



## EAST ASIA

Asia is the world's largest and most populous continent and is of great geostrategic importance to the EU. The EU has three strategic partners in East Asia: China, Japan and the Republic of Korea. It faces security concerns in the region, such as the nuclear challenge in North Korea and the maritime disputes in the South China Sea. The EU is a strong economic player and major aid and development donor, working to foster institution-building, democracy, good governance and human rights.

This fact sheet describes the East Asia region. See also the fact sheets on South Asia ([5.6.7](#)) and Southeast Asia ([5.6.9](#)).

### LEGAL BASIS

- Title V (EU external action) of the Treaty on European Union (TEU);
- Articles 206-207 (trade) and Articles 216-219 (international agreements) of the Treaty on the Functioning of the European Union (TFEU);
- Partnership and Cooperation Agreements (PCAs) (bilateral relations).

### EAST ASIA

#### A. China

The EU resumed relations with China in 1994, but the arms embargo imposed by the EU after the Tiananmen Square events of 1989 remains in place. The growing economic and geopolitical interdependence between the two partners is reflected in the joint 'EU-China 2020 Strategic Agenda for Cooperation', which has deepened and broadened cooperation in a wide range of areas, such as foreign and security policy, economic development, global governance and multilateral cooperation in trade and investment, and in social, environmental and other areas including people-to-people contacts. The EU adopted the 'Elements for a new EU strategy on China' in 2016.

The 21st EU-China Summit was held in Brussels on 9 April 2019, following the EU-China Strategic Dialogue held on 18 March 2019 in Brussels in preparation for the summit. The [Joint Statement issued in 2019](#) reflects a continued attempt not only to cooperate on global challenges, but also to give impetus to a bilateral economic relationship based much more on non-discrimination, fair competition and a level playing field. The EU and China agreed in particular to seek solutions to a number of key barriers identified by both parties, 'with a stocktaking taking place at the next EU-China Summit'.



The Joint Statement confirmed that as global actors the EU and China have a shared responsibility in addressing regional and global challenges such as climate change and implementation of the Paris COP21 climate agreement, common security threats, including counter-terrorism and cybersecurity, and compliance with the Joint Comprehensive Plan of Action (JCPOA) with Iran concerning Iran's nuclear programme. They also reaffirmed their determination to strengthen multilateralism and the rules-based multilateral trading system, including the processes to reform the international monetary and financial systems (including IMF quotas) and the World Trade Organisation (WTO), for which the EU and China have set up a joint working group. They confirmed the importance of the G20 as 'the premier forum in international economic and financial cooperation' in upholding the multilateral system. The two parties also pledged to improve Europe-Asia connectivity on the basis of market rules, transparency, open procurement, a level playing field and fair competition, and to forge synergies between the EU Strategy on Connecting Europe and Asia and China's Belt and Road Initiative.

The EU and China undertook to conclude an ambitious Comprehensive Investment Agreement in 2020 aimed at creating a level playing field for business, providing new market opportunities and protecting investors and their investments, and allowing both sides to envisage broader and deeper ambitions.

The EU remains China's top trading partner while China is the EU's second largest trading partner. Trade in goods between the EU and China is worth well over EUR 1.5 billion a day, with the EU's annual exports in 2018 amounting to EUR 210 billion and its imports totalling EUR 395 billion. EU exports of services to China in 2017 reached EUR 44 billion, while it imported EUR 28 billion worth of services. In 2017, Chinese foreign direct investment (FDI) flows into the EU amounted to around EUR 30 billion, while EU FDI investment in China was estimated at around EUR 6 to 7 billion.

Parliament has drawn attention to China's human rights violations, including arbitrary detention, labour camps, the death penalty, curbs on freedom of expression and association, forced abortions, and repressive policies in [Tibet](#) and Xinjiang. Parliament has also supported Chinese citizens' calls for effective political reforms<sup>[1]</sup> and has condemned the treatment of various individual human rights defenders and activists. China firmly opposes any outside 'interference' in its internal affairs, including on human rights issues. The 37th round of the EU-China Human Rights Dialogue was held in April 2019.

## **B. Taiwan**

The EU adheres to the 'One China' policy and does not recognise Taiwan as a sovereign state. However, the EU continues its engagement with Taiwan in non-political fields, including commercial and economic areas such as trade, research and climate change.

The EU has developed a well-structured dialogue on economic and trade matters with Taiwan in a number of sectors, such as the car industry, pharmaceuticals, cosmetics

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[1]European Parliament resolution of 14 March 2013 on EU-China relations (OJ C 36, 29.1.2016, p. 126).



and medical devices. The EU is Taiwan's fourth largest trading partner after China, the US and Japan, and trade in goods between the EU and Taiwan reached a new record of EUR 51.9 billion in 2018. With FDI stocks of EUR 21.2 billion in 2017, the EU is the largest investor in Taiwan.

Parliament has repeatedly encouraged closer EU-Taiwan bilateral cooperation in areas such as trade, research, culture, education, climate change and environmental protection, expressing its support for potential negotiations on an EU-Taiwan investment agreement.

The EU and Taiwan held their first annual Human Rights Consultations on 22 March 2018.

### C. Hong Kong

EU-Hong Kong relations cover trade and economic development, customs cooperation, innovation and technology, competition, food safety, the environment and education. The EU was Hong Kong's second largest trading partner in goods in 2018 after mainland China, while Hong Kong was the EU's 17th largest trading partner in goods and its 10th largest in services. The 12th EU-Hong Kong Structured Dialogue took place in December 2018. [The European Parliament recommendation of 13 December 2017](#), issued 20 years after the establishment of the Hong Kong Special Administrative Region (SAR), stressed that respect for the Basic Law of the Hong Kong SAR was of key importance for further strengthening relations with the EU. While the EU adheres to the 'One China' policy and acknowledges China's objection to 'interference in internal affairs', the recommendation condemns China's interference in Hong Kong's internal affairs, which may put the long-term viability of the 'one country, two systems' model at risk. The EU removed Hong Kong from the watch list for [non-cooperative tax jurisdictions](#) on 12 March 2019 following improvements made in good governance.

### D. Japan

Japan has been a strategic partner of the EU since 2003 and shares its values regarding human rights, democracy and the rule of law. The EU-Japan Strategic Partnership Agreement (SPA), which entered into force on a provisional basis on 1 February 2019 and covers political dialogue and cooperation on policy matters and on regional and global challenges, takes the partnership to a new level. It will also strengthen inter-parliamentary dialogue between the European Parliament and the Japanese Diet. The EU-Japan Economic Partnership Agreement (EPA), one of the EU's most comprehensive free trade agreements, entered into force on 1 February 2019. It is expected to stimulate trade and economic growth on both sides. The EPA contains commitments regarding both trade in goods and trade in services, and it provides a framework that promotes bilateral investment. It also sets ambitious targets for sustainable development and includes for the first time a specific commitment to the Paris climate agreement.

The EU and Japan share a common vision for an open and rules-based world economy that guarantees the highest standards.

Japan is the EU's second largest trading partner in Asia after China, with total trade between the two amounting to EUR 135 billion in 2018. The two parties



remain committed to further enhancing investment relations by concluding a separate investment agreement in the near future that would include investor/investment protection standards and a mechanism for the resolution of disputes. The EU and Japan concluded negotiations on an adequate level of data protection on 17 July 2018. They adopted decisions on 23 January 2019 to recognise each other's data protection systems as 'equivalent', creating the world's largest area of safe data flows.

The 26th EU-Japan summit held on 25 April 2019 focused on climate change, regional security and trade, as well as on the state of the bilateral relationship.

#### **E. The Republic of Korea (South Korea)**

EU-South Korea relations date back to the 1997 Agreement on Cooperation and Mutual Administrative Assistance in Customs Matters. Today, the Republic of Korea is one of the EU's 10 strategic partners in the areas of global security, the economy, the environment and international cooperation. Bilateral trade between the EU and South Korea has grown significantly and reached a record level of over EUR 100 billion in 2018. The EU is a significant investor in South Korea: its FDI stocks amounted to EUR 51 billion in 2017.

South Korea's science and technology sector is one of the most advanced in the world. It seeks to focus on innovation and has an impressive record in robotics and artificial intelligence, opening up new opportunities to increase joint scientific and technological cooperation with the EU.

South Korea has a highly digitised economy and is developing a national cybersecurity strategy after experiencing hacks and attacks that affected millions of people and official sites. North Korea has been accused of plotting most of the major cyber attacks. There is increasing cooperation between the EU and South Korea in the field of cyber threats.

Inter-Korean tensions were extremely high in 2017, with the continued testing of North Korean weapons. North Korea's participation in the Winter Olympic Games in February 2018 in PyeongChang marked a turning point. President Moon Jae-in of the Republic of Korea is attempting to ease tensions through dialogue and confidence-building measures. Three inter-Korean summits to seek denuclearisation took place between April and September 2018. The EU supports a diplomatic solution to the Korean nuclear crisis.

In March 2017, South Korea's Constitutional Court confirmed the impeachment of the former president, Park Geun-hye. Moon Jae-in, leader of the Democratic Party, was elected president in May 2017. The new administration is implementing an ambitious economic growth agenda, increasing government spending and pursuing redistributive social policies.

A mission from Parliament's Committee on Foreign Affairs visited Japan and South Korea in April 2018 with the aim of deepening the bilateral strategic partnerships and the parliamentary dimension of these.

The ninth EU-South Korea summit took place on 19 October 2018 in Brussels. The EU and South Korea discussed the expansion of the bilateral agenda and wider challenges relating to global and regional security and peace and the non-proliferation of weapons of mass destruction.



## F. The Democratic People's Republic of Korea (DPRK) (North Korea)

The EU has a policy of 'critical engagement' towards the Democratic People's Republic of Korea (DPRK or North Korea), which combines pressure in the form of sanctions and other measures with keeping communication channels open. Bilateral relations are limited and the EU has no bilateral political or commercial treaties in force with North Korea. Moreover, excluding humanitarian assistance, the EU's development cooperation – mainly related to food security – is subject to political considerations, UN sanctions and other constraints. Parliament has passed several resolutions condemning North Korea's nuclear and missile programmes and has expressed grave concerns about the deteriorating human rights situation in the country.

To complement and reinforce the relevant UN Security Council resolutions (2270, 2321, 2371, 2375 and 2397), [the EU has several times expanded the range of sanctions against the DPRK](#) by extending the ban on investment beyond financial services and transport to new sectors. These include the conventional arms-related industry, metallurgy, aerospace and computer services, and services linked to mining and manufacturing in the chemical, mining and refining industries. In April 2018<sup>[2]</sup>, the EU added one individual and 21 entities to the list of those subject to restrictive measures targeting the DPRK because of their involvement in illegal trade activities and actions facilitating the evasion of sanctions. In total, 80 individuals and 75 entities are currently listed by the UN, while 59 individuals and nine entities have in addition been sanctioned by the EU autonomously.

Following North Korea's joint participation with South Korea in the Winter Olympic Games in February 2018 in PyeongChang, three inter-Korean summits took place in April, May and September 2018. This historic development demonstrated the mutual interest of the two nations in pursuing the goal of de-escalation and peace in the Korean peninsula.

The first DPRK-US Summit took place on 12 June 2018 in Singapore. North Korean President Kim Jong-un and US President Trump agreed in their Joint Statement of 12 June 2018 to establish new relations on the basis of the April 2018 Panmunjom Declaration signed at the inter-Korean summit. The DPRK committed to working towards the complete denuclearisation of the Korean Peninsula. The second DPRK-US Summit took place in Hanoi (Vietnam) on 27-28 February 2019, but no agreement was reached on denuclearisation. US President Trump stated that he was ready to continue negotiations with Kim Jong-un.

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[2]<http://www.consilium.europa.eu/en/press/press-releases/2018/04/06/north-korea-eu-aligns-its-restrictive-measures-with-latest-un-sanctions/>

