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**EU-CHINA BUSINESS SUMMIT  
27 NOVEMBER  
SESSION 1 (13:00)**

**ADDRESS BY MR PHILIPPE DE BUCK  
SECRETARY GENERAL, BUSINESSEUROPE**

Ladies and Gentlemen,

- What we have heard throughout this session confirms and reinforces the magnitude of EU-China economic relations. From the European business side, there is no doubt that the importance of China is clearly recognised as a hugely important and rapidly growing market.
- Participating here as Secretary General of the Confederation of European Business, I should mention that my organisation has changed name from UNICE to BUSINESSEUROPE. The change reflects the willingness of 39 national member federations from across Europe to engage more directly with EU institutions to promote growth and job oriented EU policies. The international dimension of European policies, and China of course, is one of the key issues for BUSINESSEUROPE.
- The trade dimension of Europe's relationship with China is key both because of its economic value (€ 254 billion in 2006) and because of the incredible speed with which it is changing (it has increased more than 60 fold in less than 30 years). China is Europe's fastest-growing trading partner and the biggest supplier of industrial goods.
- These facts are bringing us together here in this EU-China Business Summit, a business meeting, to discuss issues of common interest for the business communities in Europe and in China and to work together to strengthen further our business relations.
- As you have heard this afternoon, the figures for our economic relations are massive, but there is still room for improvement and to make sure that conditions are created for a win-win situation for all. The EU still exports less to China than it does to Switzerland – with a population of 7.5 million.
- European companies are still facing many obstacles to trade and investment and legal uncertainties for business which should be fully addressed. BUSINESSEUROPE hopes that the EU and China can work constructively towards tackling some of the main issues for EU companies, such as:



- 1- The need for a transparent and predictable legal and administrative framework,
  - 2- Consistent implementation of rules at provincial or local level,
  - 3- Further opening of services sectors in line with China's WTO commitments,
  - 4- Transparency in investment legislation and consistent enforcement without restrictions on equity ownership,
  - 5- Access to public procurement projects at all levels,
  - 6- Effective enforcement of IPR (intellectual property rights).
- To tackle these issues, we need a stronger framework for our relationship, a single agenda and vision. BUSINESSEUROPE fully supports negotiations of an EU-China Partnership and Cooperation Agreement (PCA), which should be negotiated as an end in itself.
  - I hope that substantive negotiations can lead to rapid and concrete results for the parties. The agreement should be based on full reciprocity.
  - Further opening markets would benefit the EU and China by increasing welfare benefits for Chinese consumers and longer-term prospects for the competitiveness of Chinese business. For example, if China were to adopt international standards, Chinese companies would be able to compete more effectively on foreign markets where international standards are the norm.
  - Another source of concern for European business is the overly rapid appreciation of European currencies vis-à-vis the dollar and the yuan. In this respect I am satisfied with Europe's exchange rate diplomacy making a step forward with the visit of the representatives of the euro to Beijing.
  - China must come to grips with the idea that an undervalued currency is not only damaging for the global economy, and in particular for Europe, but also that it does not serve China's domestic interest, with inflation and excessive liquidities becoming a important problem for them. It is also increasingly urgent that the US bolsters its rhetorical position on the need for a strong currency with action, and avoids a further collapse of the US dollar.

Ladies and gentlemen,

- As in any relationship, there are certain difficulties. However, our bilateral relations are strong enough to deal with any disagreement in a responsible way. Cooperation and dialogue has to lead to mutually acceptable solutions to sensitive issues. We need to work constructively with each other.
- At this point, I would like to express a word of thanks to the EUCCC, Chinese and Portuguese partners for the excellent organisation of this event.

I thank you for your attention.