



# THE HAMBURG SUMMIT

*China meets Europe*



**November 30, 2021**

Summary Keynotes: “EU-China Economic Dialogue on post-pandemic cooperation”

## **Leading politicians call for closer cooperation to strengthen economic ties**

Addressing the Digital Hamburg Summit, Liu He, Vice Premier of the State Council of The People’s Republic of China, said it was vital that China and Europe enhance economic cooperation in the post-COVID era. “Given our differences in national conditions, development level, social system, ideology and development model, we need to increase mutual understanding through dialogue and discussion, seek common ground on issues of mutual interest, and avoid politicising economic issues. Specific issues between us can be resolved through consultation on the basis of mutual respect.”

China and Europe must continue to strengthen cooperation on the green transition, trade and investment, keep supply chains unimpeded and enhance connectivity between Asia and Europe, said Liu. Openness was an inherent feature of the Chinese economy, he added. “Next year, we will give priority to expanding market access and promoting fair competition, so as to create a more friendly business environment.”

Liu said that China had “significantly shortened the negative list for foreign investment” to expand market access. Foreign ownership restrictions on new energy and commercial vehicles had been lifted in the manufacturing sector. Foreign equity caps had been removed in banking, securities, fund management, futures and life insurance.

He noted that President Xi Jinping had announced that China will expand the opening of telecom, healthcare and other services to foreign investment. According to Liu, China will also strengthen the protection of intellectual property rights and create the legal basis for the equal treatment of all businesses.

Peter Altmaier, acting Federal Minister for Economic Affairs and Energy of the Federal Republic of Germany, stated that the European Union and China needed to tackle difficult issues such as overcapacities in the steel sector and the reform of the World Trade Organization (WTO) to ensure continued growth in trade. Altmaier noted that China was Germany’s largest trading partner in goods for the fifth time in a row last year and that more than 5,000 German companies had created around one million jobs in China to date.

He called for trade relations between China and the European Union to be adapted to the challenges ahead. “Some companies have been telling us about political interference or exclusion from Chinese public procurement,” said Altmaier. “The increased substitution of foreign suppliers as a result of the dual circulation concept is also an important issue here.” A level playing field and open markets were essential to enhance the success of cooperation in the long run, said the minister. He added he was confident the challenges would be mastered.

Josep Borrell, High Representative of the Union for Foreign Affairs and Security Policy, said China was a partner but also a competitor and a systemic rival to the EU. Europe should cooperate with the US to confront some of the challenges posed by China but should not forge an alliance against China, said Borrell.

There was a problem of bias, of asymmetrical openness, as the EU's market was open in a way that China's was not, Borrell added. "We face non-market practices which undermine the level playing field. We also face instances of economic coercion from China."

However, economic decoupling between China and Europe was neither desirable nor feasible. Borrell said that while EU-China relations had been difficult this year, engagement was gradually resuming. "For the benefit of our own citizens and that of the wider world, talking to each other is better than talking about each other. And that is precisely the reason why initiatives such as the Hamburg Summit are so important." Borrell further emphasised the need for Europeans and Chinese to get to know each other better and to try to understand each other's position, to look for common ground when possible, and to disagree when necessary.

"We share one planet and there are global problems that require global cooperation," said Borrell and pointed out climate change, the pandemic and security threats. "This will only be solved by international cooperation including with those that do not share our values."