



**“The Hamburg Summit: China meets Europe”**

Keynote Speech

by

**Peter Löscher**

**Chairman, Asia-Pacific Committee of German Business;  
President and Chief Executive Officer, Siemens AG**

Hamburg Chamber of Commerce

**November 26, 2010**



**Hamburg**  
Chamber of Commerce

Over the last two years, the Sino-European relationship has had a positive impact. The fact that the global economy recovered sooner than expected is in large part due to the strong growth rates and demand in emerging countries – with China in the lead.

In general, we see a fundamental shift of both economic growth and economic output to emerging countries. During the next five years, the emerging countries will account for 56 percent of the world's economic growth! The four BRIC nations alone will account for 40 percent. Again, with China in the lead. The last two years added further momentum to this process. They also added awareness to the issue of trade surplus and deficits on the global agenda. At the recent G20 summit, this issue was widely discussed.

From my point of view, it has to be made clear: Finger-pointing will not change the situation and we should not expect surplus countries to give up their strong market positions. And: It will take years to reach a more balanced set-up. A large part of this process needs to be dedicated to the successful reindustrialization of economies around the globe.

In the post-crisis global economy, three factors will determine the competitiveness of both companies and countries: sustainability, innovation and partnership.

- We must focus our economies on sustainable growth – that's the main lesson we learned from the crisis. This means protecting the environment, improving quality of life, and being economically competitive – all at the same time.
- To achieve this triple win, we need innovation. For example, we need technologies that meet the growing need for resource-efficient infrastructures. These technologies help protect the environment, improve quality of life and increase the competitiveness of our economies and businesses. The global market for green infrastructure technologies is forecast to double its volume within just ten years, exceeding three trillion euros.
- Finally, to enhance our innovative strength, we need partnerships. Strategic partnerships in research and development as well as in education. Equal-level partnerships among individual businesses and entire economies.

At the Asia-Pacific Committee of German Business, we believe in the power of partnership. We are convinced that our success now and in the future hinges on the collaboration between equal partners like China and Europe.

China is a leading partner. The growth rate of China's economy continues to be impressive. With a population well over 1 billion people, China's domestic market is very attractive. The Chinese people are eager to make economic progress and improve quality of life. And this has resulted in the rise of many strong local champions.

Europe is a leading partner, too. The large volume of the European Union's common market makes it very attractive. European and especially German industry is very strong in innovation. And innovation is the backbone of Europe's strong position in the global market. We are currently experiencing a "renaissance" of industry – at home and abroad. The European and German business community is ready to share this know-how with partners around the globe.

Our vision for the future is a broad based, strategic Sino-European partnership:

- A partnership that strengthens Europe's and China's competitiveness in a global economy that is based on open markets and free trade.
- A partnership that establishes a level playing field with fair and equal conditions, rights and duties – for European countries, China, as well as other countries.
- A partnership that respects the diversity of our cultures and celebrates their strengths.
- A partnership that promotes creativity, fair technology transfer and protection of intellectual property.
- A partnership that promotes international standards and certifications.
- A partnership that provides answers to the questions:

How do we minimize the need for natural resources?

And: How do we best share scarce natural resources?

- A partnership that channels funds into future fields – like energy-efficiency.

On the way towards a strategic Sino-European partnership, a lot has been achieved. Just think of the Sino-German Communiqué that Chancellor Merkel and Premier Wen signed in July of this year. Or the strong presence of European countries at the successful World Expo this year in Shanghai, which paved the way to better cities and better lives.

If we continue on this course, we will achieve much more.

It is in the best interest of China and Europe to grow together, to grow our businesses sustainably, to grow our innovative strength, and to grow together as partners.