

## The Antwerp Forum speech

Respected Governor of Province of Antwerp,

Respected Mr Dewitt,

Ladies and gentlemen,

Friends,

Good morning. My colleagues and I am very pleased to come back to the 2nd Antwerp Forum to explore together with you on how to further expand Sino-Belgium and Sino-EU economic and trade relations. First of all I would like to take this opportunity to express on behalf of CCPIT and the Chinese colleagues our sincere thanks to Belgium-Chinese Chamber of Commerce (BCECC) and POM Antwerp for providing the platform which designs to help to improve understanding and expand cooperation between the two sides.

The world economy is slowly recovering from international financial crises with US performing better than EU and at the same time the world is much concerned about China's economic development that will give somewhat influence on the development of world economy. Therefore I'd like to brief you the recent economic development in China.

Never in Chinese history has such great progress been achieved since China opened-up 35 years ago. China's GDP jumped from

10th ranking into the 2nd and trading volume from 32nd into the 2nd and most properly becomes the largest trading nation this year. In November last year, the Communist Party of China held its 18th National Congress, which drew the blueprint for China's development in the years to come. The main goals we set for China are as follows: By 2020, China's GDP and per capita incomes for urban and rural residents will double the 2010 figures, and the building of a moderately prosperous society in all respects will be completed. By the mid-21st century, China will be turned into a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious; and the Chinese dream, namely, the great renewal of the Chinese nation, will be realized. Looking ahead, we are full of confidence in China's future. In order to realize this aim, China will continue to expand its international cooperation.

There have been recently a lot of reports on the slowdown of China's economic growth. Before discussing this with you, some figures showing recent economic development in China are worth mentioning. In the first six months this year, China reached stable and healthy development with GDP growing by 7.6% to over 4 trillion USD, import and export by 8.6% to around 2 trillion USD, FDI by 4.9% to 65 billion USD and China's outbound investment

by 29% to 45.6 billion USD. China successfully managed to provide jobs for 7.2 million people. Since July, PMI has returned to over 51% and consumption of electricity increased.

How are we going to look at these developments? First, comparing with previous years, China's GDP growth rate is lower. Nowadays China is the 2nd largest economy in the world with GDP amounting to 8.22 trillion USD. You cannot expect the large economy such as China to achieve annual growth of around 10% especially under present international circumstances. Even 7.5% growth rate is much higher than that of many countries,

Second, in the face of world economic downturn, China could adopt a short-term stimulus policy to drive up growth. However after weighing the pros and cons, we concluded that such an option could not help address the underlying problems and had to aim at medium-high and long-term healthy development. For achieving this aim, China is experiencing industrial and economic structures transform now and have introduced the macro economic policy which will serve both immediate needs and long-term interests by keeping deficit from expanding, readjusting the expenditure structure and cutting down administrative expenses. It can be expected that under this program, China will gradually turn from manufacturing into innovation society.

Third, china will deepen reform by improving government administrative management, encouraging creation and innovation and expanding opening. In terms of administrative management, the central government will cut by 50% of 1400 items that need to have government approval and delegate them to the market. In the last six months since the new administration came into office, over 200 items were delegated to the market that had helped improve efficiency and participation by private sector in projects excluding them before. In terms of innovation, government will invest more in science and technology as well as education. The central expenditure for education stands at over 4% of GDP and the budget for science and technology will rise to 2.4%. For further opening, Shanghai Free Trade zone is being established where the negative-list approach will be explored and priority will be given to easier investment access and greater openness in service trade. We have also adopted measures to facilitate foreign trade and promote a steady growth in import and export.

China will continue to develop at a relatively fast pace, for it will further expand the domestic market, the size of which will be around 4 trillion USD, develop western and mid regions, conduct industrialization, urbanization, IT application, modernization of agriculture and develop service. Therefore in the next five years,

China is expected to import 10trillion USD of goods and commodities, invest 500 trillion USD overseas and send over 400million tourists abroad. China, with its economic structure transformed and upgraded, will contribute more to the prosperity and development of the world economy. China is ready to share this huge business opportunity with the rest of the world including Belgium and EU.

Belgium is the sixth largest trading partner of China in EU. Last year the bilateral trade stood at 26.3 billion USD, decreased by 9.5% and it was 12 billion USD for the first half of this year, decreased by 8.7%. In terms of investment, by the end of June 2013 there were 895 projects invested by Belgium business in China, with investment amounting to 1.3 billion USD, while China's investment in Belgium was 140 million USD. As for EU, it is the largest trading partner of China, with bilateral trade amounting to 546 billion USD in 2012. It was 310 billion USD for the first seven months of this year. In terms of investment, EU is one of the main investors in China, with investment of 88.3 billion USD in over 37,000 projects by the end of last year. China's investment in EU reached 31.5 billion USD by the end of 2012, employing 42,000 people. For the first seven months this year, China's investment amounted to 1.8 billion USD, increased by 74%.

China and Europe has a long history of relations. Over 2000 years ago, the two began to be bound to each other by Silk Road, with exchanges of silk, porcelain, crops, glassware and so on. Nowadays China and EU are comprehensive strategic partners and both are engaged in developing its economy. Under the present international situation, it is more than ever to need to trust each other and expand mutually beneficial cooperation. It is only with the spirit of mutual trust, can we avoid misunderstanding and setbacks that were supposed not to occur. We are happy to see that there are more and more exchange of visits and cooperation in different fields between China and Belgium and China and EU, and the latest happening is the educational cooperation on student exchanges between Antwerp University and Chongqing University of China and between Gent University and Southwest University and others. We are living in a world which has much opportunity and requires us to cooperate. Therefore we need to enlarge the cake of cooperation, explore more the potential, so as to provide more space for cooperation.

CCPIT is the trade and investment promotion organization and is engaged in promoting China's trade, introduction of FDI, china's outbound investment and all sorts of economic and technical cooperation. We have cooperated well with BCECC and POM

Antwerp in promoting bilateral economic and trade exchange and we will make more efforts to do better for both interests. I wish the forum every success. Thank you.