

*“Over 8,200 German companies have made inroads into the Chinese market”*

# Munich



# Tangible benefits to Sino-German Ties



*Chinese Ambassador to Germany Mr Shi Mingde*

“**I**n autumn, German Chancellor Angela Merkel will visit China for the tenth time to attend the G20 Summit. Maintaining high-level exchanges, particularly the face-to-face talks between Chinese and German leaders, will give a significant push to China-Germany cooperation. Practical, mutually beneficial economic and trade cooperation will unleash the greatest potential in boosting China-Germany relations. China and Germany are the largest trading partners to each other in their respective regions. Last year, their bilateral trade amounted to US\$160 billion, accounting for nearly one-third of that between China and the EU and equivalent to the total of the China-UK, China-France and China-Italy trade volume. Over 8,200 German companies have made inroads into the Chinese market while more than 2,000 Chinese counterparts have gained a solid foothold in Germany, indicating the transition from a one-way to a two-way bilateral

investment relationship between the two nations. By the end of 2015, China’s cumulative non-financial investments in Germany had hit US\$6.6 billion. The two countries have also made great strides in international financial cooperation. On one hand, as a member state of the Asian Infrastructure Investment Bank (AIIB) initiated by China, Germany is now the largest contributor to AIIB outside Asia; on the other hand, China has joined the European Bank for Reconstruction and Development. Moreover, the renminbi clearing and settlement mechanism in Frankfurt is running well, and Germany will also issue renminbi-denominated bonds. Presently, China and Germany are hammering out the China-EU Investment Agreement, a top-level one that will not only lay a solid foundation for expansion of their bilateral investment, but also provide Chinese and German companies with convenient access to each other’s market.

The cultural and people-to-people exchange between China and Germany has also made much headway. During his state visit to China in March, German President Joachim Gauck, together with Chinese President Xi Jinping, attended the opening ceremony for the China-Germany Year of Student and Youth Exchanges. Germany will also serve as the Guest of Honour Nation of the West China International Fair 2016. Nowadays, more than 32,000 Chinese students and over 8,200 German counterparts are studying in Germany and China respectively. Every week, 99 flights are launched between China and

Germany. There are 81 pairs of sister provinces/states and over 500 pairs of sister colleges between China and Germany. Every year, around 1.10 million people travel back and forth between China and Germany. To celebrate the 45th anniversary of the establishment of diplomatic relations in 2017, China and Germany are planning for a German contemporary art exhibition in China and a series of cultural events in Germany.

As the Chinese economy has moved into the new normal, making a structural adjustment, cutting excess capacity, and addressing weaknesses

will add a fresh impetus to the Chinese economy. As a 10-trillion-RMB economy, China will maintain an annual growth rate of over 6.5% in the next five years, during which China will import commodities worth over US\$10 trillion, invest over US\$600 billion abroad, and send about 500 million tourists overseas. In addition, since China and Germany are located at the opposite end of the Silk Road Economic Belt, it is critical for the two countries to join hands carrying out the “One Belt, One Road” initiative, which will open up broad vistas for their cooperation and bring them generous return and tangible benefits.”

