



“The Hamburg Summit: China meets Europe”

Keynote Speech

by

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Check against delivery!

**His Excellency Ole von Beust,
First Mayor and President of the Senate,
Free and Hanseatic City of Hamburg,
Your Excellencies,
Distinguished Guests,
Ladies and Gentlemen,**

Good morning to you all, it is a pleasure joining you in this prestigious biennial event to celebrate and strengthen Sino-European ties. This three-day gathering will spotlight two economic powerhouses that are assuming greater roles in modern global development. We all look forward to the productive results of this year's interesting round of expert panels, workshops, and interactive sessions, starting with today's agenda.

May I take this opportunity to commend the 3rd Hamburg Summit's sponsor, the Hamburg Chamber of Commerce, for untiringly promoting enhanced collaboration between our two continents. The presence and valuable thoughts of the highly esteemed corporate, political and public figures you have gathered at this event guarantees your noble goal of achieving higher levels of economic, political and cultural understanding between our regions and throughout the world.

Distinguished Guests,

China and Europe have emerged as dynamic economies that are exerting broader global influences; China's phenomenal growth is especially worth noting, as the country has transformed into a vital economic power that has benefited from both robust international commercial ties and one of the highest foreign direct investments rates in recent years.

China posted a strong 10.6 per cent annual economic growth in the 1st quarter of 2008, affirming its status as the world's fourth-largest economy. It is currently on track to achieve an impressive sixth consecutive year of exceeding the 10 per cent mark¹. Almost all of the 500 largest multinational companies in the world have invested in the country, where they presently handle 60 per cent of the country's exports. By 2015, Asia's emerging economic giant will account for 50 per cent of world trade.

¹ http://www.chinadaily.com.cn/china/2008-04/16/content_6621746.htm

Europe's solid economic fundamentals, on the other hand, have allowed the region to weather the current volatility of the international financial markets. Europe is one of the most highly industrialised areas on earth and features the EU, one of the biggest and most prosperous economic blocs in the world. The continent's economy expanded higher than predicted in 2008, driven mainly by considerable corporate investments which fuelled the region's fastest expansion since 2000².

Growth in the single currency area has thus surpassed the US economy for the fourth straight quarter and could outpace US expansion for a full year, a feat that the region has not achieved since 2001. Experts agree that Europe will again round off 2008 with steady and solid growth. Our host Germany, the continent's largest economy, also expanded beyond expectations in the 1st quarter of 2008; these attest to the sound overall health of the European economy.

Ladies and Gentlemen,

China and Europe continue to build on their fruitful collaboration; in fact, the EU and China are in the process of negotiating a new Partnership and Cooperation Agreement (PCA) to update the 1985 Trade and Economic Cooperation Agreement currently constituting the legal basis governing EU-China relations. These and other initiatives that further harmonize the Chinese-European affinity are greatly welcomed and supported by the UAE and the rest of the international community.

Indeed, renowned international analysts and experts concur that joint Sino-European efforts are vital to achieving world peace and sustained environmental, social, and economic development. The China-EU Summit has been held annually since 1998 to forge a consistent and long-term constructive partnership that promises to achieve this end.

The UAE is thus proud to claim productive ties with these dynamic and influential regions. Our country maintains close relations with several European nations, many of whom consider us as their primary trading partner in the Middle East. Trade between the region and the UAE reached EUR 106.8 billion in 2007, with UAE imports from European countries

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<http://www.bloomberg.com/apps/news?pid=20601087&sid=aO8RiIIIIVU.w&refer=homeFirefoxHTMLShellOpen\Command>

hitting EUR 24.4 billion. A considerable EUR 4.9 billion of these imports came from Germany. On the other hand, European investment has emerged as the new trend among UAE real property developers.

The UAE is also encouraging the fruition of a Free Trade Agreement among the Gulf Cooperation Council, of which it is a key member, the EU, and China; this will hopefully materialize within the year and welcome a new age of prosperous partnerships. But aside from the commercial and economic aspects, the UAE and Europe have made huge strides in political, social, and cultural exchange. The UAE has in fact received various European delegates from the public and private sectors in the past few months who have expressed great interest in expanding ties between our two regions.

With regards to China, we established diplomatic relations in 1984 and have since significantly strengthened our political, economic, cultural, and trade partnerships³. Our country is presently China's second largest trading partner and the largest market for Chinese exports in the Gulf region. Our bilateral trade volume surpassed EUR 13.62 billion, representing a 41.2 per cent year-on-year increase. Around 200,000 Chinese and more than 2,000 Chinese companies are based in the UAE, with 200,000 more nationals visiting our shores annually. The recent visit of H.H. Sheikh Mohammed Bin Rashid Al Maktoum, our Vice President and Prime Minister and the Ruler of Dubai, to China reaffirms our commitment to sustaining our fruitful collaboration.

The UAE also intends to remain a key agent in forging better relations between the EU and China. More than their valued partner, we also wish to be an important link between East and West, as we continue our shared quest for global harmony and sustained progress.

On a broader scale, trade relations between China and the six-nation Gulf Cooperation Council (GCC), of which the UAE is a prominent member, have expanded dramatically over the past 10 years. China's rapidly rising energy demand makes oil the dominant traded product among the countries, with GCC exports to China expected to grow by an average of at least 3.7 per cent per annum towards 2030⁴. China is also eyeing the GCC's ability to economically produce energy-intensive goods such as phosphate and aluminium.

³<http://ae.chineseembassy.org/eng/sbgx/default.htm>

⁴ http://www.cfr.org/publication/16398/chinagulf_economic_relations.html

The GCC is committed to further consolidating its relations with the EU, and raising the level of trade negotiations with China. The GCC will continue to promote closer collaboration between the East and the West, which as I have said earlier is also of top priority in the UAE's international agenda.

Ladies and Gentlemen,

Although China and Europe have gained a firm foothold in the global economic arena, much still needs to be done to ensure their sustained success and prolonged partnership. There is, for one, a need to further balance trade and fully explore mutually beneficial relations in this area. China's exponential growth has also brought about issues concerning environmental sustainability; global integration; energy use; logistics; and research and development. As an important common partner, the UAE hopes to assist these two groups in filling these gaps and in the process help reach their full potential in the global economy, as individual nations and as partner economies.

The UAE aims to be particularly helpful to China, which continues to strengthen its global presence. Through our long and fruitful association with veteran European economies, we hope to further wean in China to the intricacies of the European markets and thus facilitate an even higher level of productive relations. We also offer our vast experience in various economic and industrial fields and our unique perspectives on economic diversification to help China formulate solid economic programs and implement necessary reforms. Lastly, our diplomatic ties place us in a positive position to encourage more support for Chinese development from Europe and from the rest of the world.

Ladies and Gentlemen,

The world economy is undergoing various upheavals that necessitate stronger international alliances, especially among nations that maintain a positive influence in the international markets. This Summit sets a valuable tone for such efforts by giving progressive direction to China and Europe, two of the rising forces in the global economic stage.

I would like to thank the Hamburg Chamber of Commerce for inviting us to this event and providing us with the opportunity to share our perspectives on the growing global significance of strengthened Sino-European relations. I would also like to commend all Summit participants for your commitment to enhancing the bond between China and Europe and improving international fellowship.

Good day, and please enjoy the rest of the Summit.

Thank You.