

Ambassador Qu Xing's Speech at the 3rd Antwerp Forum

Nov.27, 2015, 16:00-17:00

Dear vice-mayor Van Peel,

Dear Ambassador Geerkens,

Dear Chairman Dewit,

Ladies and gentlemen, Dear friends:

I am very delighted to join you today at the Antwerp Forum organized by POM Antwerp and the Belgian-Chinese Chamber of Commerce, with the support of the Antwerp Management School.

Antwerp is a dynamic place with the Europe's second largest port, the world second largest chemical industries cluster and the world largest diamond center. Antwerp plays a vital role in China-Belgian cooperation: more than 80% of our bilateral trade is done via Flemish region and a large part of it happens here in Antwerp. In our bilateral exchanges, the footprint of Antwerp is large and obvious. In 2009, Mr. XI Jinping, then the vice-president of China, visited the port of Antwerp and the Diamond Center. In 2012, Mr. LI Keqiang who was vice-premier at the time, visited UMICORE in Hoboken. This summer, Mr. HAN Zheng, Politburo Member and Secretary General of Shanghai visited Antwerp. The

insurance company FIDEA, recently merged by ANBANG Insurance of China, has its headquarters in Antwerp. The CIC recently purchased the shares of two shopping centers in Antwerp. China League Group endeavors to promote HEDGREN, a handbag brand in Antwerp and try to make it worldwide famous. Chinese shipping companies such as COSCO, China shipping, have offices and investments. ICBC plans to open a new branch in Antwerp very soon.

Ladies and gentleman, China-Belgium relations are in the best period of history. As we all know, President Xi Jinping paid a historical state visit to Belgium last year, which was the first of its kind since 27 years. During President Xi's visit, the two countries issued a joint statement to enhance our bilateral relations to the height of "all-round friendly and cooperative partnership". This year, H.M. King Philip and H.M. Queen Mathilde paid a return visit to China, which is the King's first state visit to a foreign country. I had the honor to accompany H.M. the King for the visit. I heard with my own ears when President Xi Jinping, Premier Li Keqiang, among other Chinese top leaders expressed China's desire for further cooperation with Belgium. I personally experienced the grand hospitality and warm welcome which H.M. the King and H.M. the Queen received in different Chinese cities. Among the members in the King's delegation, I was amazed to see three Minister-Presidents of Belgium's

three regions, three Ministers of the Federal Government, and more than 140 CEO of big enterprises and headmasters of renowned universities. I would say that this delegation of elites fully represents Belgium's national strength and consensus of Belgian society for a even better cooperation with China. I was glad to be there to see the King and Queen witness the signing of over 90 cooperation agreements.

Shortly after the King's visit to China, Chinese Premier Li Keqiang came to Brussels for the annual meeting between China and the EU leaders. Although he only had one day in Brussels, and the schedule was very tight, Premier Li still had a fruitful meeting with Prime Minister Charles Michel, and the two prime ministers witnessed together the signing of 12 cooperation agreements, which were worth of over 20 billion US dollars.

Next year, the year of 2016, marks the 45th anniversary of the establishment of diplomatic ties between the People's Republic of China and the Kingdom of Belgium. We are going to hold a series of celebrations. For starters, we have agreed with Brussels City government to hold Chinese New Year folkloric parade on the Grand-Place and streets around and a New Year reception at the City Hall, which will be the first in its kind in history. I am happy to invite you all to join us.

Now the second area I would like to expound on is China's economic situation in 2015. In a nutshell, medium-high growth will become the "new normal" growth of China's economy.

In the first nine months of this year, China's economic growth rate was 6.9%, the lowest since the 2008 global financial crisis. This is partly because China now has a much bigger size of economy. Therefore it is harder to maintain a high growth rate. From 1978 to 2013, China's economy maintained an average growth rate of 9.8 % for consecutive 35 years. Never before has the world seen an economy keeping such a high rate of growth in four consecutive decades. China's GDP increased from 0.37 trillion yuan in 1978 to 60 trillion yuan in 2014, and its portion to the world economy rose from 1.8 % in 1978 to 13% in 2014. Economics tell us that the larger an economy becomes, the harder it is to sustain a high growth rate.

More importantly, the current growth rate is result of the Chinese government's measures to adjust the economic structure and transform the mode of development. Over the past 30 years, China's economic development was mainly driven by investments and foreign trade, now we are trying to shift to an economy driven by innovation and domestic consumption. Over the past decade, Chinese economy's dependency on

foreign trade was nearly 70%. Last year, the figure dropped to 45%. In the past thirty years, China's economy grew at the cost of energy and environment, which has caused a lot of problems today. The Chinese Government has decided to sacrifice a bit of speed of development in exchange for green and sustainable development.

Meanwhile, we should also see that 7% is still a good speed. It equals to an annual increase of 700 billion US dollars, equivalent to the GDP of a G20 country such as Turkey or Indonesia.

Under the guidelines of the newly elaborated 13th Five-Year Plan, by 2020, China will double its 2010 GDP and per capita income of both urban and rural residents. This can be achieved with an annual GDP growth rate no less than 6.5% in the next five years. We are sure to realize our objective of becoming a “moderately prosperous society”.

Now the third area I would like to touch upon is about China's "Belt and Road initiatives". In September and October of 2013, during his visit to central Asian and Southeast Asian countries, President Xi Jinping put forward the "Silk Road economic belt" and "21st Century Maritime Silk Road" initiatives which raised great interest of the international community. I think you may want to know what China wants to achieve

through "Belt and Road initiatives", how to achieve it, what are the specific plans, and what progress we have already made till now?

Well, China put forward the "Belt and Road initiatives" for the following purposes:

First, to cultivate new economic growth point of the world economy, in order to reverse the weak world economic recovery from the 2008 financial crisis, rising protectionism, and fragmented trade agreements.

Second, to promote regional cooperation, the connectivity of Asian, European and African continents and their adjacent seas, tap market potential in this region, secure favorable position in the global supply chain, industrial chain and value chain.

Third, to strengthen the connection between Chinese economy and the world economy, promote integration of China's economy with market, resources and investment in the world.

China's "Belt and Road initiatives" is a five-way process in policy communication, infrastructure connectivity, trade link, capital flow, and understanding among peoples. The key lies in infrastructure connectivity,

between China and three seas, *i.e.*, from China's Western regions to Baltic Sea, through Mongolia, Russia, Central Asian and Eastern European countries; from China's Western regions to Mediterranean Sea through Western Asian and Middle-East countries, and from China's Western regions to Indian Ocean through Southeast and south Asian countries.

How do we achieve it? "Belt and Road" is not a Chinese strategy that requires support from other countries, but rather a Chinese initiative that calls for participation of all. It is estimated that Asian region needs to invest US\$730 billion in overall infrastructure each year. The "Belt and Road initiatives" will be funded by Asian Infrastructure Investment Bank AIIB (\$100 billion), Silk Road Fund (initiated by China and already has \$40 billion), government investment of concerned countries and public-private partnership program (PPP).

"The Belt and Road initiatives" has received positive international response. 57 countries (including 14 EU member states) have filed application to become a founding member of AIIB. The Silk Road Fund has been officially established and set out for fund-raising. Regional organizations such as ASEAN, SAARC(South Asian Association for Regional Cooperation), the Arab League, the SCO, the GCC(Gulf Cooperation Council), UNESCAP(UN Economic and Social Commission

for Asia and the Pacific), Eurasia Economic Commission and the International Road Transport Union have all joint in.

A number of cross-border infrastructure projects have started this year; some even has been put into use, such as Sino-Russian railway, the second phase of the Karakoram Highway between China and Pakistan, Gwadar Port Expressway, China-Myanmar gas pipeline, C line and D line of gas pipeline between China and Central Asia.

I would like to conclude by emphasizing that Belgium is located in the western end of the Eurasian continent, and enjoys convenient transportation and well-developed logistics, thus has great advantage in carrying out cooperation in this regard. During President Xi Jinping's visit to Belgium in 2014, the two sides agreed to strengthen cooperation under the framework of "Belt and Road initiatives", especially connection between China's western railway and the port of Antwerp. Currently, Belgium is undertaking feasibility study on railway connectivity between Belgium and China. I hope our Belgian friends will continue to contribute your talents and efforts to promote bilateral cooperation in the field of connectivity, and inject new vitality for the development of bilateral relations.

Thank you all!