

Merkel urges closer tech ties with rising IT giant China (Update)

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German Chancellor Angela Merkel on Sunday opens a major IT business fair where official partner China will showcase its rise as a high-tech power

German Chancellor Angela Merkel on Sunday urged closer high-tech cooperation with China as she opened a major IT business fair where the Asian giant is the official partner country.

"German business values China not just as our most important trade partner outside of Europe but also as a partner in developing



sophisticated technologies," she said.

"Especially in the digital economy, German and Chinese companies have core strengths... and that's why cooperation is a natural choice."

Merkel was speaking at the opening the CeBIT fair in the western city of Hanover, where more than 600 Chinese companies will exhibit their tech marvels this week, showcasing the country's rise as an IT power.

China's information and communication technology has bucked the country's wider slowdown in economic growth and is booming in what is now the world's biggest smartphone market with the highest number of Internet users.

For Germany, Europe's top economy, the event aims to further cement business ties with fellow export power China as both seek to adapt to the sweeping digitisation of the world economy.

Germany is already by far the biggest European economic player in China. Two-way trade last year reached 150 billion euros (\$157 billion). Both countries have declared 2015 the year of their "innovation partnership".

Chinese Premier Li Keqiang in a video message praised Germany as "an industrial powerhouse and land of thinkers" and said he looked forward to more German-Chinese cooperation in "web-based, digital and intelligent technologies".

He said both countries' digital strategies complement each other and that he hoped "to further strengthen our comprehensive strategic partnership and embark together on a path of win-win cooperation and joint prosperity in the world".



'Digitisation going east'



Founder and executive chairman of Alibaba Group, Jack Ma, gestures during a speech at National Taiwan University (NTU) in Taipeion March 3, 2015

The almost three-decade old CeBIT once dazzled consumers with gadgets but has been overshadowed by big tech events in Las Vegas and Barcelona, leading it to focus on business users. Last year IT professionals made up more than 90 percent of the more than 200,000 visitors.

China's huge showing "makes it the biggest and strongest partner country presentation we've ever seen at CeBIT," said top exhibition executive Oliver Frese.

Its tech giants including Huawei, Xiaomi and Lenovo filled more than



3,000 square metres (30,000 square feet) of exhibition space.

"China was known as a supplier of components and later as a supplier of hardware, smartphones, tablets and also PCs," said CeBIT spokesman Hartwig von Sass.

"Now China has numerous companies that have become world leaders... We see this as a shift on the world map: digitisation is going east."

The head of German IT industry group BITKOM, Dieter Kempf, expressed awe at the scale of the Chinese market.

"This consumer market in China is something we can barely comprehend, more than 1.2 billion people with significant pent-up demand for IT solutions, which is far beyond European dimensions," he told AFP.

The keynote speaker at the opening ceremony was China's richest man, Jack Ma, head of online merchant Alibaba—China's answer to eBay and Amazon—who shared his vision of the future in a talk brimming with enthusiasm.

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