



FRUITFUL VISIT: Chinese President Xi Jinping and visiting French President Francois Hollande attend an agreement-signing ceremony involving nuclear power, environmental protection, tourism and other sectors in Beijing on April 25

COVER STORY

FORGING PARTNERSHIPS

French president's China visit has lasting political and economic significance

By Ding Ying

French President Francois Hollande's short visit to China in late April is bound to exert a long-lasting influence on bilateral relations.

By issuing a joint communiqué and signing a range of agreements, the two sides worked to promote their cooperation in political, economic and cultural aspects. Analysts believe mutual needs are the foundation upon which shared benefits are built.

Strategic significance

During a meeting with Chinese President Xi Jinping on April 25, Hollande said that France is willing to use the opportunity of the 50th anniversary of diplomatic ties in 2014 to map out future cooperation between the two countries.

Xi replied by noting that China and France should continue to prioritize their strategic partnership, work to support each other and expand cooperation in a bid to forge win-win cooperation between the two countries with different political systems, cultures and traditions. He added that the two sides should strengthen coordination when dealing with world affairs, saying, "We are looking forward to seeing the development of a new type of China-France comprehensive and strategic partnership in the future."

To promote the partnership to a higher level, the two leaders agreed to continue annual meetings between the heads of state, enhance strategic communication, and establish a high-level economic and financial dialogue mechanism.

Hollande, who was elected in 2012, is the first leader of a major Western power to visit Beijing

since China's new leadership took office in March. His visit served as a link between the past and the future, holding strategic significance for bilateral relations in the coming years.

The two sides share a solid tradition of friendship and partnership. France was the first Western country to establish diplomatic ties with the People's Republic of China in 1964, and Paris has long considered relations with Beijing as a priority of its diplomatic policy.

Zhang Jian, a researcher on European studies with the China Institutes of Contemporary International Relations, said the China-France relationship—both politically and strategically—has always had a special place among relations between China and European countries. France was the first European country to build a new type of comprehensive strategic partnership with China.

Chinese observers believed that the primary goal of Hollande's visit to China was to enhance mutual political trust and build friendship between the new leaders of the two countries. The French president has shown his determination to boost bilateral relations. When China's new leadership took office in March, Hollande immediately had a phone conversation with Xi and congratulated him on his election as Chinese president. Additionally, Hollande appointed as his diplomatic advisor Paul Jean-Ortiz, a career diplomat with extensive knowledge of China who headed the French Foreign Ministry's Directorate for Asia and Oceania and speaks Mandarin.

Qu Xing, President of the China Institute of International Studies (CIIS), pointed out that the China-France relationship has been developing steadily since Hollande assumed the presidency. The French president's recent visit will set the tone for future bilateral relations, he said.

Hollande will theoretically be qualified to run for reelection. Thus, Hollande will play a crucial role in France's China policy for the next four to nine years. If bilateral relations go smoothly for two presidential terms, China-France relations will continue down the track that the two presidents have set, said Qu. He added that Hollande's visit had the special purpose of helping the two sides develop a new type of comprehensive strategic partnership.

The two sides' political cooperation goes beyond the bilateral range. "They have a lot of common stances on pushing forward a multi-polar world and building a fairer and more just international political and economic order," Zhang said. China and France, both permanent members of the UN Security Council, can better safeguard world peace and stability and promote mankind's progress and prosperity by strengthening coordination and cooperation. By combining their efforts, they also can promote progress in addressing global issues of common concern like climate change, food and energy security and international financial reform.

In their joint communiqué, the two countries called for early reform of the international financial and monetary system, saying that the 2010 quota and governance reform of the International Monetary Fund should be implemented as soon as possible.

Strengthened bilateral cooperation will bring benefits to both countries. "A good China-France relationship not only will benefit the two sides, but also is very important for deepening China's cooperation with the EU," said Qu.

Dragged down by a poor economy, France's

influence inside the EU is declining in comparison with neighboring Germany. France has been ambitious in maintaining its major influence in the world. In recent years, however, it has come to realize that without support from other big powers including China, its diplomatic ambitions will be difficult to materialize, said Zhang.

Economic ties

Currently, France is still suffering from the European debt crisis. It urgently needs to promote economic, trade and financial cooperation with China. At the same time, China is at a key phase of transforming its economic development mode and adjusting its economic structure, during which it requires a massive amount of technology and equipment from other countries. Common needs and mutual benefits provide a strong foundation for enhancing economic and financial ties.

During the French president's trip, the two sides agreed on a string of deals, including one for China to purchase 60 Airbus passenger planes. Moreover, enterprises from both sides signed agreements on energy saving, environmental protection, trade of agricultural and medical care products as well as traditional sectors including aviation, nuclear energy and the auto industry.

"China and France are highly complementary to each other economically and there is immense potential for cooperation between the two countries," Xi said in a speech in front of hundreds of Chinese and French businesspeople at a business forum alongside Hollande. He added that the two sides should boost economic cooperation "with a strategic view" and explore new fields to establish a close, permanent and sustainable economic partnership.

For his part, Hollande expressed his appreciation for China's support for Europe's efforts to resolve the debt crisis. He hopes to cooperate with China and expand two-way trade and investment in pursuit of common prosperity.

Zhang said France is facing a growing economic challenge due to the European debt crisis. According to Zhang, the French economy had a low increase of 0.1 percent in the first quarter of 2013, while the country's unemployment rate rocketed to over 10 percent. The country's national debt has exceeded 90 percent of its GDP, and is on the rise. Meanwhile, France's export volume, along with its competitiveness inside the EU, is sliding. Hollande's approval rating has fallen to 26 percent.

"France is in danger of a full economic recession, and the Hollande administration's top priority

now is the development of the economy," Zhang said.

Under these circumstances, developing closer economic ties with China is of utmost importance for France. China is France's top trade partner in Asia, and its second biggest exporter in the world. Bilateral trade reached \$51.02 billion in 2012, including \$24.12 billion worth of Chinese imports from France, an increase of 9.3 percent year on year.

In January this year, the two-way trade volume reached \$4.18 billion, up 5.3 percent from last year. China's imports from France stood at \$1.83 billion, up 25.5 percent year on year. Although China's trade surplus still exists, France's exports to China are growing rapidly, which is very encouraging to the French. The figures show trade between China and France is on the way to more balanced growth.

France hopes to proceed with bilateral cooperation in the areas of nuclear energy and aviation, while enlarging its agricultural product exports to China, Zhang said.

The need is mutual. France is China's fourth biggest trade partner, fourth biggest investor and second biggest technology exporter in the EU. Wider cooperation will diminish trade imbalances between the two countries, when France provides more advanced products and technologies to China, said Qu.

Qu added that China's ongoing urbanization drive and the emphasis on domestic consumption have offered France a market with great potential. He noted that China's urbanization rate of 51.3 percent is far short of the over 70 percent rate seen in developed economies, offering France's city management a chance to help China address the challenges that surface during the process, including air pollution and food safety, Qu said.

In the cultural field, exchanges of visits between China and France have become more frequent in recent years. More and more young people have started to learn each other's languages, with China and France holding "language years" from 2011-12.

While promoting mutual understanding, communication between the two countries also creates a practical economic achievement. For instance, more than 1 million Chinese tourists visit France annually, helping to boost the French economy. In 2012, Chinese tourists spent over 75 billion euros (\$98.75 billion) in France. ■

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