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Sarkozy praises China amid uproar over Dalai Lama

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France sought to assuage Chinese feelings on Monday after President Nicolas Sarkozy's weekend meeting with the Dalai Lama, hoping to avoid a repetition of the backlash against French goods sparked by pro-Tibetan protests on the streets of Paris earlier this year.

Sarkozy called China "one of the greats of the world," insisting during a speech about human rights on Monday that he "always thought there was only one China."

Sarkozy justified his weekend meeting with the Dalai Lama in Gdansk, Poland, saying it was his duty to meet the Tibetan spiritual leader.

China summoned the French ambassador to say it was a "rude intervention" in Chinese affairs and a newspaper called Sarkozy "arrogant."

French business leaders have said they are worried about the trade implications of tense Franco-China relations. Trade retaliation is one of the most potent weapons in China's arsenal as businesses all over the world compete with each other for a piece of China's large economy.

The Dalai Lama has met in recent months with President George W. Bush, British Prime Minister Gordon Brown and German Chancellor Angela Merkel, drawing protests and differing levels of economic and political retaliation from Beijing.

China called off a planned summit with the European Union, due to be hosted in the French city of Lyon, in protest at Sarkozy's meeting. Around 150 Chinese businessmen had been expected to meet with European counterparts at the sidelines of the meeting.

But while Sarkozy's meeting with the Dalai Lama upset officials, it does not seem to have had as much impact on Chinese public sentiment as the French protests during the Olympic torch relay in April. That offended many Chinese people proud of their country's hosting of the athletic championship.

Some called for boycotts of French products after the protests, temporarily hurting some visible and easily targeted French companies such as Carrefour SA, which is China's biggest retailer with 46,000 employees.

In April and May, Paris-based Carrefour said it suffered "strongly negative" sales, but that the effect didn't last long.

In an editorial Monday calling Sarkozy "arrogant," the English-language China Daily newspaper named Carrefour and LVMH's luxury leather goods arm Louis Vuitton as brands that may be tarnished by the latest spat.

The newspaper said the government may still need to buy Airbus planes, but Chinese travelers may decide to avoid Paris and consumers may avoid "brand names they feel bad about, be it Louis Vuitton or Carrefour."

Carrefour said Monday it is staying "vigilant" but declined to comment further. LVMH also declined to comment.

"There are still many opportunities in China," said Pierre Dhomps, CEO of Energie 7 International, which helps small and medium-sized French companies develop in China.

To shield China from a global slowdown, the government is planning to spend 4 trillion yuan (\$586 billion) on construction and other projects, which Dhomps said is an opportunity.

"To help China with its stimulus package there are new opportunities for French companies particularly in environment and high technology," he said.

French exports to China in the nine months through September rose 3.3 percent from the same period a year earlier to euro6.8 billion. French demand for Chinese products rose even faster, with imports up 5.6 percent at euro22 billion over the period. The numbers exclude trade with Hong Kong.