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Sino-French Economic and Financial Dialogue

Statement to the press following the plenary session

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I would like to begin by saying how much I appreciate Vice-Premier MA Kai's visit to Paris. We have just co-chaired the 2nd Sino/French High Level Economic and Financial Dialogue which was held for the first time in Paris. This event provides a special forum for discussions on a whole range of economic and financial issues.

As you are aware, relations between China and France are central to the French government's strategy.

The Economic and Financial Dialogue grew out of the determination of Presidents Xi Jinping and François Hollande to breathe new life into the bilateral relationship. This was underscored last March during President Xi Jinping's official visit to France to mark the 50th anniversary of diplomatic relations between our two countries.

Let me first say a few words about the scope and momentum of our economic relationship. There is substantial two-way trade between our countries which, over the last decade, has been growing by 10% per year on average. China is now France's second largest supplier after Germany, with €40bn in exports, whilst France exports €15bn of goods and services to China.

Around 11,500 French businesses currently export to China, a figure that has more than doubled during the last ten years.

There has also been a significant increase in investments between our countries. I would like Chinese investors to know that their investments, which create jobs and boost growth, are very welcome in France.

There are a number of success stories for Chinese investments in France and we must now build on these.

Amongst these successes, I should mention Dongfeng's €800m cash injection into Peugeot PSA, giving it the same stake as the French government.

In addition, one of the largest Chinese investments in Europe to date was China Investment Corporation's acquisition of a \$3bn interest in a subsidiary of GDF Suez.

That said, China's investments in France are not limited to major groups. In Brittany, alongside the French group, Sodial, Synutra put up 90% of the €100m needed to build a whey and milk drying plant, creating almost 200 jobs into the bargain.

The High Level Economic and Financial Dialogue has allowed us to review our economic and trade relations, and the strong partnerships that have underpinned their expansion. Our discussions essentially covered the nuclear sector, an area in which there is long-standing cooperation, and aeronautics, where our partnership has been bolstered by the extension of the agreement concerning the A320 assembly plant in Tianjin.

This morning, we were also able to discuss the way in which the Paris financial centre acts as a hub for the internationalization of the renminbi (RMB). Paris is a leader in this high-growth market.

By way of example, in 2012, 20% of transactions between France and China were settled in RMB. This figure is now 44% and France holds first place in Europe in this respect, ahead of the UK, Luxembourg and Germany.

In Europe, only Luxembourg has more RMB bank deposits than France.



During our discussions, I was very pleased to hear that the People's Bank of China has designated Bank of China as the Paris-based RMB clearing bank.

The robustness of our financial exchanges was also demonstrated by the increased RMB quota for French institutional investors who had previously been authorised to invest in China. BNP Paribas and Carmignac have just been awarded licences enabling them to directly invest in China's mainland securities using RMB. I hope that these authorisations will be the first of many.

Lastly, the Economic and Financial Dialogue allowed us to take stock of our common viewpoints on major global economic and financial issues, such as G20 commitments, IMF governance, the Paris 2015 Climate Conference and tax cooperation.

It is abundantly clear that this Sino/French High Level Economic and Financial Dialogue is all-encompassing and of strategic significance for both our countries.

Vice-Premier Ma Kai and I have just given fresh impetus to our economic, financial and trade relations.

This impetus must be sustainable, based on trust and cover a common agenda that we will determine together.

Thank you for your attention.