

# Speech in the Annual General Meeting of DCBF

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- Congratulations
- cooperation between embassy and DCBF
- Chinese economy performance in 2007
- Bilateral trade and investment in 2007
- The challenges China faced in 2008
- The policies and measures
- A bright tomorrow ahead of us

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Congratulations to DCBF on its achievements

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## Good cooperation between the Embassy and DCBF in 2007

- a wonderful annual dinner
- promotion of mutual visits
- seminars and meetings
- collaboration in promoting bilateral ties in education and science and technology areas

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## The development of Chinese Economy in 2007

1. GDP: up 11.9%
2. fixed assets investment: up 24.8%
3. consumption: up 16.8%
4. export: up 25.7% and trade volume: 2.17 trillion USD
5. CPI: 4.8%
6. jobs created: 12.04 million
7. FDI: 82.66 billion USD
8. foreign exchange reserves: 1.52 trillion USD, up 43.3%

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## Bilateral trade and investment in 2007

### 1. Bilateral trade keep an good momentum

Cargo trade : 6.41 billion USD, up 29.4%

Service trade : contributed mainly by shipping industry

### 2. new phenomena in bilateral investment

Danish investment in China decreasing

more Chinese companies interested in investing in Denmark

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## The challenges China faced in 2008

- 1.Challenges from the global economy
- 2.Challenges from a high inflation at home

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## 1. Significant changes of global economy

- (1) sub-prime mortgage crisis in America
- (2) slowdown of global economy
- (3) continuous devaluation of US dollar
- (4) soaring prices of primary products, such as grain, oil.

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Direct effects to China's economy

- (1) export decreasing
- (2) inflation importing
- (3) hot money inflowing

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## 2. The pressure of serious inflation

- (1) CPI in 2007: 4.8%, highest one over the last 10 years
- (2) CPI in this Jan. Feb. Mar.: 7.1%, 8.7%, 8.3%
- (3) CPI target in 2008: 4.8%
- (4) PPI in the first quarter of 2008: 6.9%, much higher than the same period of last year

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## The complexity of the inflation trigger

1. lack of supply: pork
2. booming of demand: house, real estate
3. effect of international prices: crude oil

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## Measures to the challenges above

1. Trade and consumption policy
2. Monetary policy
3. Industrial policy

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## 1. Trade and consumption policy

(1) encourage import

(2) stimulate domestic demand

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## 2. Monetary policy

- (1) Increase legal deposit reserve ratio
- (2) Accelerate appreciation of RMB against USD
- (3) Encourage Chinese companies to invest abroad

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## 3. Industrial policy

- (1) Adjust economic structure, put more money into agriculture sector and service sector
- (2) Upgrade industrial structure, eliminate high energy consumption and high pollution industries
- (3) Set strict targets for energy conservation and emissions reduction
- (4) Encourage innovation, strengthen R&D

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- China's development owed to the reform and opening-up policy. To further uphold the policy is a guarantee to a sustainable, harmonious and peaceful development of China. The Beijing Olympic Games is a grand event to strengthen communication and deepen friendship between Chinese people and people in the world. We are open to all kinds of opinions, including critics except for those purposely insult and slander based on distorted facts . We think that confrontation is no way out, for the international community, only contact and dialogue could narrow differences among the people in different stage of development. We are full of confidence about a successful Beijing Olympic Games this summer. We sincerely hope that all members of DCBF could continuously play a positive role to promote the exchanges and understandings of our two countries.

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Thank you all!