



EU and China - Reforming to Reach Our Goals

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Ladies and gentlemen,

Congratulations to all the many organisers for another great EU China Business Summit. Since the last meeting in Brussels, it's been a dramatic year, at both ends of the great land mass that we call home. But one thing hasn't changed: the vital importance of the relationship between our two great economies.

That importance requires both sides to make sure it works well. We certainly have our homework to do in the European Union - continuing to reform our economies to deliver growth and jobs, acting decisively to address the uncertainty around the UK's vote to leave the European Union, and maintaining our open stance on trade policy at time of intense public debate.

But the EU is not alone in having challenges to face. China too can only meet its own ambitions of continuing rapid development if the reform agenda set by Third Plenum of 2013 is met.

Doing so wholeheartedly would also strengthen the EU-China ties that are essential for China's growth. There is a huge overlap between our concerns and China's needs: modernising the business environment can only be done through fostering transparency, predictability, non-discrimination and, above all, the rule of law. Acting on these issues would kill two birds with one stone.

Let me give you some examples:

First, overcapacity, particularly in the steel sector, needlessly pits workers in China and the EU against each other. The ultimate solution can only come from a more market-based approach, particular in terms of access to finance.

Second, we in Europe admire China's ability to think long-term, as shown in the Manufacturing 2025 strategy and we want to support a competitive high-tech Chinese industry. But we can only do that if it's implemented in an open way that treats European firms fairly.

Third, open public procurement markets mean governments can deliver the best goods and services at the best prices, which is better for people - whether they are taxpayers or users. That's why the EU believes Chinese procurement markets should be open at all levels of government including state-owned companies. This would also prepare China for access to the WTO's Government Procurement Agreement, which the EU has always supported.

Fourth, China's sustained growth and development needs a modern regulatory system. That's why the EU supports the ongoing reform of China's food law. It's an opportunity to

better protect consumers and to make the business environment more predictable, transparent and non-discriminatory. Working closely with the EU authorities allows sharing of expertise to ensure the implementation happens as smoothly as possible. It also gives us a chance to address many pending requests for approval for high-quality, safe European food products.

The last and best example of how working with the EU will boost China's growth is our negotiations for a Comprehensive Agreement on Investment. This deal can make life simpler for the increasing number of Chinese companies that want to invest in Europe, improve access for European investors to China, and create a level-playing field for companies on both sides. Reciprocity will be the guiding principle in our relationship.

Ladies and gentlemen,

All of these reforms have one additional benefit, they will help us in Europe argue the case for keeping our economy open. It's vital that we can show people that the EU-China relationship is a two-way street.

Certainly, the strength of that relationship has helped both the EU and China to grow and develop over the last three and half decades. By making sure that access is balanced on both sides, we can ensure that this relationship continues to bear fruit. I hope all of are ready to work for that objective. Thank you.