

Speech made by H.E. Mr. Liu Zhentang, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Islamic Republic of Iran and head of Chinese Delegation, on the occasion of the 7<sup>th</sup> Council of Ministers of Indian Ocean Rim Association for Regional Cooperation, March 7<sup>t</sup>, 2007, Tehran

Esteemed Your Excellency Mr. Mottaki, Foreign Minister of the Islamic Republic of Iran  
Chairman of the Council of Ministers, honorable ministers and delegates, dear colleagues, ladies and gentlemen:

It is a great honor for me to represent the Chinese government to attend the 7<sup>th</sup> Council of Ministers of Indian Ocean Rim Association for Regional Cooperation, or IORARC, and to discuss the future development of the Association with all of you. I wish to give my sincere gratitude to the government of the Islamic Republic of Iran for the hospitality extended to my delegation. In the meetings of the past few days, views have been extensively exchanged on various issues, and many constructive and feasible suggestions have been brought about. I believe these suggestions and ideas will have positive effect on the promotion of substantial cooperation between member states and dialogue partners.

Mr. Chairman,

As a dialogue partner, China respects the tenets of IORARC, supports the working direction and focal points of cooperation set by IORARC, and is willing to make positive efforts with all member states to enhance the cooperation of the Indian Ocean Rim region. For a long time, China and the member states of the Association have been sharing friendly political ties and intensive economic and trade relations. We have fruitful cooperation in the fields of commerce, investment, tourism, science and technology, etc. In 2006, the total amount of trade between China and the member states reached 236.7 billion USD, with a 25% increase in comparison with the previous year. The proportion of trade between China and all the member states in China's total trade volume has been growing larger and larger year by year. From 2004 to 2006, the proportions have been respectively 12.9%, 13.2% and 13.4%. Negotiations between China and some member states on FTA are underway, and we also have established tourism cooperation with more than 10 member states. While actively pursuing the "Going Global" strategy, China encourages companies with proper capabilities to go abroad to invest in other countries, including Indian Ocean Rim regional states. In International economic affairs, China also has undertaken fruitful cooperation with many member states. The areas of China's international cooperation are quite similar to the focal points of cooperation of the Association, which promises a bright future of cooperation between the two sides.

Under the international situation of economic globalization and regional economic integration, China will continue to positively participate in activities of the Association, enhance consultation and dialogue with member states and other dialogues partners, expand mutual economic and trade cooperation with member states, and support the

efforts made by the Association to realize its goals, so as to promote the development of the regional and world economy.

Mr. Chairman,

China has the following suggestions to further enhance economic trade cooperation with member states of IORARC:

First of all, to have dialogue on deepening regional economic cooperation. China holds the view that regional cooperation, as a beneficial complement for multilateral trade system, is conducive to promoting the world trade liberalization and facilitation, and to promoting the mutual benefits and common development among member states. In recent years, China has actively participated in regional cooperation mechanisms such as APEC, Asia-Europe Meeting, Shanghai Cooperation Organization and the Larger Mekong Sub-regional Cooperation, in which China played an active and constructive role. Meanwhile, China is steadily pushing toward the process of the FTZs development. We have started negotiations with some countries and regions including member states of the associations on establishment of FTZs. For a certain period in the past, the Association had done a lot of effective work to promote the economic cooperation among Indian Ocean Rim region. China hopes the Association could keep its characteristics and advantages in economic cooperation, and is willing to continue the dialogue with the Association to share experiences of economic cooperation in this regard.

Secondly, to push for upgrading the level of trade and investment facilitations in the Indian Ocean Rim region. It is increasingly important to improve the level of trade and investment facilitation when custom duties are decreasing and non-tariff barriers are being reduced in all countries. The measures of trade and investment facilitation such as: increasing policy transparency, simplifying and coordinating customs clearance, standardization and accreditation, promoting investment, stimulation flow of business people and e-commerce, are helpful to increase efficiency, reduce cost, improve predictability and promote trade development. China is willing to conduct more exchanges, share experiences and expand cooperation with the member states of IORARC regarding these measures.

Thirdly, to target focus areas for practical cooperation. The extent of the Association ranges from Asia, Africa to Oceania, which enjoy abundant resources and convenient transportation. China and the member states have complementary economy, common interests in many fields and enormous potentials of cooperation. Both sides should increase communications and coordination by choosing some key areas, especially human resources development, port construction, transportation, energy, tourism and SMEs, for substantial cooperation and promoting common development.

Thank you for your attention.