



*TEXT 48: LI KEQIANG, WHY SWITZERLAND?
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BERNE, Switzerland - Chinese Premier Li Keqiang published on Thursday a signed article titled "Why Switzerland?" in *Neue Zürcher Zeitung*, a German-language Swiss daily ahead of his visit to the European country.

The following is the full text of the English translation of the article:

Switzerland is the first European destination on the list of countries I will visit after becoming China's premier. In Chinese culture, being "first" always carries symbolic meaning. My choice of Switzerland is in no way haphazard: we have got a few important things to do here. They are all landmark events in China's opening-up, and they all have something to do with Switzerland.

The first job is to secure progress in the building of China-Switzerland FTA. It was during my last visit in 2010 that the two countries agreed to speed up preparations for an FTA. Over the past three years and more, the relevant departments and agencies of the two countries have worked energetically in the negotiations, and reached the final conclusion after nine rounds of talks. With the advent of FTA, Switzerland will become the first country in continental Europe and the first of the world's top 20 economies to reach an FTA with China, the implications of which will be significant.

Last year, two-way trade reached 26.3 billion U.S. dollars, including 22.8 billion dollars of Swiss exports to China. That is to say, every Swiss man, woman and child exported 2,800 dollars to China. To conclude this high-quality FTA agreement with Switzerland, China has made tremendous effort. It fully demonstrates that China will not stall in its opening-up and that it is firmly committed to upholding the multilateral trading regime, vigorously promoting regional trade liberalization, and accelerating the implementation of the FTA strategy. Moreover, a high-quality FTA agreement between China and Switzerland will also set a good example. It will not only upgrade our business and investment cooperation but also send a powerful message to the rest of the world that we reject trade and investment protectionism and instead embrace trade liberalization and facilitation. It will inject fresh impetus into China-EU business ties, bring tangible benefits to consumers and businesses in both our countries, and contribute to world trade and economic recovery.

The second job is to step up financial exchanges and cooperation between the two sides. Switzerland boasts the highest density of banks. It has a strong financial industry and rich regulatory experience. Enhancing cooperation with Switzerland in financial regulation, macroeconomic policy making, capital market development and other areas is consistent with China's need for further development of its open economy. China is introducing more reform and opening-up to its financial sector, including steadily advancing market-oriented reform of the interest rate, making RMB convertible under the capital account, putting in place a system of overseas investment by individual investors, and improving financial regulatory regime. All this will provide new opportunities for interactions and growth of our financial firms. At the same time, China and Switzerland can work together at the International Monetary Fund, the World Bank and other international financial institutions, so as to make



greater contribution to maintaining international financial stability and promoting world economic growth.

The third job is to enhance mutual trust and understanding. How high we can go in developing our relations and our practical cooperation hinges on our ability to seize new opportunities, and more importantly, on whether or not we can reach a higher level of mutual trust and understanding. Switzerland is among the first Western countries to have established diplomatic relations with New China. The very first industrial joint venture China entered into after the beginning of reform and opening up was one with Switzerland. Switzerland is also one of the first group of European countries that recognize China's market economy status. All these constitute the basis of our mutual trust. But to go still higher, we need to do a lot more. I hope my visit here will not only deepen the understanding and trust at the leadership level, but also increase the awareness and recognition at the public level of our respective countries, thus planting more seeds of friendship for exchanges between the two peoples.

As for what opportunities China's development can offer, I will let the figures speak for themselves: China's 2012 GDP, in comparable terms, more than doubled that of 2000, registering an increase of 3.2 times. To double the GDP of 2010 by 2020, China will need to sustain an annual growth rate of around 7 percent. Over the next five years, China will import some 10 trillion dollars worth of goods from the rest of the world, and its overseas investment will reach 500 billion dollars. By vigorously advancing urbanization in a steady manner, China will see hundreds of millions of its rural population turn into urban residents, unleashing increasing market demand along the way. All these underscore the enormous prospect of China's economic development and the growth opportunities it will bring to Switzerland and other countries.

As for the policies of the Chinese government, I just want to emphasize the following: domestically, we will make an all-around effort to deepen market-oriented reform, unleash the dividends of reform, continue to grow the economy, improve people's livelihood, promote social equity and ensure equal opportunities for all. Externally, we will unswervingly follow the path of peaceful development and pursue a win-win strategy of opening-up. We will open up more areas and sectors, the services sector in particular, so as to facilitate China's reform, development and economic transformation.

For those who are still baffled by the differences between China and Switzerland, I just want to say that it is totally unnecessary. China is working to secure growth, protect human rights and promote rule of law. Due to diversity of history, cultural background and stage of development, it is hardly avoidable that the two countries have some differences. Just as a Chinese saying goes, an inch has its length and a foot sometimes falls short. Only through mutual learning can we draw on each other's comparative strength. We should always show mutual respect, increase communication and exchanges, enhance mutual understanding, look at each other with an open mind, and steadily expand our common interests for win-win results.

My last visit to Switzerland three years ago as China's vice premier remains fresh in my memory. During the four days, I had in-depth discussions with government leaders and meetings with entrepreneurs, and braving a heavy snow, I went to Davos



for the World Economic Forum Annual Meeting. The visit was both substantive and rewarding. Now that the shadow of the international financial crisis is still there, countries must continue to work in unison in this time of difficulties, refrain from adopting trade and investment protectionism, the frequent use of anti-dumping and countervailing measures in particular, and guard against the negative spillover effects of the monetary policy of quantitative easing.

As for the current visit, I have given it a lot of thoughts, and there are many things I wanted to do. But my time in Switzerland is limited, and it's impossible to do everything. For cooperation to deliver concrete results, we need the enterprises, the communities and the government of both countries to make joint efforts. Indeed, our two sides have already done very well in this respect, but we can do better.

That is why I have chosen to visit Switzerland.