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EU-CHINA BUSINESS SUMMIT BUSINESS LEADERS PLENARY SESSION

ADDRESS BY EMMA MARCEGAGLIA PRESIDENT OF BUSINESSEUROPE

Ladies and Gentlemen,

Let me once again welcome you in the 10th EU-China Business Summit. The presence of so many of you today proves how deep our bilateral relations are but it also shows that we are committed to work towards taking these relations even further making them stronger and more sustainable in the long term.

I would like to say that ours has been a win-win partnership. China is now the EU's 2nd trading partner behind the United States and the EU is China's biggest trading partner. China is the EU's main source of imports by far, and has also become one of the EU's fastest growing export markets. On the other end the EU is also China's major supplier. We now trade well over €1 billion a day. This is impressive!

But we are convinced that we can take our relation a step further.

It is true the Chinese economy has no longer a two digit growth. This is also a consequence of China's reaching a new and higher level of development and we will have to adjust to this new reality.

In parallel China is engaging in important structural reforms that aim at changing its development paradigm: from an export led economy to one that builds on the potential of the domestic market but also on more innovation and value added goods and services.

European companies can participate and even accelerate this process of transformation by bringing advanced know-how and technology to China. But for this to happen we need to have a transparent, reliable and non-discriminatory legal framework.

In this context we view positively the efforts from the Chinese Government to improve transparency and fight corruption. Better rule of law implementation and better protection and enforcement of Intellectual Property Rights are critical to ensure more investments from EU companies in China.



On the other end there are still many sectors of the Chinese economy that are not open to Foreign Investors limiting the possibilities for EU companies to give positive inputs to China's transformation process. For this reason we are strongly supporting the conclusion of a Bilateral Investment Agreement between EU and China. This agreement should be ambitious both in terms of market access as well as protection of investors, going further than the current 26 Bilateral Investment Treaties that exist between China and individual EU member states.

But we also need better conditions to trade. Many of our companies in particular SMEs do not have the necessary resources to invest in China. Therefore we need to make sure they take full advantage of existing business opportunities. For them we need to work on making the regulatory environment less complex and more harmonised.

Taking up international standards is a way of ensuring that companies don't need to fulfil different conditions when selling in the EU and China, they don't have to duplicate tests or install completely different production lines. This is a complex area and we need the full engagement of regulators in the EU and China to exchange on a regular basis among themselves but with also with the business community.

There are many sectors where Chinese and European companies can cooperate and work together to develop new products and services. We will discuss two of them this afternoon- the digital and the green economy. Both the EU and China are also very much focused on enhancing investments in strategic areas that will allow our economies to be more innovative and competitive in the future. We will have with us this afternoon Vice-President Katainen that will explain in more detail what is the plan in the EU side.

So the opportunities are there but it is important that in the EU as well as in China companies are able to seize their full potential. Many of these opportunities relate to public contracts and that is why we also believe it is important that China joins WTO's Government Procurement Agreement as early as possible.

Since it joined the WTO- World Trade Organisation in 2001, China has made incredible progress. From 4% share of world imports and exports in 2001, China reached in 2013 10.32% share in World Imports and 11.74% in exports. Becoming a WTO member and participating more actively in world trade has spurred economic development as well. In 2001 China represented about 10.8% of the World GDP and in 2014 about 16%. So China is now a more developed and competitive economy. But this also brings new challenges and more responsibilities.

Next year China will assume the G20 Presidency. This is a unique opportunity for China to show leadership and engagement in addressing key world challenges. From a business perspective we hope that during China's Presidency we will be able to advance in promoting more and better trade and investment worldwide, effectively addressing some of the protectionist measures that remain from the 2008-2009 crisis. This is also a good opportunity for the political leaders and the business community to work together in promoting a more balanced and open legal environment.



I believe we are at an important moment of EU-China relations. We have all the conditions to build a stronger and more sustainable partnership. But we also need to build a more open and creative partnership, one that effectively allows companies on both sides to explore on an equal basis the existing opportunities. Building on competitive advantages and complementarities that exist between our two economies to create a partnership that can respond to the challenges of the 21st century.

I am sure today's discussions will be fruitful bringing many ideas of areas where China and Europe can cooperate further fostering growth and jobs and helping to promote a more sustainable environment for our citizens.

Thank you!
