

**Address at the Tenth Conference of the Council of Ministers of the
Indian Ocean Rim – Association for Regional Cooperation (IOR-ARC)
H.E. Ambassador Shu Zhan
Sana'a , 5 August 2010**

**Your Excellency Foreign Minister Abu Bakar Al -Quirbi
Your Excellency Secretary General Morteza Sarmadi
Your Excellencies Heads of Delegation,
Ladies and Gentleman**

It is a great pleasure for me to attend the 10th Conference of the Council of Ministers of IORARC on behalf of Mr. Yang Jiechi, the Foreign Minister of China. First, I'd like to offer my congratulation on the convocation of the Conference and to express appreciation to the Government of Yemen and the Secretariat for the effective work they have done and the thoughtful arrangement they have made for all the attendants.

The Indian Ocean Rim Region , with abundant resources, vast market and convenient transportation, offering exordinary condition and great potential for cooperation of mutual benefit. Since its establishment in 1997, as the only economic Association of the region, IOR-ARC has played an active role in promoting regional economic cooperation and its members' common development. In recent years, the Association has worked hard, through strengthening its own capacity, to explore new fields and approaches to expand economic and trade cooperation of mutual benefit. Such efforts have brought notable results. Form the presentations delivered by the Chairperson of the COM and the Executive Director of the Association , we are glad to see that great achievements have been made in enhancing cooperation among the members in various fields and institution building. We are convinced that with further cooperation, the Association will accomplish even greater achievements, make more contribution to world economy growth and benefit its members and their peoples.

The world is recovering slowly from the international financial crisis. Nevertheless, the deep impact of the crisis still persists and many uncertain ties hinder full recovery of world economy. Against the background of accelerating economic globalization and regional economic integration, we should make full use of IOR-ARC as an effective platform to enhance dialogue and communication, coordinate economic cooperation and trade stimulus policies and deepen regional economic cooperation. The Association should encourage and urge Member States to fight against protectism in all forms in the Indian Ocean Rim Region, so as to make more contribution regional economic growth and full recovery of world economy, facilitate trade and investment and build a more open and freer trade system.

This conference will discuss the Amendment of the Charter, decision making rules, financial arrangements and issues concerning political and economic cooperation among member States. We believe, the conference will help further enhance the institution building of the Association and promote friendly cooperation among its member states.

Ladies and Gentleman

Since January 2000, when China became a dialogue partner of IOR-ARC, it has maintained friendly exchanges and close cooperation with the Association. We have sent delegation to attend each Ministerial conference of IOR-ARC and taken part in the discussion with its member states on ways and means to advance cooperation in the region. The economic and trade cooperation between China and IOR-ARC member in recent years has been fruitful. In 2008, trade between China and IOR-ARC members total 390.6 billion USDs, 26.9% higher than the previous year. Although the trade between China and IOR-ARC members declined a little in 2009 as a result of international financial crisis, the proportion in China's total foreign trade is rising year by year, which stood at 14.2% , 15.2% and 15.7% from year of 2007 to 2009. Meanwhile China has established or is negotiating on free trade areas with 8 of the IOR-ARC members, and has started the negotiation with SACU (including South Africa) on setting up the free trade area. Economic and trade between the two sides promises a vast prospect and massive potential in the long run.

China respects the purposes of IOR-ARC, has a stake in the Association's development , supports the work direction and cooperation priorities determined by the Association and hopes to see the Association play a greater function in boosting regional cooperation. We would like to work with the all Member Member States to enhance cooperation in the Indian Ocean Rim Region.

I wish to take this opportunity to announce, on the behalf of the Chinese Government, the contribution of 100,000USDs in cash to the Secretariat of the Association. It's not a lot of money, but it embodies our sincere aspiration to enhance cooperation with IOR-ARC. We hope this will be useful to the institution building of the Association and relevant cooperation projects.

In conclusion, I wish the 10th COM of IOR-ARC a crowning success!