



“The Hamburg Summit: China meets Europe”

Keynote Speech

by

Pierre Simon

President, Eurochambres

Hamburg Chamber of Commerce

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Check against delivery!

“Enhancing mutual business opportunities for European and Chinese companies”

Ladies and Gentlemen,

It is a pleasure and an honour for me to be here in the beautiful city of Hamburg and to speak to you in my capacity as the president of EUROCHAMBRES, the Association of European Chambers of Commerce and Industry. For your information, my other “hat” that may be of interest to you is that of president of the Paris Chamber of Commerce. EUROCHAMBRES is the Brussels based umbrella organisation representing a network of 2.000 Chambers of Commerce and 19 million enterprises in Europe. Our mission is to promote a competitive European economy, to help European companies – in particular SMEs – to benefit from the European Internal Market and to compete globally.

In light of the global importance of China-EU relations and speaking as a business representative, I believe that such an event as the Hamburg summit is crucial to ensure an ongoing dialogue between all relevant stakeholders. I was very happy therefore to accept the invitation to speak here on the *future of EU-China relations and the consequences for business*.

Nearly 2 years ago, the European Commission launched its “Global Europe” strategy. The aim of this strategy is to focus on the external dimension of the Lisbon process and to increase Europe’s competitiveness in a global economy. I would like to remind you that the European Union contains some of the most open economies in the world. With 7% of the world population, the EU accounts for 20% of global trade and nearly half of Foreign Direct Investment. This “open economy” has been a major catalyst for growth over the last decades. The challenge today for European business is to grasp the opportunities offered by the current globalisation process and to minimise the risk from unfair trade practices and protectionism. Considering that bilateral trade between China and the EU has increased by 17% in 2007, China plays an important role in this strategy.

In my speech today, I want to pick out just a few, but very important points of EUROCHAMBRES’ vision for a successful EU-China strategy.

First, we should look at what happened 2 months ago in Geneva, during the WTO negotiations. The failure to come to an agreement on the Doha Development Agenda has been a major set-back for all of us. EUROCHAMBRES insists that the best way to organise our trade relations is on a multilateral basis. The WTO must continue to play a leading role in the development of a multilateral trade system. The benefits of a liberalised world economy with improved market access, a stable, transparent and internationally accepted system of rules and instruments as well as a trade-dispute body, are essential. This system has contributed to world economic growth, development and employment for both developed and developing countries. Despite what is written in the newspapers, a very small window of opportunity is left to resume the Doha talks, and there is a major responsibility on the EU and on China to bring the negotiation partners back to the table - this opportunity needs to be grasped and the talks finally brought to a conclusion.

Agreements on a bilateral level should only be considered as helpful complements and/or contributions to the multilateral approach, but they cannot fully substitute it. In this context, EUROCHAMBRES supports the current negotiations to establish a new Partnership and Cooperation Agreement (PCA) between the EU and China, which reflects the increasing importance of China as an equal partner. The PCA will include a specific focus on trade and investment issues whose objective it is to overcome some of the main difficulties hampering trade with China, such as existing tariff barriers and tariff peaks, non-tariff barriers, unopened governmental procurement market, etc.

Of course, when we think of China and possible obstacles to trade, one of the main issues that comes to mind is the problem of the protection of Intellectual Property Rights (IPR): according to the European Commission, China still remains the main source of counterfeit goods, with almost 60% of all articles seized at EU borders coming from there. The impact of IPR violation on businesses is two-fold: there is the economic aspect of companies of all sectors and sizes losing a large amount of money from fake goods, but there is also the social aspect regarding consumer health and protection.

IPR protection and also effective IPR enforcement are key factors for promoting trade and investment in all economies and, importantly, to ensure the health and safety of the consumers. This is not only of fundamental importance to European businesses dealing with China, but also of self-interest for the Chinese economy and their major brands that are equally subject to pirated goods. An enhanced dialogue, based on input from all relevant stakeholders together with the harmonisation of Chinese legislation with that of Europe will

not only help to lower the production and buying and selling of counterfeit and pirated goods but also their export to other markets.

In this context, EUROCHAMBRES also welcomes the ACTA (Anti-Counterfeiting Trade Agreement) initiative which aims to create a high-level international framework that strengthens the global enforcement of IPR. However, we encourage the members of these negotiations to also actively involve China in this process so as to secure a full commitment from all parties involved.

Promoting global and fair trade and enhancing protection against unfair trading practices will lead to increased, safer and more stable trade between European and Chinese businesses. Embedded in a multilateral context, the EU and China are equal partners both with regard to the advantages and also the obligations. This will be to the benefit of both economies and will ultimately foster growth and development as well as increase the global competitiveness of businesses in Europe and China.

One other topic I would like to touch upon is the European Commission's ambition to set up a European business centre in China. It is important for the EU to be visible and present in the emerging markets and to support European companies wanting to enter these markets. "Europe" is becoming a brand on its own, and indeed more and more companies present themselves as a European company, instead of a French, German or Italian company. EUROCHAMBRES is full committed and engaged in supporting that process. Only yesterday, our Secretary General was in Delhi to sign a contract with the European Commission to establish an EU Business and Technology Centre in India. This Centre will help European companies to enter the Indian market, with focus on clean technologies. However, it is necessary to ensure that these new structures are set-up in complementarity with already existing business support structures, such as member state's agencies or bilateral Chambers of Commerce. This is the strategy for the Centre in India, it will now be important to find the right and complementary set-up also for the EU Centre in China to the benefit of all businesses.

In a similar way, EUROCHAMBRES is very committed to the establishment of European Chambers abroad, who can defend European business interests towards the local authorities. The EU Chamber of Commerce in China is a good example of that process, and we look forward to a constructive dialogue with them.

More broadly, EUROCHAMBRES, through its network of 2,000 Chambers of Commerce and Industry has a strong interest in promoting EU-China relations and to ensure that these relations develop to the benefit of European businesses. Chambers are strongly involved in supporting companies to “go international”. Every year, nearly 1 million companies in Europe are assisted by our network in their internationalisation process. China represents a major market of interest for European SMEs. With close to 5.000 experts operating within the Chamber network specialised on international trade, the Chamber network is perfectly placed to support European business in their activities towards China.

And of course, we want to work in partnership. In China, we have developed a long standing cooperation with CCPIT and its extensive network throughout the country. We hope to continue and even expand this cooperation in the future.

“Partnership” is the final word I would like to focus on. Today, the interests of China and the EU are so intensively inter-linked, that we have a shared responsibility towards making this partnership successful. It’s important that our political leaders are aware of this, but we, as business community, also have a responsibility, to make sure that EU-China relations are based on mutual understanding and respect.

Thank you very much for your attention.