



“The Hamburg Summit: China meets Europe”

Keynote Speech

by

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Distinguished Ms. Schavan,

Distinguished Mr. Papastamkos,

Distinguished Mr. Melsheimer,

Distinguished Mr. Scholz,

Ladies and gentlemen! Dear friends!

Good evening!

I am very glad to attend this opening dinner of the 5th Hamburg Summit of the Sino-European Economic Annual Forum. Ever since it was initiated in 2004, the Hamburg Summit of the Sino-European Economic Annual Forum has imposed a significant influence upon the communication and cooperation in areas including economy, science and technology and other areas between China and Europe and between China and Germany. We believe that with bilateral efforts, the Hamburg Summit will play a greater role in our future cooperation and development. Now please allow me, on behalf of the Chinese Government, to extend my warmest and heartfelt congratulations on the convocation of the conference, to express my deepest gratitude to the conference organizer, the Hamburg Chamber of Commerce, for their thoughtful arrangements, and to express my sincere respect to friends from all walks of life who have worked to promote relations between China and Europe and those between China and Germany!

We are pleased to see that China-EU relations have become one of the world's most important partnerships. The bilateral comprehensive strategic partnership has matured and its connotations have been constantly enriched. The width and breadth of cooperation have also gone beyond the bilateral scope and have increasingly acquired global significance. The two sides have seen more frequent high-level exchanges, and the China-EU Summit has so far been successfully held 15 times. We have established more than 60 dialogue and consultation mechanisms and have developed closer personnel exchanges and cultural exchanges. In addition, important progress has been made in cooperation in various other fields. The strategic core of China-EU relations continues to be consolidated, and the long-term sustainability, stability and comprehensiveness of China-EU cooperation are being continuously enhanced.

Economic and trade cooperation is one of the most active and the most productive parts of China-EU relations, and it has brought tangible benefits to both sides. The EU has been China's largest trading partner for eight consecutive years, and it is also China's largest source of technology imports and the fourth largest source of China's foreign investment. China is the EU's second-largest trading partner. Chinese enterprises' investment in Europe has witnessed a rapid growth, showing good momentum of development. According to statistics, since 2003, the average annual growth rate of trade volume between China and EU has remained high at 20.8%, reaching \$567.2 billion in 2011.

The international financial crisis and the outbreak of European sovereign debt crisis have further deepened the economic interdependence between China and the EU. During the most challenging time of the European sovereign debt crisis, China always held and repeatedly expressed its firm confidence in the prospects of

European integration, and with the loyalty of strategic partnership China has injected \$43 billion to the International Monetary Fund (IMF) and provided all assistance within its capacity to Europe through a variety of ways, including injecting capital into the International Monetary Fund (IMF), purchasing bonds, increasing imports, etc.

Germany is a big country of Europe and the European Union, and the development of Sino-German relations and China-EU relations are mutually supportive. Since China and Germany established diplomatic relations 40 years ago, the two countries have increasingly established a comprehensive and pragmatic strategic partnership of especially rich connotations. The achievements of mutually-beneficial bilateral economic and trade cooperation between China and Germany are especially notable. During the past 10 years, Sino-German trade has sustained rapid growth, reaching \$169.2 billion in 2011, which is equivalent to one-third of EU-China trade. Since last June, the Chinese government and German government have established an intergovernmental consultation mechanism, and the two governments have already carried out two consultations in Berlin and Beijing respectively. All agreed arrangements have been effectively implemented.

Bilateral exchanges and cooperation in various fields between China and Germany have also been deepened. Up until now we have established more than 40 dialogue mechanisms (including government consultation mechanisms) and 69 pairs of sister provinces or cities, which constitute an important support to the relations between the two countries. Sino-German relations have become an important leader in the development of China-EU relations, giving a strong impetus to the cooperation between China and the EU. The exemplary and leading effects of China-EU relations have become increasingly apparent. In the new era, China and Germany should further actively promote China-EU cooperation and join hands to promote China-EU relations to a higher level.

The Chinese government and Chinese people trust partners and trust friends; we are willing to further carry out sincere cooperation with Germany, the European Union and Europe, and we are willing to be your mutually-trusted friends. This is because we believe that sincere cooperation established on the basis of trust and friendship will not be blocked by a momentary issue but will become more long-lasting, more solid and more efficient.

Ladies and gentlemen! Dear friends!

Not long ago, China held the 18th National Congress of the Communist Party of China (CPC) in Beijing and this National Congress has attracted worldwide attention. The conference summarized the achievements of China's Reform and Opening-up Policy, the construction of a well-off society in all respects and the construction of socialistic modernization over the past 10 years. The conference also made a comprehensive plan for future development.

China has undergone historic changes over the past 10 years. During this period, China has sustained its economic development, continuously established a more sound democracy, improved cultural prosperity and maintained social stability. During this period, great efforts have been made to improve the livelihood of the Chinese people and the Chinese people have got more benefits. The Reform and Opening-up Policy has made significant progress. The modern free market system and macro-control system have been continuously improved and the development of an open economy has reached a new level. Total economic output has risen from the sixth

place in the world in 2002 to the second place. In 2011, the gross domestic product (GDP) of China reached RMB 47.3 trillion yuan.

This period also witnessed a rapid increase in China's ability to withstand risks. During this period, we successfully coped with a series of big, urgent and difficult issues, including SARS, the devastating Wenchuan Earthquake and the international financial crisis, and we have accumulated rich experience in overcoming adversity and turning crisis into opportunity. Our ability of scientific and technological innovation has been significantly enhanced and the industrial structure has been constantly adjusted through optimization. Moreover, the level of urbanization has been significantly improved, agriculture has sustained a 9-year high yield and the people's income has been steadily increased.

At present, the world economy has not yet seen a full recovery. As the global economy is going through a grim situation, we always maintain a firm confidence in the sustained and healthy development of China's economy. China's economy has already accumulated a good foundation for development and acquired the ability to resist risks. The long-term trend that China's economy is stably recovering has not been changed, and the sustained and rapid development of industrialization, informatization, urbanization and agricultural modernization has provided broader space for future economic development. According to current statistics, China can surely achieve the planned growth target of 7.5% this year and is expected to maintain a high growth rate in the next year.

China will achieve the grand goal of fully building a well-off society in 2020. In the current and future period, China will place more emphasis on scientific development and on coordinating economic, political, cultural, social and ecological development. In less than 10 years, China will strive to make significant progress in the transformation of our economic development mode, doubling our 2010 gross domestic product (GDP) and per capita income for both urban and rural residents. The contribution rate of scientific and technological progress to economic growth will surge and China will enter the ranks of innovative countries by 2020. It is expected that industrialization will be substantially accomplished, the informatization level will be dramatically increased and the quality of urbanization will be significantly improved by 2020. Also our agricultural modernization will achieve remarkable results and we will make significant progress in building a resource-saving and environment-friendly society.

This is the solemn commitment made by the Chinese government to its 1.3 billion people and it is also Chinese government's solemn commitment to the whole world. The sustained and healthy development of China bears great potential for development and business opportunities. This opportunity not only belongs to China but also belongs to the world; this opportunity not only belongs to Chinese enterprises but also belongs to enterprises around the world. We will unswervingly adhere to and deepen the process of reform and opening up and share the opportunities and outcomes of China's prosperity and progress with other countries. We sincerely welcome foreign enterprises to participate in China's scientific and technological development, as well as economic development, and to achieve common development with Chinese enterprises through mutually beneficial cooperation and fair competition.

Ladies and gentlemen! Dear friends!

The world today is undergoing major and profound changes. Countries have never been so interconnected and interdependent as they are today and exchange and communication among different civilizations has never been as active as it is today. At the same time, the profound impact of the international financial crisis and the European sovereign debt crisis is still continuing, and prominent problems are still found in the uneven development between the real economy and virtual economy and in the imbalance between demand for green development and the existing industrial structure.

In a deeper sense, this situation is attributable to the contradiction between requirements for the rapid economic development of each country and the inadequate carrying capacity of natural resources and the earth's environment; it is also attributable to the contradiction between requirements for economic structural adjustment and a lack of innovative capacity.

Difficulties are opportunities and challenges are driving forces. China and the EU, and China and Germany have accumulated a good foundation for cooperation and established good cooperation mechanisms. Meanwhile, China has entered a decisive stage of building a moderately prosperous society in all respects. China is accelerating the transformation of economic development mode and accelerating the construction of ecological civilization. China is also vigorously developing new industries, speeding up technological upgrade and promoting strategic adjustment of its economic structure.

We believe that through frank communication and sincere cooperation between the two sides, there will be more cooperation opportunities in the future. Here, we call on the EU to work together with China to fully tap the potential of mutually beneficial cooperation and improve the level of equality, mutual benefit and pragmatic cooperation of both sides by adhering to the spirit of strategic cooperation and holding a long-term vision.

To further expand economic and trade cooperation and cooperation in science and technology. The two sides should plan and perfect cooperation blueprints for trade investment, finance, urbanization, technology, sustainable development and other issues, actively explore the possibility of establishing a Sino-European Free Trade Area and make efforts to turn cooperation potential into reality. The economic and trade cooperation and the scientific and technological cooperation between China and Germany have enjoyed a solid foundation and have already reached a higher level of development. We hope that the two sides will continue to deepen mutual trust, to innovate and to be pioneers and to achieve greater development through deepening cooperation. We hope that China and Germany, and China and the EU will promote the cooperation of high-tech exports and create a new highlight of mutually beneficial and win-win cooperation.

China and the EU should continue to maintain mutual respect and to be friends that seek common ground while reserving differences. The economic complementarities between China and the EU are far greater than competition. We hope that both sides will adhere to the long-term and fundamental interests, cling tightly to the aspirations of solidarity and cooperation, perfect the mutual benefit and win-win mechanisms and strengthen dialogue and consultation so that China-EU relations will go along the direction of smooth and balanced sustainable development. The differences in

history, culture, political system and level of development between China and the EU are not obstacles to the friendly cooperation between the two sides, but the driving force for the two sides to learn from each other. Let's begin at a new starting point and continue to strengthen the ideological and political foundation for long-term and deep cooperation between the two sides.

China and the EU should continue to engage in frank and close communication. China and the EU should further strengthen bilateral cultural exchanges and personnel exchanges, continue to deepen exchanges and cooperation in the fields of education, culture, language diversity and youth and continue to consolidate and expand the popular basis of a friendly China-Europe relationship. The two sides should conform to the trend of world multi-polarization and continue to strengthen bilateral communication, coordination and cooperation so as to play an important and positive role in promoting the democratization of international relations, safeguarding world peace and stability, promoting trade liberalization and responding to such global issues as energy security, food security, and climate change.

Ladies and gentlemen! Dear friends!

Over the past few decades, the development of both China's relations with Europe and China's relations with Germany were beyond the imagination of its founders and builders. With the greatest sincerity the two sides have overcome difficulties and challenges. The relations between China and Germany and those between China and the EU are timeless and vibrant, and are striding forward into the future with a positive attitude. The future will be new, and the modernization of China and the European integration process are at a new starting point that links the past to the future.

Let us join hands and conduct sincere cooperation. With greater courage and wisdom, we shall share development opportunities, jointly meet any challenges and create a brighter future for both Chinese and European people!

Finally, I wish the summit a great success! I wish that China and EU and China and Germany will achieve more fruitful results through cooperation! Thank you very much!