

# Lamy: EU should put China, Africa at the centre of its radar

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16 mai 2013 (updated: 16 mai 2013)



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**China and Africa will be an important engine for economic growth in the next 20 years and Europe should seize the opportunity to engage with them strategically and not see them as a threat, WTO Director-General Pascal Lamy said Wednesday (15 May) in Brussels, where he attended the European Business Summit.**

“Currently China is not at the centre of the radar,” said Lamy, the honorary president of the Paris-based think tank Notre Europe–Jacques Delors Institute.

Speaking at the launch of a new report on the EU’s external action, compiled by 16 European think tanks, Lamy stressed that 90% of European growth in the next 10 years will originate outside Europe, with one-third of it originating in China alone.

“Increased economic and political engagement with emerging economies like China is key for Europe’s growth,” he added, showing concern at trade disputes currently shattering Chinese-European relations (see background).

Even if there are friction and trade conflicts, there is ground for a strategic drive for partnership, said Lamy.

### **Europe is not the village idiot**

Responding to a question on Trade Commission Karel De Gucht's threats against the Chinese solar and telecom sectors over allegations they benefit from state subsidies, Lamy said the EU should not be seen as the “village idiot of the global economy, where the rest of the world is cleverly using dirty protectionism and Europe is naively penetrated by its partners who play on its innocence.”

“Europe protects its own markets on par with similar economies on this planet, whether US or Japan,” he said.

Lamy explained that China’s degree of openness is halfway between India, Brazil, Indonesia on one side and Europe, the United States and Japan on the other, because China joined the multilateral trading system very late and had to pay a much higher price to benefit from this anti-protectionist trade policy than other founding members of the GATT.

Noting that China abides by the rules within the WTO, he blamed Europe, the United States and Japan for not having been active in the WTO to strengthen anti-subsidies rules.

“We talked a lot of tariffs on carrots and electronic machinery but we have not talked much in the negotiations on strengthening anti-subsidies discipline and rightly so because nothing has happened,” Lamy said.

“If Europeans think that China is not playing by the rules, it is not because they are not playing by the rules, but because there are not enough rules,” he said.

According to the think tanks presenting the report “Think Global – Act European”, the recent crises in the euro area have highlighted major flaws in the European economic and political governances. Strong division and distrust between member states reflect profound questioning about the EU’s tools to return to growth and the EU should now refocus its attention on its global action if it does not want to be marginalised.

“The EU has yet to come with a convincing growth strategy,” said Elvire Fabry, senior research fellow at Notre Europe. “There is no evidence that political leaders will find the strength and drive to see beyond internal worries and engage in global strategic thinking.”

### **Underestimating Africa**

Another part of the world the EU should not sideline is Africa, the think tank report shows.

By 2030 Africa will have 1.5 billion people, half again as many as today, and together with China and India, will have two-thirds of the world’s young professionals.

“Africa is today too far away from radar screen of European trade and policymakers,” Lamy said in remarks made before attending the European Business Summit in Brussels.

With a growing middle-class, Africa represents a huge economic possibility for Europe, said Lamy, underlining the need for EU partners to stop looking at the African continent through the eyes of its colonial legacy.

“There is much more to be done in Africa as a partner in growth,” he said, underscoring not only trade, but also climate and environment.