



“The Hamburg Summit: China meets Europe”

Keynote Speech

by

Annette Schavan

**Federal Minister of Education and Research of the Federal
Republic of Germany**

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The cooperation between Minister WAN Gang and me is characterized by trust and a sense of responsibility. We have known each other for many years. It is therefore a great honour for me to open the 5th Hamburg Summit "China meets Europe" with him today.

China and Germany have steadily developed their cooperation to become a strategic partnership over the last four decades since they first assumed diplomatic relations. The first German-Chinese consultations in 2011 marked the beginning of a new era in their partnership. Germany only maintains this kind of partnership with seven countries in the world. And as far as the People's Republic of China is concerned, Germany is the first country with which it has conducted government consultations. Regular visits by the specialist ministers and the Federal Chancellor and the Chinese Prime Minister serve to intensify our exchanges on strategic topics. China was this year's partner at the Hanover Fair. Relations between our two countries have never been as good as they are today.

The Hamburg Summit has definitely contributed to this success since 2004. It has become a central platform for German-Chinese and European-Chinese cooperation. My sincere thanks go to the initiators of the Summit. Trust grows with the continuity of the dialogue. The topics of this year's Hamburg Summit are analogous to the topics of the dialogue between the governments of our two countries: They range from questions of market access, innovation and investments to the joint development of solutions to forward-looking issues such as urbanization.

Economic relations between Germany and China form a stable and at the same time dynamic foundation for our relations. Bilateral trade between our two countries reached an all-time record in 2011 at 144 billion euros. Measures to strengthen innovation have priority in both our countries. This is why our relations in science and research are of special importance. For many years now, my colleague WAN Gang has shown himself to be a successful bridge-builder between China and Germany – and Europe as a whole. His outstanding knowledge of our country has produced tremendous results.

We share the firm conviction that research and innovation are the drivers of economic and social development. Germany is Europe's technology powerhouse and is among Europe's leaders regarding expenditure on research and development. The Chinese government is pursuing a very successful and ambitious innovation strategy. Germany and China are roughly equal as far as worldwide patent applications are concerned.

The effective protection of intellectual property is an important factor for cooperation in innovative fields. And it is a good sign that we are seeing increased understanding for our position. This too demonstrates the quality of German-Chinese relations.

The German-Chinese Innovation Platform, which held its second conference in Berlin this week, is another indication of the ambitions of both countries in the field of innovation. Further examples are cooperation projects in the life sciences, in sustainable water management, in electromobility and in the field of LED technologies. We are also expanding our cooperation in education by introducing the German-Chinese alliance in vocational education and training and the strategic partnership in higher education. Young people in China and Europe need powerful signals emphasizing the importance of good education and strong research as the source of future prosperity. This is a guideline for our cooperation: Europe and China

both have ageing societies – compared with the world average – and it is important to take effective steps to secure the future opportunities of the young generation.

Cooperation in research also involves finding answers to the great questions of our times: How do we ensure the availability and fair distribution of water and other resources that are in short supply? How do we remedy climate change? How do we meet the challenges of ageing societies? How do we secure supplies of renewable energy and how do we create energy-efficient cities? How do we provide the world's population with sufficient food? These questions cannot be solved at a national level. It is a matter of finding joint answers and developing joint strategies for action.

We are convinced: The innovations of today are the source of our future prosperity. They are innovations which take into account the basis of life of future generations. Sustainability and innovation are two sides of the same coin.

Europe and China are two cultures that are linked through their rich traditions. The contacts between our cultures reach far back into history. The trading routes of the Silk Road linked China and Europe long ago and European scholars in early modern times were enraptured by all things Chinese.

We have learned a lot from one another over the last forty years. Friendship stems from knowledge of the culture and intellectual tradition of the partner country. This is why a stronger exchange of students and researchers is so important. And this is why we are strengthening partnerships between universities.

The German initiative "Germany and China – Moving Ahead Together", which ran from 2007 to 2010, promoted intercultural understanding as the basis for cooperation. It presented people in different areas of China and finally at EXPO 2010 in Shanghai with an impression of modern-day Germany. The campaign was a great success. This is why I consider the Year of Chinese Culture, in which China is presenting itself in Germany, to be so important.

There is still room for expansion as far as Chinese investments in Germany are concerned. We are seeing increasing interest in Germany as a place for industrial investments in the heart of Europe and we very much welcome investors from China, who want to commit themselves in the long term and create jobs in Germany.

Permit me to say a few words about the current situation in Europe:

The financial situation and competitiveness of some countries in the Eurozone are abiding themes both in Europe and on the international stage. Heavily indebted public budgets, particularly in the Eurozone, are causing anxiety.

Germany supports a resolute path towards reducing debts as well as measures to make the economic and monetary union crisis-proof. I am convinced that: We need more resolute national efforts and the right degree of Europe-wide solidarity. We in the Federal Government will do everything to stabilize and strengthen the Eurozone and the euro. A globally networked, export-oriented economy like Germany has no alternative to the euro. We have a historic responsibility to enhance the integration of the European Union, which has given Europe and the whole world such a long, stable phase of peace and social and economic prosperity. When, in a few days' time, the European Union receives this year's Nobel Peace Prize we will be reminded of the great services of those people who founded the European Union and have

steadfastly developed it over the years. This award is also an incentive for us to act in such a way that Europe can emerge from the crisis stronger than before. This requires efforts to enhance industrial competitiveness and innovative strength in Europe as well as resolute steps to reduce the debts. China and Germany – as the world's two largest export nations – are particularly interested in open markets. Our joint aim must be to balance the great disequilibrium worldwide. No measures should be taken that contradict this principle. These include export restrictions based on quotas and differences in treatment when granting licences. Friendship and a good partnership allow us to discuss critical points amicably. And so we have learned a lot from one another over the last forty years. I hope that this will continue to be the case in future.

The upcoming issues that we will discuss concern the basis of life for future generations. We bear a particular responsibility in this context. This is why openness is so important in a fair and equal partnership.

Both sides feel this particular responsibility and I am confident that the successful strategic partnership between China and Germany will provide a sound foundation for future joint activities aimed at sustainable development.