

China-New Zealand relationships

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Mr. Chairperson,

Respected leaders of the mining industry,

Ladies and gentlemen

Good morning, Kiora, Nihao,

I am very honored to give a speech to the 2005 New Zealand minerals conference. I would like to take this opportunity to express my sincere thanks to the Ministry of Economic Development to invite me to be part of this important event.

Today, I am going to talk about two themes: a brief introduction of China's economic development, including China's energy strategy; the good bilateral relations between China and New Zealand, its potential for further development and its relevance to our cooperation in the field of minerals and energy.

It is a well-known story that over the past 27 years, great changes have taken place in China. In 1978 when China's reform and opening up just started, its gdp was near to only 150 billion usd dollars. By the year of 2004 it reached to 1.6 trillion usd, an average of yearly growth rate 9.4%. China's great achievements are widely appreciated both in China and abroad. China's development has not only improved the living standard of its own people, but also produced a huge market and brought about great opportunities for the world. Since China's entry into WTO in 2001, China has imported near to 1.8 trillion usd dollars of goods, averaging a yearly imports of 500 billion usd dollars, creating for other countries and regions more than 10 million jobs.

Our prediction is that in the next five years, China's imports will be well over 3 trillion usd dollars. China will continue to serve as one of the leading growth engines for the future world economic development. Now China is on its great strive to achieve the goals of improving living standard for all the Chinese people. We are trying to reach a quadruple gdp of 2000 by the year of 2020, namely to reach gdp 4 trillion usd, a gdp per capita 3000 usd dollars.

Not long ago, China adopted a new blue print for the next five years. To achieve sustained development, China has greatly altered its old development strategy to a brand new development strategy. For quite a long time, China put its emphasis mainly on gdp growth even sometimes at the cost of efficiency and the degradation of environment. The old development strategy was deeply shaken by the sars epidemic in 2003, and the demand for a new development strategy was very high. Since then, the development strategy gradually shifted to a more balanced one, which means instead of pursuing purely for gdp growth, more emphasis is placed on social development and environmental protection. The buzz word in China now is social harmony and environmental friendly. That means putting more emphasis on people's well-being, balancing the development between cities and countryside, between different regions, between man and nature, between domestic and overseas, going a new road of industrialization, pushing a harmonious economic, social, political and cultural development.

In so far as China's energy strategy is concerned, it emphasizes "energy conservation is at the top of priority, supply of energy is mainly domestically based, coals are still the basic sources of energy, diversification of energy resources, strengthening international cooperation, adjusting in a quick fashion the economic structure, changing the mode of economic development, increasing creation and innovation, building a environmental friendly society."

In the new 11th five year plan, it sets the targets of double the gdp of 2000 and reducing the consumption of energy 20% less than that of the 10th five year plan from 2000 to 2005. This is the first time in China's economic development to put the conservation of energy as an economic development target. It shows the government's determination to curb the waste of energy. To be frank, it is a very hard work, since it is easy to increase the value of gdp, but very hard to reduce consumption of energy. China has the potential to reach that goal. China can not continue to go the old road of industrialization of the west. China has to take the energy efficient road. Now China's consumption of unit energy is 11 times of Japan, 7.7 times of France and Germany, 5.3 times of Britain, 4 times of the United States. The Chinese government is confident, with hard work and strict implementation of the policies, that we can reach the target. China is now a market economy, we will use more market mechanism to adjust the energy uses. Another important point is that China attaches huge importance on the clean use of coals to minimize the negative effect on environment.

I would like also take this opportunity to emphasize that China's development will contribute positively to the world peace and development. For a long time to come, China will mainly focus on its own domestic development. China has a population of 1.3 billion. Its economic development is not balanced, there is huge gap between the coastal areas and the inland areas. The gdp per capita is just 1200 usd, ranked behind the 100th place in the world. China has about 26 million people under poverty line. Each year, China has to create 24 million jobs. We have about 60 million handicapped people to be taken care of. China will make even more contributions to the development of mankind if it could solve its own problems through its own great efforts and cooperation with other countries. China has genuine purposes to develop itself and it will always play an important role on maintaining world peace and stability and prosperity. People with farsighted vision will view China as a great opportunity for cooperation. New Zealand is such a great country with that great vision.

China's development has created great opportunities and huge market for its cooperation with other countries. The good relations between China and New Zealand lay a solid foundation for our economic cooperation. China values its ties with New Zealand, a relationship that has a long history. At home in China, there has always been a tremendous reservoir of goodwill towards New Zealand. Since the establishment of diplomatic relations between our two countries in 1972, our relations have developed smoothly and matured. The successive New Zealand governments have adhered to the One China policy, which is critical for ensuring the sound growth of the bilateral ties.

High level exchanges have helped strengthen our relations immensely. In the year of 2003, China's president Hu Jintao paid a successful visit to New Zealand soon after his assumption of office. Prime Minister Helen Clark has visited China several times. New Zealand has won several gold medals upon its relations with China. It is the first western country to reach a WTO agreement with China, the first to recognize that China is a market economy and the first to start free trade negotiations with China among the developed countries. I suspect that New Zealand will become the first developed country to reach a FTA agreement with China. Over the years, especially since last five to six years, our relations have jumped hugely. In term of trade, China has become New Zealand's fourth largest export market and the fourth import market. I am sure with the conclusion of the FTA, the value of our trade will undoubtedly increase tremendously.

Our relations are not just in the field of trade. It is very much diversified. Now there are about 40 thousand Chinese students studying here. Last year, about 80 thousand Chinese tourists visited New Zealand. More and more culture exchanges have further strengthened our friendship and

understanding between our two countries and peoples. As I said that China's development has created great opportunities for developing our relations with other countries, our good bilateral relations have put New Zealand in a favorable position. New Zealand is rich in natural resources, such minerals and coals and has advanced technology in mining.

There are great potentials for our two countries to cooperate on the basis of mutual benefit. New Zealand is famous for its green and clean. As China pays more attention to environment protection, China has a lot to learn from New Zealand in this regard. Another field that needs cooperation between our two countries lies in the coal mining safety. China needs to train more qualified safety people to monitor the mining of coal mines. I think in this field, New Zealand could offer great help. As China is determined to increase energy efficiency, China can learn more from New Zealand on the technology of efficient use of coals.

In short, there are great potentials for our cooperation in the fields of minerals and energy and the embassy is committed to help explore the opportunities for our cooperation. China is very much committed to its WTO commitments and will further facilitate for foreign companies to invest in China. China encourages its big companies to go overseas and cooperate with other countries. Now under the current FTA negotiation, investment is included. With the conclusion of the FTA, there will be a big boost in mutual investment. I am sure through our great efforts and cooperation, our relations will grow stronger and stronger in the time to come.

Thank you very much.