

Speech at the Annual Meeting of DCBF

By Chinese Ambassador Mr. Xie Hang Sheng

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Your Honor Prime Minister Lars Løkke Rasmussen,
Chairman of the Danish-Chinese Business Forum Mr. Nils Foss,
Distinguished guests,
Ladies and gentlemen,

Good Afternoon!

It is the third time for me to attend DCBF's annual meeting. As an observer in the board, I feel glad to see that in the past years, DCBF and its members have played a more and more active role in China-Denmark bilateral economic cooperation.

Today, we are facing a big challenge from global economic crisis. I would like to take this opportunity to brief you on the changes happened in China.

The Whole World in Recession

The ongoing financial crisis has led the world economy to the most difficult situation since the Great Depression. Under the circumstances of booming economic globalization, neither developed countries nor developing countries could stay immune from the crisis.

Up to now, there have been no conclusions about when the crisis would end or how far it will go. However, it is commonly agreed that the right way to step out is for countries to work together with coordinated efforts.

It is glad to see that after the crisis broke out, countries including China and Denmark as well as the international community have taken series of measures and held broad discussions. Those efforts showed strong resolution and firm commitment to restore economic growth.

China's Economy Under the Crisis

As an open economy, China has been impacted by the crisis as well. In 2008, the GDP growth rate fell to 9%. Since November 2008, China's imports and exports have seen negative growth for 3 consecutive months, while inward investment declined.

Currently, We are still facing severe challenges, including notably shrinking external demand, difficult business conditions for enterprises, rising unemployment in urban areas and greater downward pressure on economic growth.

However, compared with many other countries, we still hold some advantages. First, China's financial sector has not been directly hit. Most of the banks in China remain stable and healthy. The widely-spread credit crunch in many countries has not been seen in China.

China's Actions

Yet we can not rest ourselves on those positive factors. To tackle the crisis and the challenges, China has responded quickly and forcefully.

The government put in place a decisive plan to boost domestic demand, advance economic restructuring and improve people's wellbeing. We have made timely adjustment to the direction of our macroeconomic policy. A proactive fiscal policy and a moderately easy monetary policy have been adopted since last September. The comprehensive plan

including the well-known 4 trillion stimulus package aimed at addressing both the symptoms and the root causes of the crisis. Moreover, the package plan serves both current needs and long-term goals.

Latest Progress

Now we are glad to see that the stimulus package is already paying off. Several positive changes have taken place in the first quarter this year. The gross domestic production (GDP) rose 6.1% in the first quarter. As Premier Wen said the figure is “better than expected”. At the same time, the total investment of fixed assets increased by 28.8%. The aggregate retail value of consumer goods rose by 15.9%. Newly issued loans and the sales of automobiles grow rapidly.

Yet economists still hold different ideas about China’s economic situation. Some believe that China has already stepped out of the bottom, while others arguing that there are still uncertainties to be observed. Nevertheless, those positive signs have injected some impetus to the world economy and will help to boost people’s confidence.

The UN predicted that this year, China’s contribution to the world economic growth will increase from 22% to 50%.

China-Denmark Economic Cooperation

The Chinese word for crisis “weiji” is a compound of “wei” which means danger and “ji” which means opportunity. To China and Denmark, this crisis also opens up a window of opportunity for both businesses to further cooperation.

Last year, the bilateral trade volume reached 8.16 billion US dollars, with the growth rate of 27.3%. Among all the Nordic countries, we see the fastest growth of trade with Denmark.

Besides trade, the two countries enjoy huge potential in many fields such as biotech, environmental protection, low-carbon economy, renewable energy, modern agriculture and pharmaceuticals. Most importantly, we share the common ground of promoting and facilitating free trade and rejecting all forms of protectionism.

Many friends present here are witnesses of the development of China-Denmark economic and trade cooperation. Many companies have become driving forces for the stable economic ties. I hope you can seize the opportunities and make new contributions to promoting mutually-beneficial cooperation.

Turn the Possibilities into Realities

The new circumstances also give broader space for DCBF to fulfill its visions and goals. In the past year, DCBF has made great achievements in strengthening the links between enterprises of the two countries. It also carried good cooperation with our Embassy in facilitating companies. We greatly appreciate the work it has done. We are ready to make joint efforts with DCBF to further the economic cooperation and provide better service to both Danish and Chinese enterprises.

Given the high complementarities of the two economies and the common aspiration of the business circles, I'm full of confidence that we can turn the possibilities into realities and create a brighter prospect for the bilateral economic cooperation.

Thank you all.