Personal friendships, joint research projects and strong economic relations all contribute to mutual understanding and trust. In this light, let me express my gratitude to the organizers of this fourth Hamburg Summit.

I wish everyone here all the very best personally. And since my party membership is no secret I probably do not surprise you when I wish you all success in business as well.

Thank you for your attention.