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TITLE: China's Xi winds up Europe tour

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BRUSSELS: Winding up an 11-day visit to Europe, taking in mega business deals and stately banquets, President Xi Jinping toured China's biggest Belgian factory Tuesday -- a Volvo car plant.

And before flying home he gave a keynote speech to 300 students and VIPs including Belgium's royal couple, calling for ever deeper bonds between China and Europe, who together make up a quarter of the world's population and represent a third of the world economy.

"The relationship between China and the EU has become one of the most important financial relationships in the world," said the Chinese leader who, in France -- one of four stops on his tour -- signed 50 deals worth 18 billion euros (\$25 billion).

"Having said that, there is still room for greater growth in China-EU relations: their potential has yet to be fully tapped," Xi said in the fairytale medieval town of Bruges in northern Flanders.

Earlier in Ghent, where he was flanked by Belgium's King Philippe and Queen Mathilde, Xi saw off the 300,000th Volvo car produced there for the Chinese market -- an XC60 -- since the brand was bought by the Hangzhou-based Geely from Ford in 2010.

Though dwarfed by France and Germany, where Xi did most of the business, tiny Belgium -- which hosts the European Union institutions as well as NATO and sees itself as a gateway to Europe -- hopes to increase trade with China.

At a state dinner on Monday evening in the leafy Laeken palace, complete with stockinged footmen, diamond tiaras and crystal chandeliers, Xi in a rare speech vowed more business with Belgium, already its sixth largest partner.

On Monday, Xi also paid a ground-breaking visit to EU headquarters underlining China's bid to firm up bilateral ties notably with a free trade deal in the future in talks with European Council President Herman Van Rompuy, European Commission President Jose Manuel Barroso and European Parliament chief Martin Schulz.

China's rights record, a constant concern in the 28-nation bloc, was raised during the talks and scores of protesters assembled outside the EU institutions to demand freedom for jailed activists and more rights for Tibetans, Uighurs and other minorities.

"The EU needs to unite not just on pan-European trade deals but also on a principled and publicly articulated human rights message," said Lotte Leicht, EU director at Human Rights Watch.

A 20-point EU-China statement referred to civil rights, saying both sides would "deepen exchanges on human rights... on the basis of equality and mutual respect."

But with the European bloc as China's biggest trading partner -- two-way trade is at more than a billion euros a day -- economic issues dominated.

EU officials thanked China for standing by the euro during the eurozone crisis and agreed to work towards a free trade deal (FTA) with China in the medium-term, while saying the immediate goal was to strike an Investment Agreement, diplomats said.

An investment deal would signal "willingness to envisage broader ambitions including, once the conditions are right, towards a deep and comprehensive FTA, as a longer term perspective," the joint statement said.

"China is desperate to have an advanced free trade agreement in place: the ones it has or is negotiating at the moment with Switzerland, New Zealand, Australia are not very diversified," said Hosuk Lee-Makiyama, the director of the European Centre for International Policy Economy.

"The Chinese feel cornered," he added. "The US is closed to them, the rest of Asia is too small to attract the investment China needs to reform its economy."

Relations with the 28-member EU have seen periodic turmoil over trade and during his Bruges speech, Xi again harped on Beijing's push for the free trade accord.

"We must uphold the open market, speed up negotiations on the investment agreement, actively explore the possibility of a free-trade area?"

The talks with the EU took place in a relaxed climate after the European Commission announced days ahead of Xi's visit that it was dropping plans to open anti-dumping and anti-subsidy inquiries into Chinese telecom firms, which though not named would have targeted Huawei and ZTE.

The move followed Beijing's own decision on the eve of the visit to end an inquiry into EU wine imports and after reaching an agreement on exports of polysilicon, a solar panel component, from Europe.

Both those disputes were widely seen as tit-for-tat retribution in the fierce 2013 battle over the alleged dumping of Chinese solar panels on the European market.

- AFP/al