

# Speech by Jyrki Katainen, Vice President of the European Commission at the Leaders' Roundtable of the Belt and Road Forum for International Cooperation

*[Mr. President, your Excellencies.]*

On behalf of the European Union it is a pleasure to be here in Beijing at the Belt and Road Forum, together with so many countries with an interest in enhancing connectivity.

The EU has been working with China on this issue since President Xi Jinping's visit in March 2014. We have begun to reflect on how we could extend the concept of connectivity to Asia as a whole.

Connectivity is about transcending borders. It is about openness, and the opportunity that brings. And addressing the concerns that people have.

The last year has seen rising pressure in many of our countries – and elsewhere – to reverse the tide of globalisation. But we know that tides cannot be stopped. We should focus instead on channelling globalisation into improving our lives – and making sure there is space in the boat for all our citizens.

Last week the European Commission published its own reflection paper on 'harnessing globalisation'. This made clear that we see the future in terms of rules-based trade and investment. We want to work with our partners to ensure we keep markets open on a reciprocal basis to ensure sustainable and inclusive growth.

Through investments of up to ten trillion dollars per year in transport, energy, and communications networks, we are essentially rewiring the planet. Asia has important infrastructure needs and it is in Europe's interest to contribute.

China is at one end of the 'Belt and Road' – Europe is at the other. Done the right way, more investment in cross-border links could unleash huge growth potential with benefits for us all.

The European Union is already one of the biggest trade and investment partners of all Asian countries. Our economic prosperity is deeply interdependent – both ways.

We welcomed President Xi Jinping's speeches at Davos and Geneva, and his commitments on behalf of China to free trade, multilateralism and sustainable development.

More than ever, we must all work together to put these principles into practice, and to uphold the rules-based international system which underpins our the prosperity and security of all our citizens.

If we get it right, 21<sup>st</sup> century connectivity can also help the poorer parts of the world get a fairer share of the proceeds of globalisation. And it can bring the kind of economic development that helps to address the root causes of migration.

For connectivity to fulfil this promise, any scheme to connect Europe and Asia should adhere to the following principles.

- It should be an **open initiative** based on market rules and international standards.
- It should include **all modes of transport**, as well as digital and energy and people-to-people contacts.
- It should **complement existing networks and policies**. In the EU's case, we have decades of experience with the Trans-European Networks, which are now being extended into our neighbourhood, East and South.
- European and Asian infrastructure should not be designed in isolation. We need to build a **true network and not a patchwork**.
- Infrastructure networks must be **interoperable**. We want to bring down barriers, not create new ones.
- **Transparency** on our plans and activities must be the basis for our cooperation, and all partners should have a fair say about where the priorities lie. Multilateral frameworks like ASEM, should be used wherever possible.
- **Sustainability** is essential: projects must be economically viable, fiscally and socially responsible, as well as climate and environment-friendly.
- We must use the **wisdom of the multilateral banks**, whose decades of experience makes them an invaluable partner for new institutions such as the Asian Infrastructure Investment Bank.
- Finally, we should ensure that **there are real benefits** for all stakeholders. Not only for countries, but also for economic operators, who should have a fair chance to compete for business through open, transparent and non-discriminatory procurement procedures. A level-playing field for trade and investment is a critical condition if we want to maintain the political momentum and support for better connectivity between Europe and Asia.

The European Union is proud to work with China and other partners on improving connectivity between us. Finding synergies between our policies and projects will bring real benefits. The EU-China connectivity platform exemplifies this approach.

In times of growing tensions and geopolitical unpredictability, we all bear a

common responsibility to work together towards a more co-operative, rules-based global order that can bring our citizens together in peace and prosperity.