

COVER STORY

EYEING THE FUTURE

Chinese premier's Britain trip aims to clear hurdles and advance cooperation

By Yu Lintao



TRADING IDEAS: Chinese Premier Li Keqiang and British Prime Minister David Cameron attend the China-UK Global Economic Roundtable in London, Britain, on June 17

In addition to deepening cooperation in multiple fields, Chinese Premier Li Keqiang stressed that his latest visit to Britain intended to overcome obstacles in the two countries' relations and to learn from the industrial pioneer, displaying both his sincerity and modesty as a leader.

It was Premier Li's first visit to Britain since he took office in March last year. In an

article carried by *The Times* newspaper prior to his trip, Li described his visit as having a threefold purpose: "first, to discuss ways to deepen cooperation in various fields and therefore spur the growth of our respective economies; second, to present the real China so as to change misperceptions and ease misgivings; and third, to draw on British perspectives and experience."

The visit, the first by a Chinese premier in three years that promised a slew of cooperative projects, carried a significant weight. It indicated that the two sides have managed to ride out a rough patch in their relationship and put bilateral interaction back on the right track. However, Li's appeal for clearing away obstacles to bilateral relations also shows that misunderstand-

ings persist between the two despite China's show of great sincerity.

Changing misperceptions

Since David Cameron of the Conservative Party entered 10 Downing Street, China-Britain relations have seen their ups and downs. Cameron's first visit to China, shortly after taking office in 2010, brought a new culmination of the relationship. But bilateral ties took a nosedive in May 2012 when Cameron insisted on meeting the Dalai Lama in spite of China's objections.

It wasn't until more than a year and a half later that the icy bilateral relationship began to thaw when Cameron visited China in late 2013.

Cui Hongjian, Director of the Department for European Studies at the China Institute of International Studies (CIIS), said British society and some British politicians have misconceptions about China's human rights record and the Tibet issue. Their comments on these matters have added detrimental elements to the China-Britain relationship.

"As Premier Li said in his article, his trip sought to present the true China to Britain, showing China's real development status and the complex development of such a big country," Cui said to *Beijing Review*. "Thus, far-sighted people in Britain can learn about the real China for the sake of greater consensus and better cooperation."

In his article for *The Times*, Li also stressed that China still lags behind the West in many areas and has much to learn on its long and arduous quest for modernization, although the country did achieve a "quantum leap" in its development in the past 30 years.

However, it would not be an easy job to change people's prejudice given the long-existed superiority mentality within their minds as well as the domestic political needs of some politicians in these Western countries.

In April, the British Government once again released a report which made biased and irresponsible remarks to blemish China's

human rights record. And before Li set foot in Britain, British Deputy Prime Minister Nick Clegg claimed he would be "more than honored" to meet the Dalai Lama again, accusing China of "systematic human rights abuses."

Cui noted that some politicians might gain domestic popularity through thoughtless remarks on China, "but as it involves their country's foreign affairs, politicians need to be cautious. Once the irresponsible remarks hurt bilateral relations, they will eventually damage the national interests of their country."

"Better mutual understanding brings vigor for bilateral ties while misunderstanding results in obstacles. China is showing its sincerity as Premier Li did during the visit," Cui added.

Another truth about China that Premier Li wants to present to the world including Britain, Cui said, is China's current economic situation.

In his article, Li expressed confidence that China can meet its official 7.5-percent GDP growth target this year and declared to maintain the course on market-orientated reform. During a speech to Chatham House and the International Institute for Strategic Studies, two prestigious British think tanks, Li further stressed that China's economy would not suffer a hard landing and would continue to grow at a medium to high pace in the long term without strong stimulus.

Cui said the information given by Premier Li was in response to the concerns of the outside world over China's economic situation as it faces considerable downward pressure. The economic fluctuation of China, a powerhouse of the global economy, would certainly affect the economic prospects of nearly the whole world. Li's remarks on the Chinese economy could help inspire confidence among an international audience.

Pressing forward

Despite obstacles, China-Britain economic cooperation has seen substantial progress. At present, Britain is China's third largest trading

partner and second largest investment source in the EU as well as a major destination for China's overseas investment. Annual two-way trade surged from \$20 billion a decade ago to \$70 billion last year. China's investment in Britain has amounted to \$13 billion over the past two years alone, surpassing the total of the previous 30 years. Statistics show that China has a stock of investments in Britain worth around \$19 billion. That compares with \$9.2 billion in France and \$5.6 billion in Germany.

Most observers believe that the economic cooperation achievements did not happen by accident. As the economies of China and Britain are highly complementary to each other, the two countries enjoy a sound cooperative foundation in trade and economy.

Ma Zhengang, former Chinese Ambassador to Britain, said that China, with a well-developed manufacturing industry, and Britain, which boasts highly developed finance and service sectors and advanced technology, have massive potential for cooperation.

"When I started my term as ambassador in London in 1997, bilateral trade volume was just around \$6 billion. Last year the figure reached \$70 billion. The progress has not been made by chance," Ma said.

In addition, the two countries have set up various high-profile exchange mechanisms in recent years to facilitate bilateral cooperation, including the prime ministers' annual meeting as well as economic, financial and strategic dialogues.

Now, Li's latest trip to London has injected new momentum into the China-Britain comprehensive strategic partnership, which celebrates its 10th anniversary this year.

The trip harvested a series of trade and investment deals worth over \$30 billion, the highest in recent years, with cooperation areas covering finance, technology, education, energy and infrastructure. Premier Li also proposed that China and Britain expand two-way trade to reach a target of \$100 billion by 2015, further ►►



HOSPITALITY: Greek Prime Minister Antonis Samaras (left front) holds a welcoming ceremony for visiting Chinese Premier Li Keqiang in Athens on June 19

Boosting Ties With Greece

China and Greece agreed to further advance bilateral ties during Premier Li Keqiang's official visit to the European country on June 19-21, on the heels of his trip to Britain.

China is fully confident about the prospect of Greece's development, Li said, when meeting with his Greek counterpart, Antonis Samaras. Li added that his country stands ready to consolidate political mutual trust with Greece.

The Piraeus Container Terminal project has become a model of Sino-Greek and Sino-European cooperation, said Li, calling for more investment from both sides and vowing to build Piraeus into a top port in the Mediterranean.

The Piraeus port, the largest in Greece, is jointly operated by China's state-owned shipping giant COSCO and the Greek port authority under a 35-year lease signed in 2009.

China will also work with Greece to explore new economic growth points, especially in maritime cooperation. Li said the two countries should make joint efforts in developing the maritime economy and promoting tourism, and should look forward to a year of successful Sino-Greek maritime cooperation in 2015.

Calling on both sides to continuously expand bilateral trade and deepen cultural exchanges, the Chinese premier appreciated Greece's efforts as the rotating EU president in pushing forward China-Europe ties.

Reaffirming China's support for European integration, Li said he hopes Greece will continue to play a unique role in advancing the China-Europe investment agreement talks and opposing protectionism.

For his part, Samaras said when Greece was caught in its worst-ever debt crisis, the timely support provided by China brought confidence and strength to the debt-ridden country.

Greece welcomes more investment from Chinese enterprises as well as more Chinese tourists, Samaras added.

(Source: Xinhua News Agency)

consolidate the political foundation of bilateral relations, and promote common growth and inclusive development, so as to speed up the development of Sino-British ties.

Beyond all doubt, the mutually beneficial cooperation deals meet the practical needs of both sides.

Cui at the CIIS noted that the rich experience of Britain in industrialization and urbanization offers very valuable lessons for China. Meanwhile, China's further opening up provides British firms

as well as China-Britain strategic cooperation with more opportunities.

Professor Wang Yiwei at the Beijing-based Renmin University of China echoed Cui, saying that seeking the opportunity of China's deepening reform and opening up might be very helpful for the economic recovery of Britain. Meanwhile, Britain's relatively aging infrastructure offers great opportunities for Chinese investors and exporters.

"China's low-cost and efficient high-speed

rail technology and infrastructure construction technology can help Britain promote its urban development," Wang said. "London's willingness to develop itself into an offshore renminbi business center would be also conducive to enhancing its status as an international financial hub."

Under a framework cooperation agreement signed during Li's visit, Britain welcomes Chinese firms taking part in its planned high-speed HS2 rail network, a 42-billion-pound (\$71.2 billion) project, with the first 192-km stage linking London and Birmingham.

In a joint statement, the two countries announced a decision to set up a renminbi clearing bank in London. The move will help the two countries realize direct trade between the renminbi and the British pound, which is conducive to completing the market infrastructure, reducing transaction costs and exchange risks, and facilitating the development of mutual investment and trade.

The two countries have also made great efforts to deepen people-to-people exchanges. During Li's visit, the British Home Office announced a new visa service for Chinese visitors to travel to the country. All Chinese visitors will be able to use a single form to process applications for both British and Schengen visas, which permit access to 26 European countries.

Observers noted that the new British approach, which streamlines the Britain's visa process, can help the country explore a much larger Chinese tourism market and contribute to people-to-people exchanges between the two countries.

Statistics from the UK-China Visa Alliance show that about 1.3 million Chinese tourists have been prevented from entering Britain because of the complicated visa process, and most instead went to Germany or France.

As both a traditional power and a financial center, Britain holds an important status in Europe. Analysts claimed China's strengthening economic and financial cooperation also adds up to a larger China-EU economic cooperation partnership.

"London could play a constructive role on issues concerning a China-EU investment agreement and a China-EU free trade zone, which are also to Britain's benefit," said former Ambassador Ma. ■