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*Plenary sitting*

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# **REPORT**

on the state of EU-China relations  
(2017/2274(INI))

Committee on Foreign Affairs

Rapporteur: Bas Belder

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on the state of EU-China relations (2017/2274(INI))

*The European Parliament,*

- having regard to the establishment of diplomatic relations between the EU and China as of 6 May 1975,
- having regard to the EU-China Strategic Partnership launched in 2003,
- having regard to the main legal framework for relations with China, namely the EEC-China Trade and Economic Cooperation Agreement<sup>1</sup>, signed in May 1985, which covers economic and trade relations and the EU-China cooperation programme,
- having regard to the EU-China 2020 Strategic Agenda for Cooperation agreed on 21 November 2013,
- having regard to the structured EU-China political dialogue formally established in 1994 and the High-Level Strategic Dialogue on strategic and foreign policy issues established in 2010, in particular the 5th and 7th EU-China High-Level Strategic Dialogues held in Beijing on 6 May 2015 and 19 April 2017 respectively,
- having regard to the negotiations for a new Partnership and Cooperation Agreement, which began in 2007,
- having regard to the negotiations for a Bilateral Investment Agreement, which were started in January 2014,
- having regard to the 19th EU-China Summit, which took place in Brussels on 1 and 2 June 2017,
- having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 22 June 2016 on ‘Elements for new EU strategy with China’ (JOIN(2016)0030),
- having regard to the Council conclusions of 18 July 2016 on EU Strategy on China,
- having regard to the joint report from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 24 April 2018 entitled ‘Hong Kong Special Administrative Region: Annual Report 2017’ (JOIN(2018)0007),
- having regard to the Council’s guidelines of 15 June 2012 on the EU’s Foreign and Security Policy in East Asia,
- having regard to the adoption of the new national security law by the Standing Committee of the Chinese National People’s Congress on 1 July 2015,

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<sup>1</sup> OJ L 250, 19.9.1985, p. 2.

- having regard to the White Paper of 26 May 2015 on China’s military strategy,
- having regard to the EU-China dialogue on human rights launched in 1995 and the 35th round thereof, held in Brussels on 22 and 23 June 2017,
- having regard to the more than 60 sectoral dialogues between the EU and China,
- having regard to the establishment in February 2012 of the EU-China High-Level People-to-People Dialogue, which accommodates all EU-China joint initiatives in this field,
- having regard to the scientific and technological cooperation agreement between the European Community and China, which entered into force in 2000<sup>1</sup>, and the Science and Technology Partnership Agreement signed on 20 May 2009,
- having regard to the UN Framework Convention on Climate Change (UNFCCC) and the Paris Climate Agreement, which came into force on 4 November 2016,
- having regard to the Energy Dialogue between the European Community and China,
- having regard to the EU-China Round Tables,
- having regard to the 19th National Congress of the Communist Party of China, which took place from 18 to 24 November 2017,
- having regard to the ‘Environmental Protection Tax Law’ promulgated by the National People’s Congress in December 2016, which came into effect on 1 January 2018,
- having regard to the fact that the International Organisation for Migration has stated that environmental factors have an impact on national and international migration flows, as people leave places with harsh or deteriorating conditions resulting from accelerated climate change<sup>2</sup>,
- having regard to the 2018 EU-China Tourism Year (ECTY), launched in Venice on 19 January 2018,
- having regard to the report of the Foreign Correspondents’ Club of China (FCCC) on working conditions, issued on 30 January 2018 and entitled ‘Access Denied – Surveillance, harassment and intimidation as reporting conditions in China deteriorate’,
- having regard to EU Statement - Item 4 issued at the 37th session of the UN Human Rights Council on 13 March 2018 entitled ‘Human rights situation that requires the Council’s attention’,
- having regard to the 41st EP-China Inter-Parliamentary Meeting, which took place in Beijing in May 2018,
- having regard to its recent resolutions on China, in particular those of 2 February 2012

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<sup>1</sup> OJ L 6, 11.1.2000, p. 40.

<sup>2</sup> <https://www.iom.int/migration-and-climate-change>

- on the EU foreign policy towards the BRICS and other emerging powers: objectives and strategies<sup>1</sup>, of 23 May 2012 on EU and China: Unbalanced Trade?<sup>2</sup>, of 14 March 2013 on nuclear threats and human rights in the Democratic People's Republic of Korea<sup>3</sup>, of 5 February 2014 on a 2030 framework for climate and energy policies<sup>4</sup>, of 17 April 2014 on the situation in North Korea<sup>5</sup>, of 21 January 2016 on North Korea<sup>6</sup>, and of 13 December 2017 on the Annual Report on the implementation of the Common Foreign and Security Policy (CFSP)<sup>7</sup>,
- having regard to its resolutions of 7 September 2006 on EU-China relations<sup>8</sup>, of 5 February 2009 on trade and economic relations with China<sup>9</sup>, of 14 March 2013 on EU-China relations<sup>10</sup>, of 9 October 2013 on the EU-China negotiations for a bilateral investment agreement<sup>11</sup> and on EU-Taiwan trade relations<sup>12</sup>, and of 16 December 2015 on EU-China relations<sup>13</sup>, and to its recommendation of 13 December 2017 to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on Hong Kong, 20 years after handover<sup>14</sup>,
  - having regard to its human rights resolutions of 27 October 2011 on Tibet, in particular self-immolation by nuns and monks<sup>15</sup>, of 14 June 2012 on the human rights situation in Tibet<sup>16</sup>, of 12 December 2013 on organ harvesting in China<sup>17</sup>, of 15 December 2016 on the cases of the Larung Gar Tibetan Buddhist Academy and of Ilham Tohti<sup>18</sup>, of 16 March 2017 on EU priorities for the UN Human Rights Council sessions in 2017<sup>19</sup>, of 6 July 2017 on the cases of Nobel laureate Liu Xiabo and Lee Ming-che<sup>20</sup> and of 18 January 2018 on the cases of human rights activists Wu Gan, Xie Yang, Lee Ming-che and Tashi Wangchuk, and the Tibetan monk Choekyi<sup>21</sup>,
  - having regard to the EU arms embargo introduced after the Tiananmen crackdown of June 1989, as supported by Parliament in its resolution of 2 February 2006 on the annual report from the Council to the European Parliament on the main aspects and

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<sup>1</sup> OJ C 239 E, 20.8.2013, p. 1.

<sup>2</sup> OJ C 264 E, 13.9.2013, p. 33.

<sup>3</sup> OJ C 36, 29.1.2016, p. 123.

<sup>4</sup> OJ C 93, 24.3.2017, p. 93.

<sup>5</sup> OJ C 443, 22.12.2017, p. 83.

<sup>6</sup> Texts adopted, P8\_TA(2016)0024.

<sup>7</sup> Texts adopted, P8\_TA(2017)0493.

<sup>8</sup> OJ C 305 E, 14.12.2006, p. 219.

<sup>9</sup> OJ C 67 E, 18.3.2010, p. 132.

<sup>10</sup> OJ C 36, 29.1.2016, p. 126.

<sup>11</sup> OJ C 181, 19.5.2016, p. 45.

<sup>12</sup> OJ C 181, 19.5.2016, p. 52.

<sup>13</sup> OJ C 399, 24.11.2017, p. 92.

<sup>14</sup> Texts adopted, P8\_TA(2017)0495.

<sup>15</sup> OJ C 131 E, 8.5.2013, p. 121.

<sup>16</sup> OJ C 332 E, 15.11.2013, p. 69.

<sup>17</sup> OJ C 468, 15.12.2016, p. 208.

<sup>18</sup> Texts adopted, P8\_TA(2016)0505.

<sup>19</sup> Texts adopted, P8\_TA(2017)0089.

<sup>20</sup> Texts adopted, P8\_TA(2017)0308.

<sup>21</sup> Texts adopted, P8\_TA(2018)0014.

basic choices of CFSP<sup>1</sup>,

- having regard to the nine rounds of talks held from 2002 to 2010 between high-ranking representatives of the Chinese Government and the Dalai Lama, to China’s White Paper on Tibet entitled ‘Tibet’s Path of Development Is Driven by an Irresistible Historical Tide’ and published by China’s State Council Information Office on 15 April 2015, and to the 2008 Memorandum and the 2009 Note on Genuine Autonomy, both presented by the representatives of the 14th Dalai Lama,
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs and the opinions of the Committee on International Trade and the Committee on the Environment, Public Health and Food Safety (A8-0252/2018),
- A. whereas the 19th EU-China Summit in 2017 advanced a bilateral strategic partnership, which has a global impact, and highlighted joint commitments to addressing global challenges, common security threats and the promotion of multilateralism; whereas there are many areas where constructive cooperation could bring mutual benefits, including in international fora such as the UN and G20; whereas the EU and China have confirmed their intention to step up cooperation on the implementation of the 2015 Paris Agreement in combating climate change, cutting back on fossil fuels, promoting clean energy and reducing pollution; whereas further cooperation and coordination between the two sides in this sector is needed, including in the field of research and the exchange of best practices; whereas China has adopted a carbon emissions trading scheme based on the EU’s ETS; whereas the EU’s vision for multilateral governance is one of a rules-based order and based on universal values such as democracy, human rights, the rule of law, transparency and accountability; whereas in the current geopolitical context, it is more important than ever to promote multilateralism and a rules-based system; whereas the EU expects its relationship with China to be one of reciprocal benefit in both political and economic terms; whereas it expects China to assume responsibilities in line with its global impact and to support the rules-based international order from which it, too, benefits;
- B. whereas cooperation between the EU and China on foreign policy, security and defence, and in the fight against terrorism is extremely important; whereas cooperation between the two sides was essential in securing the Iranian nuclear deal; whereas China’s stance played a key role in creating space for negotiations in the North Korean crisis;
- C. whereas largely ignored in Europe, the Chinese leadership has gradually and systematically stepped up its efforts to translate its economic weight into political influence, notably through strategic infrastructure investments and new transport links, as well as strategic communication aimed at influencing European political and economic decision-makers, the media, universities and academic publishers and the wider public in order to shape perceptions about China and convey a positive image of the country, by building up ‘networks’ of supportive European organisations and individuals across societies; whereas China’s surveillance of the large number of mainland students now studying across Europe is cause for concern as are its efforts to

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<sup>1</sup> OJ C 288 E, 25.11.2006, p. 59.

control people in Europe who have fled China;

- D. whereas the 16+1 format between China on one hand, and 11 Central and Eastern European Countries (CEEs) and five Balkan countries on the other, was established in 2012 in the aftermath of the financial crisis and as part of Chinese sub-regional diplomacy to develop large-scale infrastructure projects and strengthen economic and trade cooperation; whereas planned Chinese investment and funding in these countries is substantial, but not as important as EU investment and engagement; whereas European countries participating in this format should consider giving greater weight to the notion of one voice for the EU in its relations with China;
- E. whereas China is the fastest-growing market for EU food products;
- F. whereas China's Belt and Road Initiative (BRI), including China's Arctic Policy, is the most ambitious foreign policy initiative the country has ever adopted, comprising geopolitical and security-related dimensions and therefore going beyond the claimed scope of economic and trade policy; whereas BRI was further strengthened with the establishment of the Asian Infrastructure Investment Bank (AIIB) in 2015; whereas the EU insists on a multilateral governance structure and on non-discriminatory implementation of the BRI; whereas the European side wishes to guarantee that any connectivity project under BRI will honour the obligations stemming from the Paris accord as well as ensure that other international environmental, labour and social standards and the rights of indigenous people are upheld; whereas the Chinese infrastructure projects could create large debts for the European governments to Chinese state-owned banks offering loans on non-transparent terms and create few jobs in Europe; whereas some BRI-related infrastructure projects have already placed third governments in a state of over-indebtedness; whereas so far the lion's share of all BRI-related contracts have been awarded to Chinese companies; whereas China is using some of its industrial standards in BRI-related projects in a discriminatory way; whereas BRI-related projects must not be awarded in a non-transparent tender; whereas within the BRI, China is using a multiplicity of channels; whereas 27 national EU ambassadors to Beijing have recently compiled a report that sharply criticises the BRI project, denouncing it as being designed to hamper free trade and put Chinese companies at an advantage; whereas BRI is regrettably devoid of any kind of human rights safeguards;
- G. whereas China's diplomacy has increasingly emerged as a stronger player from the 19th Party Congress and this year's National People's Congress (NPC), with at least five high-ranking officials in charge of the country's foreign policy and a substantial boost to the budget of the Ministry of Foreign Affairs; whereas a newly created State International Development Cooperation Agency will be in charge of coordinating China's growing budget for foreign aid;
- H. whereas China introduced limits on terms of office in the 1980s in response to the excesses of the Cultural Revolution; whereas on 11 March 2018 the NPC voted almost unanimously in favour of abrogating the limit of two consecutive terms for the posts of President and Vice-President of the People's Republic of China;
- I. whereas the Chinese top leadership, while claiming non-interference in other countries' internal affairs, regularly calls into question Western countries' political system in its

official communications;

- J. whereas on 11 March 2018, the NPC endorsed the establishment of a National Supervisory Commission, a new party-controlled body designed to institutionalise and expand control over all civil servants in China, listing it as a state body within China's Constitution;
- K. whereas in 2014, the State Council of China announced detailed plans to create a Social Credit System with the aim of rewarding behaviour that the Party considers financially, economically and socio-politically responsible, while sanctioning non-compliance with its policies; whereas the project of social credit scoring will likely also have an impact on foreigners living and working in China, including EU citizens, and entail consequences for EU and other foreign companies operating in the country;
- L. whereas it is clear that in some regions of China, the livelihoods of the rural population will deteriorate because of variations in temperature and precipitation and through other climate extremes; whereas relocation planning has become an effective adaptation policy option to reduce climate-induced vulnerability and poverty<sup>1</sup>;
- M. whereas the human rights situation in China has continued to deteriorate with the government stepping up its hostility toward peaceful dissent, the freedom of expression and religion, and the rule of law; whereas civil society activists and human rights defenders are being detained, prosecuted and sentenced on the basis of vague charges such as 'subverting state power' and 'picking quarrels and provoking trouble', and are often detained incommunicado at undisclosed locations, without access to medical care or legal representation; whereas detained human rights defenders and activists are sometimes held in 'residential surveillance in a designated location', a method used to cut off detainees from contact, during which torture and ill-treatment are frequently reported; whereas China continues to deny free speech and the freedom to inform, and a high number of journalists, bloggers and independent voices have been imprisoned; whereas in its strategic framework on human rights and democracy, the EU has pledged that human rights, democracy, and rule of law will be promoted 'in all areas of the EU's external actions without exception' and that the EU will 'place human rights at the centre of its relations with all third countries including strategic partners'; whereas the EU-China summits have to be used to bring about concrete results in the field of human rights, namely the release of jailed human rights defenders, lawyers and activists;
- N. whereas EU diplomats have at times been prevented by the Chinese authorities from observing trials or visiting human rights defenders, work that is in line with the EU Guidelines on Human Rights Defenders;
- O. whereas China has set up a sprawling state architecture of digital surveillance, ranging from predictive policing to the arbitrary collection of biometric data in an environment devoid of privacy rights;
- P. whereas the Chinese Government has passed a slew of new laws, in particular, the State

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<sup>1</sup> Y. Zhen, J. Pan, X. Zhang, 'Relocation as a policy response to climate change vulnerability in Northern China', ISSC and UNESCO 2013, *World Social Science Report 2013, Changing Global Environments*, pp. 234-241.

Security Law, passed on 1 July 2015, the Counterterrorism Law, the Cybersecurity Law and the Overseas NGO Management Law (ONGO Law), that designate public activism and peaceful criticism of the government as state security threats, strengthen the censorship, surveillance and control of individuals and social groups and deter individuals from campaigning for human rights;

- Q. whereas the ONGO Law, which came into force on 1 January 2017, is one of the biggest challenges to international NGOs (INGOs) because this law regulates all activities in China funded by INGOs and provincial security officers are primarily responsible for implementing the ONGO Law;
- R. whereas the new regulations on religious affairs that took effect on 1 February 2018 are more restrictive towards religious groups and activities and force them to fall more closely into line with party policies; whereas the new rules threaten persons associated with religious communities that do not have legal status in the country with the imposition of fines when they travel abroad for the purpose of religious education, in the broad sense, and even more so for pilgrimages, which are subject to fines amounting to a multiple of the lowest salary; whereas freedom of religion and conscience has reached a new low since the start of the economic reforms and the opening up of China in the late 1970s; whereas religious communities have been facing increasing repression in China, with Christians, both in underground and state-sanctioned churches, being targeted through the harassment and detention of believers, the demolition of churches and the crackdown on Christian gatherings;
- S. whereas the situation in Xinjiang, where 10 million Muslim Uighurs and ethnic Kazakhs live, has rapidly deteriorated, in particular since President Xi's ascension to power, as absolute control of Xinjiang has been elevated to a top priority, driven by both periodic terrorist attacks in or allegedly connected to Xinjiang by Uighurs and the strategic location of the Xinjiang Uighur Autonomous Region for the BRI; whereas an extrajudicial detention programme has been established, holding tens of thousands of people who are forced to undergo political 're-education', as well as the development of a sophisticated network of invasive digital surveillance, including facial recognition technology and data collection, mass deployment of police, and strict restrictions on religious practices and the Uighur language and customs;
- T. whereas the situation in Tibet has deteriorated over the past few years, in spite of economic growth and infrastructure development, with the Chinese Government curtailing a wide range of human rights under the pretext of security and stability, and engaging in relentless attacks against Tibetan identity and culture; whereas the surveillance and control measures have been on the increase over the past few years as well as arbitrary detentions, acts of torture and ill-treatment; whereas the Chinese Government has created in Tibet an environment in which there are no limits to state authority, a climate of fear is pervasive, and every aspect of public and private life is tightly controlled and regulated; whereas in Tibet, any acts of non-violent dissent or criticism of state policies with regard to ethnic or religious minorities can be considered as 'splittist' and therefore criminalised; whereas access to the Tibet Autonomous Region today is more restricted than ever for foreigners, including EU citizens, particularly for journalists, diplomats and other independent observers, and even more difficult for EU citizens of a Tibetan background; whereas no progress has been made

in the resolution of the Tibetan crisis in the last few years as the last round of peace talks took place in 2010; whereas the deterioration of the humanitarian situation in Tibet has led to an increase of self-immolation cases with a total number of 156 since 2009;

- U. whereas the People's Republic of China (PRC) State Council issued a white paper on the practice of the 'one country, two systems' policy in Hong Kong on 10 June 2014, stressing that the autonomy of the Hong Kong Special Administrative Region (SAR) is ultimately subject to the central PRC Government's authorisation; whereas over the years the people of Hong Kong have witnessed mass demonstrations in favour of democracy, media freedom and the full implementation of the Basic Law; whereas Hong Kong's traditional open society has paved the way for the development of a genuine and independent civil society that actively and constructively takes part in the public life of the SAR;
- V. whereas the contrasting political developments of the PRC and Taiwan, with an increasingly authoritarian and nationalist party-state regime on one side and a multi-party democracy on the other, raises the danger of an escalation of the cross-strait relations; whereas the EU adheres to the 'one China' policy as regards Taiwan, and supports the 'one country, two systems' principle as regards Hong Kong;
- W. whereas after over three years of talks, China and the Association of Southeast Asian Nations (ASEAN) agreed in August 2017 on a one-page framework as a basis for future discussions on a Code of Conduct (CoC) for all parties in the South China Sea; whereas the disputed Chinese land reclamation has largely been completed in the Spratly Islands, but continued last year in the Paracel Islands further north;
- X. whereas China too is becoming a more active and important external player in the Middle East due to its obvious economic, security and geopolitical interests;
- Y. whereas China is increasingly providing Official Development Aid (ODA) and is emerging as a major actor in development policy, providing a much-needed boost to development policy but at the same time raising concerns about local ownership of projects;
- Z. whereas China's presence and investments in Africa have been greatly increasing and this has led to an exploitation of natural resources often without any consultation of local populations;
- 1. Reasserts that the EU-China Comprehensive Strategic Partnership is one of the most important partnerships for the EU and that there is still much more potential for deepening this relationship and for further cooperation in the international arena; stresses the importance of strengthening cooperation and coordination in the field of global governance and international institutions, notably at UN and G20 level; stresses that in the context of a complex, globalised and multipolar world where China has become a significant economic and political actor, the EU has to maintain opportunities for a constructive dialogue and cooperation and to promote all necessary reforms in areas of common interest; reminds China of its international obligations and responsibilities in terms of contributing to peace and global security, as a permanent member of the UN Security Council;

2. Recalls that the EU-China Comprehensive Strategic Partnership is founded on a shared commitment to openness and working together as part of a rules-based international system; stresses that both sides have committed to establishing a transparent, just and equitable system of global governance, sharing the responsibility for promoting peace, prosperity and sustainable development; recalls that the EU's engagement with China should be principled, practical and pragmatic, staying true to its interests and values; is concerned that the increase in China's global economic and political weight over the past decade has put the shared commitments at the core of EU-China relations to the test; underlines China's responsibilities as a global power and calls on the authorities to ensure in all circumstances respect for international law, democracy, human rights and fundamental freedoms, in accordance with the UN Charter and the Universal Declaration on Human Rights and other international instruments signed or ratified by China; calls on the Council, the European External Action Service (EEAS) and the Commission to ensure that EU-China cooperation is grounded in the rule of law, universality of human rights, the international human rights commitments undertaken by both sides and the commitment to progress towards the achievement of the highest standard of human rights protection; stresses that reciprocity, a level playing field and fair competition across all areas of cooperation should be strengthened;
3. Stresses that addressing global and regional challenges, such as security, disarmament, non-proliferation, counter-terrorism and cyberspace, cooperation on peace, climate change, energy, oceans and resource efficiency, deforestation, wildlife trafficking, migration, global health, development and combatting the destruction of cultural heritage sites and the looting and trafficking of illegal antiquities all require genuine partnership between the EU and China; urges that the EU capitalise on China's commitment to tackling global problems such as climate change and further extend successful cooperation in peacekeeping with China, as one of the biggest contributors to the UN budget and an increasing contributor of troops to UN peacekeeping operations, to other areas of joint interest while promoting multilateralism and a global governance based on respect for international law, including international humanitarian and human rights law; welcomes in this regard the successful counter-piracy cooperation since 2011 in the Gulf of Aden; calls on the EU and its Member States to proactively promote the EU's economic and political interests and to defend EU values and principles; stresses that multilateralism is one of the core EU values with regard to global governance and that it must be actively safeguarded when dealing with China;
4. Notes that the High Representative's and the Commission's Joint Communication 'Elements for a new EU Strategy on China', together with the Council conclusions of 18 July 2016, provide the policy framework for EU engagement with China over the coming years;
5. Underlines that the Council has concluded that in conducting their relations with China, Member States, the High Representative and the Commission will cooperate to ensure consistency with EU law, rules and policies, and that the overall outcome is beneficial for the EU as a whole;
6. Recalls that as it continues to grow and integrate into the global economy through its 'going out' policy as announced in 2001, China seeks to increase its access to the European market for Chinese goods and services and to technology and know-how in

order to support plans such as ‘Made in China 2025’, and to strengthen its political and diplomatic influence in Europe; stresses that these ambitions have intensified in particular in the aftermath of the 2008 global financial crisis, shaping new dynamics in EU-China relations;

7. Calls on those Member States participating in the 16+1 format to ensure that their participation in this format enables the EU to have one voice in its relationship with China; calls on those Member States to carry out sound analysis and scrutiny of suggested infrastructure projects involving all the stakeholders and to ensure no compromising of national and European interests for short-term financial support and long-term commitments to Chinese involvement in strategic infrastructure projects and potentially greater political influence, which would undermine the EU’s common positions on China; is aware of China’s increasing influence on the infrastructure and markets of the EU candidate countries; underlines the necessity of transparency of the format by inviting the EU institutions to its meetings and keeping them fully briefed on its activities in order to ensure that relevant aspects are coherent with EU policy and legislation and give all sides mutual benefits and opportunities;
8. Notes the Chinese interest in strategic infrastructure investments in Europe; concludes that the Chinese Government is using the BRI as a very effective narrative framework for elements of its foreign policy and that EU public diplomacy efforts need to be strengthened in the light of this development; supports the call on China to adhere to the principles of transparency in public procurement as well as environmental and social standards; calls on all EU Member States to support EU public diplomacy responses; suggests that data on all Chinese infrastructure investments in EU Member States and countries in process of EU accession negotiations be shared with the EU institutions and other Member States; recalls that such investments are part of an overall strategy to have Chinese state-controlled or state-funded companies take control of banking and the energy sector, as well as other supply chains; underlines six overarching challenges of the BRI: a multilateral approach to BRI governance; very little local labour employed, receiving country and third-country contractor involvement extremely limited (about 86 percent of BRI projects involve Chinese contractors), construction materials and equipment imported from China, lack of transparency on tenders, and the potential use of Chinese standards instead of international standards; insists that the BRI must include human rights safeguards, and believes that it is of the utmost importance to develop synergies and projects in full transparency and with the involvement of all the stakeholders and in line with EU legislation, while complementing EU policies and projects in order to deliver benefits for all countries along the planned routes; welcomes the setting-up of the EU-China Connectivity Platform, which promotes cooperation in transport infrastructure across the Eurasian continent; notes with satisfaction that several infrastructure projects have been identified, and underlines that projects should be implemented on the basis of key principles such as promotion of economically, socially and environmentally sustainable projects, geographic balance, and a level playing field among investors and project promoters, as well as transparency;
9. Takes positive note that the EU policy on China forms part of a rounded policy approach to the Asia-Pacific region, taking full advantage and account of the EU’s close relations with partners such as the United States, Japan, South Korea, the ASEAN countries, Australia and New Zealand;

10. Stresses that EU-China cooperation should be more people-oriented and deliver more real benefits to citizens in order to build mutual trust and understanding; calls on the EU and China to live up to the promises made on the occasion of the 4<sup>th</sup> EU-China High Level People-to-People Dialogue in 2017, and to promote more interactions among people, for instance by intensifying cultural cooperation in the field of education, training, youth and gender equality and joint initiatives in the field of people-to-people exchange;
11. Draws attention to the need for greater support to students and scholars from China who are in Europe, so that they are less vulnerable to being pressured by Chinese authorities to surveil one another and to become tools of the Chinese state, as well as the importance of looking very carefully at substantial mainland funding to academic institutions across Europe;
12. Welcomes the outcome of the 4th EU-China High Level People-to-People Dialogue that took place on 13 and 14 November 2017 in Shanghai; stresses that the High Level People-to-People Dialogue should help build mutual trust and consolidate intercultural understanding between EU and China;
13. Welcomes the 2018 EU-China Tourism Year (ECTY); highlights that besides its economic significance, it is a fine example of EU cultural diplomacy in the framework of the EU-China strategic partnership, as well as a way to develop a better understanding between European and Chinese peoples; underlines that the 2018 EU-China Tourism Year coincides with the European Year of Cultural Heritage and that an increasing number of Chinese tourists highly value the cultural richness of Europe;
14. Calls on the EU Member States to urgently and decisively step up collaboration and unity on their China policies, including in the UN fora, in view of the EU's failure, for the first time ever, to make a joint statement on China's human rights records at the UN Human Rights Council in Geneva in June 2017; strongly suggests taking advantage of Europe's much greater collective bargaining power with China, and that Europe defends its democracies so as to better face up to China's systematic efforts to influence its politicians and civil society, in order to shape an opinion more conducive to China's strategic interests; in that regard calls on the larger Member States to use their political and economic weight towards China to promote the EU's interests; is concerned that China is also attempting to influence educational and academic institutions and their curricula; proposes that the EU and the Member States foster high-quality European thinktanks on China in order to ensure the availability of independent expert advice for strategic orientations and decision-making;
15. Underlines that the promotion of human rights and the rule of law must be at the core of the EU's engagement with China; firmly condemns the ongoing harassment, arbitrary arrest and prosecution of human rights defenders, lawyers, journalists, bloggers, academics and labour rights defenders and their families without due process, including foreign nationals both in mainland China and abroad; underlines that a vibrant civil society and the work of human rights defenders are key to an open and prosperous society; stresses the importance for the EU to robustly act to promote full respect for human rights in the context of its relationship with China, focusing on both immediate results such as to end the government's crackdown on human rights defenders, civil

society actors and dissidents, to end all judicial harassment and intimidation against them, to immediately and unconditionally release all political prisoners, including EU citizens and medium/long-term goals such as legal and policy reforms in line with international human rights law. and to develop, implement and continue to adapt a strategy to maintain visibility of EU action on human rights in China, including a strategy on public communications; insists that EU and Member State diplomats must not be prevented or obstructed from implementing the EU Guidelines on Human Rights Defenders; commits that the EU must prioritise providing protection and support for human rights defenders at risk;

16. Calls on the EU and its Member States to pursue a more ambitious, united and transparent policy with regard to human rights in China and to substantially consult and engage with civil society, in particular ahead of high-level meetings and human rights dialogues; underlines that the EU at the 35th round of the EU-China Human Rights Dialogue emphasised the deteriorating situation for civil and political rights in China, including restrictions on freedom of expression; calls on China to act upon the issues raised at the Human Rights Dialogue, to fulfil its international obligations and to respect its own constitutional safeguards for upholding the rule of law; insists on maintaining a regular, high-level and results-oriented human rights dialogue; is concerned that the evaluation of human rights dialogues with China have never been public and has never been open to independent groups from China; calls on the EU to set clear benchmarks for progress, to ensure more transparency and to involve independent Chinese voices in the discussion; calls on the EU and its Member States to disclose, collect and address all forms of visa harassment (delayed or denied visa issuance/access with no reasons given and pressure applied by Chinese authorities during the application process in forms of 'interviews' with Chinese interlocutors unwilling to identify themselves) regarding scholars, journalists or members of civil society organisations;
17. Is seriously worried about the findings of the FCCC's 2017 report that the Chinese Government has intensified its attempts to deny or restrict the access of foreign journalists to large parts of the country while increasing the use of the visa renewal process to pressure unwanted correspondents and news organisations; urges the EU and its Member States to demand from the Chinese authorities reciprocity in press freedom, and warns against the pressure foreign correspondents are experiencing at home as Chinese diplomats reach out to media headquarters to criticise the work of reporters in the field;
18. Notes that the PRC is the EU's second-largest trading partner and that the EU is the PRC's largest trading partner; stresses the constant growth in trade between the two but considers the balance of trade in goods to be skewed in the PRC's favour; calls for a cooperative approach and a constructive attitude in order to effectively address matters of concern and exploit the great potential of EU-PRC trade; calls on the Commission to intensify cooperation and dialogue with the PRC;
19. Notes the findings of recent investigations that since 2008, China has acquired assets in Europe worth USD 318 billion; notes that this figure does not include several mergers, investments and joint ventures;
20. Notes that the PRC is a major global trade player and that the country's large market

could in principle represent, particularly in the current global trade context, a good opportunity for the EU and for European businesses; recalls that Chinese companies, including state-owned enterprises, are benefiting from wide open markets in the EU; acknowledges the remarkable results of the PRC in lifting hundreds of millions of citizens out of poverty over the past four decades;

21. Notes that EU outward foreign direct investment (FDI) in the PRC has steadily decreased since 2012, particularly in the traditional manufacturing sector, with a parallel increase in investment in high-tech services, utilities, and agricultural and construction services, while the PRC's investment in the EU has grown exponentially over the past few years; acknowledges that since 2016 the PRC has become a net investor in the EU; takes note of the fact that in 2017, 68 % of Chinese investments into Europe came from state-owned enterprises; is concerned about state-orchestrated acquisitions that might hinder European strategic interests, public security objectives, competitiveness and employment;
22. Welcomes the Commission's proposal on an FDI screening mechanism in the areas of security and public order, which represents one of the EU's endeavours to adapt to a changing global environment, without specifically targeting any one of the EU's international trade partners; cautions that the mechanism should not lead to protectionism in disguise; calls, nonetheless, for its swift adoption;
23. Welcomes the commitments made by President Xi Jinping to further open up the Chinese market to foreign investors and improve the investment environment, to complete the revision of the negative list on foreign investment and lift restrictions for European companies, and to strengthen the protection of intellectual property rights and level the playing field by making the PRC's market more transparent and better regulated; calls for the fulfilment of these commitments;
24. Reiterates the importance of ceasing all discriminatory practices against foreign investors; recalls, in this respect, that such reforms will benefit both Chinese and European businesses, especially micro, small and medium enterprises (MSMEs);
25. Calls on the Commission to promote the Union's new General Data Protection Regulation (GDPR) as a gold standard in its trade relations with China; points out the need for a systematic dialogue with China and other WTO partners on regulatory requirements relating to the digitisation of our economies and its multifaceted impact on: trade, production chains, cross-border digital services, 3D printing, consumption patterns, payments, taxes, the protection of personal data, property rights issues, the provision and protection of audiovisual services, the media and people-to-people contacts;
26. Calls on the PRC to accelerate the process of joining the WTO Government Procurement Agreement and to submit an accession offer so as to give European companies access to its market on an equivalent basis to the access that Chinese companies already enjoy in the EU; regrets the fact that the Chinese public procurement market remains largely closed to foreign suppliers, with European businesses suffering from discrimination and a lack of access to the Chinese market; calls on the PRC to allow non-discriminatory access to European businesses and workers on public

procurement; calls on the Council to swiftly adopt the International Procurement Instrument; calls on the Commission to be vigilant against contracts awarded to foreign enterprises suspected of dumping practices and to take action where necessary;

27. Calls for coordinated cooperation with the PRC on the Belt and Road Initiative on the basis of reciprocity, sustainable development, good governance, and open and transparent rules, in particular as regards public procurement; regrets, in this respect, the fact that the Memorandum of Understanding signed by the European Investment Fund and the PRC's Silk Road Fund (SRF) and that signed by the European Investment Bank (EIB), the Asian Development Bank, the Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the New Development Bank and the World Bank have not yet improved the business environment for European enterprises and workers; regrets the absence of professional sustainable impact assessments in various projects relating to Belt and Road, and underlines the importance of investment quality, particularly with regard to positive effects on employment, labour rights, environmentally sound production, and the mitigation of climate change, in line with multilateral governance and international standards;
28. Supports the ongoing negotiations on a comprehensive EU-PRC Investment Agreement, which were launched in 2013, and invites the PRC to engage more in this process; calls on both parties to renew their efforts to advance the negotiations, which are aimed at achieving a genuine level playing field for European businesses and workers, and to ensure reciprocity in market access, striving for specific provisions on SMEs and public procurement; calls on both parties, moreover, to seize the opportunity provided by the investment agreement to increase their cooperation in the area of environmental and labour rights, and to include a sustainable development chapter in the text;
29. Recalls that EU companies face a growing number of restrictive market access measures in the PRC owing to joint venture obligations in several sectors of industry and further discriminatory technical requirements, including forced data localisation and source code disclosure, and regulatory rules for foreign-owned business; welcomes, in this regard, the Notice on Several Measures on Promoting Further Openness and Active Utilisation of Foreign Investment, issued by the PRC's State Council in 2017, but regrets the absence of a timeline for achieving its goals; calls on the Chinese authorities, therefore, to swiftly materialise these commitments;
30. Calls for both the EU and its Member States and China to intensify cooperation to build up circular economies, as this urgent need has become even more visible following China's legitimate decision to ban imports of plastic waste from Europe; calls on both partners to intensify economic and technological cooperation in order to prevent global production chains, trade and transport, and tourism services from causing an unacceptable build-up of plastic pollution in our oceans;
31. Calls on the PRC to strive to play a responsible role on the global stage, with complete cognisance of the responsibilities arising from its economic presence and performance in third countries and on global markets, including by lending its active support to the multilateral rules-based trading system and the WTO; believes, in the present context of global value chains, that heightening international trade tensions should be resolved through negotiations, while reiterating the need to pursue multilateral solutions; calls, in

this respect, for the fulfilment of obligations enshrined in the PRC's Accession Protocol to the WTO and the protection of its operative mechanisms; underlines the notification and transparency obligations stemming from WTO agreements as regards subsidies, and expresses concerns about the current practice of the direct or indirect subsidisation of Chinese companies; calls for coordination with major EU trading partners on joint efforts and action to tackle and eliminate state-induced market distortions affecting global trade;

32. Regrets the fact that the PRC, despite the completion of the procedure for reforming the European anti-dumping duties calculation methodology, has not yet withdrawn its case against the EU at the WTO appellate body;
33. Expresses concern at the escalating tariff measures being taken by China and the United States;
34. Expresses concern at the number of restrictions that European companies, and MSMEs in particular, continue to face in the PRC, including the 2017 Foreign Investment Catalogue and the 2017 Free Trade Zone Negative List, as well as in sectors covered by the 'Made in China 2025' plan; calls for the rapid reduction of these restrictions in order to fully harness the potential of cooperation and synergies between Industry 4.0 schemes in Europe and the 'Made in China 2025' strategy, in view of the need to restructure our production sectors towards intelligent manufacturing, including cooperation in the development and definition of respective industrial standards in multilateral fora; recalls the importance of reducing government subsidies in the PRC;
35. Calls on the PRC to stop making market access increasingly conditional on forced technology transfers, as stated in the European Union Chamber of Commerce's 2017 position paper on China;
36. Calls for the resumption of negotiations on the Environmental Goods Agreement (EGA), by building on the fruitful collaboration between the EU and the PRC in the fight against climate change and the strong joint commitment towards the implementation of the Paris Agreement; stresses the trade potential of technological cooperation on clean technologies;
37. Notes with concern the conclusions of the Commission's report on the protection and enforcement of intellectual property rights in third countries, which singles out the PRC as the chief concern; reiterates the need to ensure protection for the European knowledge-based economy; calls on the PRC to fight the illicit use of European licences by Chinese companies;
38. Calls on the Commission to provide for a European Union presence at the China International Import Expo to be held in Shanghai in November 2018, and to provide SMEs, in particular, with the opportunity to showcase their work; calls on the Commission to reach out to chambers of commerce, particularly in Member States that are currently less involved in trade with China, in order to promote this opportunity;
39. Expresses concern about the PRC's state measures that caused trade distortions, including industrial overcapacity in raw material sectors such as the steel and

aluminium sectors, among others; recalls the commitments made at the first ministerial meeting of the Global Forum on Steel Excess Capacity in 2017 to refrain from providing market-distorting subsidies, but regrets the failure of the Chinese delegation to deliver data on capacity; calls on the PRC to fulfil its commitment to identify and disclose data on its subsidies and support measures for the steel and aluminium industries by June 2018; recognises the link between global industrial overcapacity and the surge in protectionist trade measures, and continues to urge multilateral cooperation in order to address the structural concerns behind overcapacity; welcomes the proposed tripartite action by the US, Japan and the EU at WTO level;

40. Highlights the importance of an ambitious EU-PRC agreement on geographical indications (GIs), based on the highest international standards, and welcomes the EU-PRC 2017 joint announcement on the list of 200 Chinese and European GIs, for which protection will be the subject of negotiations; considers, however, that given that negotiations were launched in 2010, the list is a very modest outcome, and regrets the lack of progress in this regard; calls for an early conclusion of negotiations and urges both parties to consider the opportunity of the upcoming EU-PRC Summit as a good occasion to score effective progress to this end; reiterates the need to cooperate further in the field of sanitary and phytosanitary (SPS) measures in order to reduce burdens on EU exporters;
41. Welcomes China's decision to delay by one year the implementation of new certifications for imported food and drink, which would have dramatically reduced food imports from the EU; welcomes, moreover, the delay in implementation of new standards for electric vehicles and calls for substantive dialogue and increased coordination regarding such initiatives;
42. Recommends that the EU and the Chinese Government launch a joint initiative within the G20 to establish a Global Forum on Aluminium Excess Capacity, with a mandate to address the entire value chain of the bauxite, alumina and aluminium industry, including raw material prices and environmental aspects;
43. Calls on the Commission to actively monitor the Chinese trade distortion measures, which are affecting EU companies' positions in global markets, and to take appropriate action in the WTO and other fora, including through dispute settlement;
44. Notes that a new Chinese foreign investment law is in the process of being drafted; urges the Chinese parties concerned to strive for transparency, accountability, predictability and legal certainty, and to take into account the proposals and expectations of the current EU-China dialogue on the trade and investment relationship;
45. Express concerns about the new cybersecurity law, which includes, inter alia, new regulatory barriers for foreign companies that sell telecommunications and IT equipment and services; regrets the fact that such recently adopted measures, together with the establishment of Chinese Communist Party groups within private companies, including foreign firms, and measures such as the NGO law, make the overall business environment in the PRC more hostile for foreign and private economic operators;
46. Notes that in 2016 the PRC's banking system surpassed that of the euro area as the

world's largest; calls on the PRC to allow foreign banking enterprises to compete on an equal footing with domestic institutions and to cooperate with the EU in the area of financial regulation; welcomes the PRC's decision to reduce tariffs on 187 consumer goods and the removal of foreign ownership caps for banks;

47. Recalls its 2015 report on relations between the EU and the PRC, in which it called for the launch of negotiations for a bilateral investment agreement with Taiwan; points out that the Commission has on more than one occasion announced the launch of negotiations on investment with Hong Kong and Taiwan, but deems it regrettable that no such negotiations have actually begun; reiterates its support for a bilateral investment agreement with Taiwan and Hong Kong; recognises that both partners could also act as a springboard to mainland China for EU businesses;
48. Calls on the Commission to coordinate with the Member States and under the consultation of Parliament to formulate a unified European position and common economic strategy towards the PRC; calls on all Member States to consistently adhere to this strategy;
49. Underlines the potential consequences of the proposed social credit system for the business environment, and calls for its implementation in a transparent, fair and equitable manner;
50. Welcomes the legislative progress in the EU on Regulation (EU) 2017/821 on supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, and similar conflict minerals legislation in China aimed at ensuring that the trade in these minerals does not finance armed conflict; emphasises the need to prevent conflict minerals from being processed in our mobile phones, cars and jewellery; calls on both the Commission and the Chinese Government to set up structured cooperation to support the implementation of the new legislation and to effectively prevent global, Chinese and EU smelters and refiners from using conflict minerals, to protect mine workers, including children, from being abused, and to require EU and Chinese companies to ensure that they import these minerals and metals from responsible sources only;
51. Notes that at the 19th Party Congress held in October 2017 and during the last session of the NPC, General Secretary and President Xi Jinping strengthened his position of power within the party, paving the way for the unlimited extension of his mandate, and increased the control of the party organs over the state apparatus and the economy, including the setting up of party cells in foreign enterprises; notes that the corresponding overhaul of the political system of the PRC is accompanied by a further shift in political focus towards a policy based on close surveillance in all areas;
52. Stresses that the creation of the National Supervisory Commission, whose legal status is equal to that of the courts and the public prosecutor, is a drastic step towards merging party and state functions, as it establishes a State supervisory body that takes its orders from and shares offices and staff with the Party's Central Commission for Discipline Inspection (CCDI); is concerned about the far-ranging personal consequences of this extension of the party supervision to a large number of people, as it means that the anti-corruption campaign can be expanded to prosecute not just party members but also civil

servants, from managers of state-owned companies to university professors and directors of village schools;

53. Observes that while the Social Credit System is still under construction, blacklists of non-compliant individuals and legal entities, as well as ‘red lists’ for outstanding individuals and companies, form the core of the current stage of implementation, whereby the main focus is on punishing offenders on the blacklists and rewarding those on the red lists; notes that in early 2017 China's Supreme People's Court stated that more than six million Chinese nationals had been banned from flying as a result of social misdeeds; firmly rejects the public naming and shaming of blacklisted persons as an integral part of the Social Credit System; underlines the importance and necessity of a dialogue between the EU institutions and their Chinese counterparts on all serious societal consequences of the present central planning and local experiments with the Social Credit System;
54. Expresses concern at China's massive cyberspace surveillance systems and calls for the adoption of a regulation on enforceable privacy rights; condemns the ongoing crackdown on internet freedom by the Chinese authorities, in particular the freedom to access foreign websites, and regrets the policy of self-censorship adopted by some Western companies operating in China; recalls that eight out of the world's 25 most popular websites are blocked in China, including websites from major IT firms;
55. Remarks that Xi's declaration about the vital importance of ‘long-term stability’ in Xinjiang to the success of BRI has resulted in the intensification of longstanding strategies of control augmented by a variety of technological innovations and a rapid increase in expenditure on domestic security, and the use of counter-terrorism measures to criminalise dissent and dissident individuals via the application of a broad definition of terrorism; is concerned by the state's implementation of measures to ensure the ‘comprehensive supervision’ of the region via installation of China's ‘Skynet’ electronic surveillance in major urban areas, installations of GPS trackers in all motor vehicles, use of facial recognition scanners at checkpoints and at train and petrol stations, and a blood-collecting effort by Xinjiang's police to further expand China's DNA database; expresses its deepest concern at the sending of thousands of Uyghurs and ethnic Kazakhs to political ‘re-education camps’ based on analysis of the data harvested through a system of ‘predictive policing’, including for having travelled abroad or being adjudged to be too religiously devout; judges that Xi's proclamation that BRI will ‘benefit people across the whole world’ as it will be based on the ‘Silk Road spirit’ of ‘peace and cooperation, openness and inclusiveness’ is far removed from the reality confronting Uyghurs and ethnic Kazakhs in Xinjiang; urges the Chinese authorities to free those reportedly detained for their beliefs or cultural practices and identities;
56. Stresses that the institutional and financial strengthening of China's diplomacy reflects the high priority given by Xi Jinping to foreign policy as part of his vision to turn China into a global power by 2049; notes that the shifting of responsibility for foreign affairs, made during the last session of the NPC, proves the growing role of foreign policy in the Party's decision-making process; underlines the fact that the establishment of the State International Development Cooperation Agency expresses the great importance that Xi's leadership attaches to bolstering its global security interests through economic

means, for example by ‘better serving’ BRI; concludes, therefore, that over the next five years China will be more present and more engaged overseas, with diplomatic and economic initiatives to which the EU and its Member States must find common answers and strategies;

57. Stresses the importance of ensuring peace and security in the South and East China Seas for stability in the region; underlines the importance of ensuring freedom and safety of navigation in the region for many Asian and European states; notes that structures completed over the last year on land features in both the Spratlys and Paracels in the South China Sea include large hangars along 3 km-long airstrips, hardened shelters for missile platforms, large underground storage areas, many administrative buildings, military jamming equipment, large networks of high frequency and over-the-horizon radar and sensor arrays, and that this points to a phase of consolidation and further build-up of far-reaching surveillance and military capabilities, while further militarisation of the islands through placement of even more advanced military platforms might be reserved as potential retaliation to fresh legal actions or expanded international naval presence; calls on China and ASEAN to speed up consultations on a Code of Conduct for the peaceful resolution of disputes and controversies in this area; insists that the issue should be solved according to international law under the United Nations Convention on the Law Of the Sea (UNCLOS); underlines that the EU and its Member States, as contracting parties to UNCLOS), acknowledge the award rendered by the Arbitral Tribunal; reiterates its call on China to accept the Tribunal’s award; underlines that the EU would like to maintain the international order based upon the rule of law;
58. Is strongly concerned about the shrinking space for civil society since Xi Jinping rose to power in 2012, especially in view of the Overseas NGO Management Law which entered into force on 1 January 2017, putting all foreign NGOs, including thinktanks and academic institutions, under an increased administrative burden and economic pressure and under the strict control of a Supervisory Unit affiliated with the Ministry of Public Security, with a strongly negative impact on their operations and funding; expects that European NGOs enjoy in China the same liberties that China's NGOs enjoy in the EU; calls on the Chinese authorities to repeal restrictive legislation such as the Overseas NGO Law, which is inconsistent with the right to freedom of association, opinion and expression;
59. Insists that the Chinese authorities must guarantee that all those in detention must be treated in accordance with international norms and provided with access to legal counsel and medical treatment, in line with the UN Body of Principles for the Protection of All Persons under Any Form of Detention or Imprisonment;
60. Encourages China, as the 20th anniversary of its signature to the International Covenant on Civil and Political Rights approaches, to ratify it and to ensure its full implementation, including by ending all abusive practices and adapting its legislation as necessary;
61. Condemns the use of the death penalty, recalling that China has executed more people than all other countries combined and in 2016 the country carried out about 2 000 death sentences; urges China to shed light on the scale of executions in the country and to

ensure judicial transparency; calls for the EU to increase its diplomatic efforts and demand respect for human rights and the abolition of the death penalty;

62. Is strongly concerned that the main content of the new religious regulations will result in all religions and non-religious ethical associations, whether authorised or unauthorised, being given certain labels by the Chinese Government; underlines the fact that there are many congregations of the house churches in China who refuse to join the party- and state-sanctioned Three-Self Patriotic Movement Committee and the Christian Council for theological reasons; calls on the Chinese Government to allow the many house churches which are willing to register to do so directly with the government's Department of Civil Affairs, so that their rights and interests as social organisations will be protected;
63. Urges China to review its policies in Tibet; calls on China to review and amend the laws, regulations and measures passed in recent years that severely limit the exercise of civil and political rights of Tibetans, including their freedom of expression and their religious freedom; urges the Chinese leadership to pursue development and environmental policies that respect the economic, social and cultural rights of Tibetans and are inclusive of local populations, in line with the United Nations Sustainable Development Goals; calls on the Chinese government to investigate the ongoing cases of enforced disappearances, torture and ill-treatment of Tibetans and to respect their rights to freedom of association, peaceful assembly and freedom of religion and belief, in line with international human rights standards; stresses that the degradation of human rights in Tibet must be systematically raised at each EU-China Summit; calls for the resumption of a constructive and peaceful dialogue between the Chinese authorities and representatives of the Tibetan people; urges China to give EU diplomats, journalists and citizens unfettered access to Tibet in reciprocity to the free and open access to the entire territories of the EU Member States that Chinese travellers enjoy; calls on the Chinese authorities to allow Tibetans in Tibet to travel freely and to respect their right to freedom of movement; urges the Chinese authorities to allow independent observers, including the United Nations High Commissioner for Human Rights, to access Tibet; urges the EU institutions to take the issue of access to Tibet into serious consideration in the discussions on the EU-China visa facilitation agreement;
64. Notes that the Annual Report 2017 on the Hong Kong Special Administrative Region (SAR) by the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission concludes that despite some challenges, overall the 'one country, two systems' principle worked well, that the rule of law prevailed and free speech and freedom of information are generally respected, but that this report also voices concerns about the gradual erosion of the 'one country, two systems' principle, giving rise to legitimate questions about its implementation and Hong Kong's high degree of autonomy in the long term; underlines that the Annual Report observes that two negative trends regarding free speech and freedom of information became more pronounced, namely self-censorship when reporting on China's domestic and foreign policy developments and pressure on journalists; fully supports the encouragement of the EU to the Hong Kong SAR and the Central Government authorities to resume electoral reform in line with the Basic Law and to reach agreement on an electoral system that is democratic, fair, open and transparent; underlines that the people of Hong Kong have a legitimate right to continue to rely on a judiciary which is trusted, the

prevalence of the rule of law and low levels of corruption, transparency, human rights, freedom of opinion, and high standards of public health and safety; underlines that the full respect of Hong Kong's autonomy could provide the model for a process of deep democratic political reforms in China and the gradual liberalisation and opening of Chinese society;

65. Calls for the EU and its Member States to do their utmost to urge the PRC to refrain from further military provocation towards Taiwan and endangering peace and stability in the Taiwan Strait; emphasises that all cross-strait disputes should be settled by peaceful means on the basis of international law; expresses its concern about the unilateral decision by China to start using new flight routes above the Taiwan Strait; encourages the resumption of official dialogues between Beijing and Taipei; reiterates its consistent support for Taiwan's meaningful participation in international organisations, such as the World Health Organisation (WHO) and the International Civil Aviation Organisation (ICAO), where Taiwan's continuous exclusion is not in line with the EU's interests;
66. Recalls that as North Korea's biggest trade partner and main source of food and energy, China continues to play an instrumental role in addressing North Korea's globally threatening provocations together with the international community; welcomes, therefore, China's recent inclination to uphold some of the international sanctions against Pyongyang, including suspending coal imports from North Korea and restricting financial activities of North Korean individuals and businesses, as well as trade restrictions on textiles and seafood; also welcomes Beijing's efforts to establish dialogue with Pyongyang; urges the EU to speak with unity on China in order to play a constructive role in supporting the upcoming inter-Korean summit as well as the North Korea-US summit, with a view to actively assisting with the verifiable denuclearisation of North Korea and the establishment of permanent peace on the Korean peninsula;
67. Commends China for adhering to the sanctions against North Korea; calls on China to constructively contribute to the resolving of the situation in the Korean peninsula and to continue applying sanctions against North Korea until it has made significant progress in giving up its nuclear weapons, changing its rhetoric vis-à-vis South Korea and Japan and starting to uphold human rights;
68. Underlines the importance of China's efforts to achieve peace, security and stability in the Korean peninsula;
69. Welcomes China's contributions to United Nations and African Union peacekeeping; remarks that the EU aims to reinforce its engagement with China on foreign policy and security issues by encouraging China to mobilise its diplomatic and other resources to support international security, and to contribute to peace and security in the EU's neighbourhood based on international law; notes that the cooperation with China in the field of export control, disarmament, non-proliferation issues and the denuclearisation of the Korean peninsula is essential to ensure stability in the East Asia region;
70. Welcomes China's aim to develop into a sustainable economy; stresses that the EU can support China's economic reform programme with its know-how; underlines that China is a key partner for the EU with regard to tackling climate change and global

environmental challenges; aims to work together with China to speed up the implementation of the Paris Climate Agreement;

71. Welcomes the reforms undertaken by China since the launch of its ‘ecological civilisation’ approach; considers the special status granted to environmental NGOs in courts, audits of the environmental impact of the work of officials, and high investment in electro-mobility and clean energy as reforms in the right direction;
72. Welcomes China’s 2016 action plan to tackle antimicrobial resistance; stresses the importance of cooperation between China, which accounts for half the world’s annual antimicrobial drug consumption, and the EU in tackling this global threat; insists that animal welfare provisions should be included in bilateral EU-China trade agreements;
73. Takes note of China’s decision to ban imports of solid waste, which highlights the importance of the process of designing, producing, repairing, reusing and recycling products, with a particular emphasis on the production and use of plastic; recalls China’s recent attempt to ban exports of rare earth elements, and asks the Commission to take into consideration the interdependence of the global economies when prioritising EU policies;
74. Believes that there would be scope, an interest in and a need for the EU and ASEAN to work together to develop a joint circular economy strategy; believes China could play a key role in taking this initiative forward in ASEAN;
75. Argues that China and the European Union will benefit from promoting sustainability in their economies and from developing a multi-sector sustainable and circular bioeconomy;
76. Welcomes the agreement to increase cooperation on research and innovation in flagship initiatives such as those on food, agriculture and biotechnologies, environment and sustainable urbanisation, surface transport, safer and greener aviation and biotechnologies for environment and human health that were agreed upon during the 3rd EU-China Innovation Cooperation Dialogue in June 2017 and the corresponding Roadmap for EU-China science and technology (S&T) cooperation from October 2017; calls on the EU and China to continue these efforts and to put the results of the research and development projects into practice;
77. Points out that the EU and China are heavily dependent on fossil fuels and together account for around a third of total global consumption, which places China at the top of the World Health Organisation (WHO) ranking for deadly outdoor air pollution; stresses that increased trade in bioeconomy products made from renewable materials can help reduce the fossil dependency of China’s and the Union’s economies; calls for the EU and China to deepen their relations in other areas of mitigation of greenhouse gas emissions such as electric mobility, renewable energies and energy efficiency, to continue and broaden the EU-China Roadmap on energy cooperation beyond 2020, and to intensify joint efforts on developing instruments for green finance, especially climate finance; calls for China and the EU to explore and engage in the advance planning and development of cross-border electricity transmission lines, using high-voltage direct current technology to make renewable energy sources more accessible;

78. Encourages the EU and China to continue their partnership on sustainable urbanisation, including in areas such as clean transport, air quality improvement, the circular economy and ecodesign; stresses the need for further environmental protection measures, bearing in mind that more than 90 % of cities do not comply with the national standard of PM 2.5 air pollution concentration and that in China more than one million people die each year from diseases linked to air pollution;
79. Underlines the mutual interest of the EU and China in promoting low-carbon development and addressing greenhouse gas (GHG) emissions in transparent, public and well-regulated energy markets; believes in the value of strategic EU-China partnerships as necessary for the implementation of the Paris Agreement and for the effective combating of climate change; calls on the EU and China to use their political weight to advance the implementation of the Paris Agreement as well as of the 2030 Agenda on Sustainable Development and the Sustainable Development Goals (SDGs), and urges a cooperative approach at the Conference of Parties of the UNFCCC as well as at the High-level Political Forum of the UN; calls on both sides to adopt a joint statement on climate action to demonstrate their shared commitment to a strong implementation of the Paris Agreement and active participation in the 2018 Talanoa Dialogue as well as at COP24; encourages both sides to play a responsible role in international negotiations by contributing to the objective to limit global warming through their respective internal climate policies, as well as by making financial contributions to reach the goal of providing USD 100 billion annually by 2020 for mitigation and adaptation;
80. Welcomes the launch of the nationwide emissions trading system in China in December 2017; takes note of the successful cooperation during the preparation phase between China and the EU enabling the launch; recognises the willingness of the Chinese leadership to reduce GHG emissions, and looks forward to the results of the ongoing work on monitoring, reporting and verification, which is key to the good functioning of the system; stresses the importance of economy-wide action on climate change, and welcomes the intention to expand its coverage to include industrial sectors and improve the trading arrangements of the system; calls on the EU and China to continue their partnership within the cooperation project for the development of China's carbon market, for it to become an effective instrument that creates meaningful incentives for emission reduction and further aligning it to the EU emissions trading system; calls on both sides to further promote carbon pricing mechanisms in other countries and regions, by using their own experiences and expertise and by exchanging best practice as well as engaging in efforts to build up cooperation between existing carbon markets in order to work towards a global level playing field;
81. Hopes that China will uncouple economic growth from ecological degradation, by incorporating biodiversity protection into its ongoing global strategies, facilitating the achievement of the UN 2030 Agenda for Sustainable Development and the SDGs, and implementing the ivory trade ban effectively; acknowledges the work done by the EU-China Bilateral Coordination Mechanism (BCM) on Forest Law Enforcement and Governance (FLEG) to tackle illegal logging globally; urges China, however, to investigate the significant undocumented trade in timber between the FLEGT Voluntary Partnership Agreement signatory states and China;

82. Recommends the adoption of mandatory Chinese policy guidelines on responsible overseas forestry investments to be implemented jointly with the supplier countries, involving Chinese companies in tackling the illegal timber trade;
83. Welcomes the fact that China and the EU have signed a Memorandum of Understanding (MOU) on water policy, with the aim of enhancing dialogue on the development and enforcement of legislation to protect water; strongly supports the September 2017 Turku Declaration signed by the EU and China, which stressed that good water governance should give priority to ecology and green development, to putting water conservation in a prominent position and to restoring water ecosystems; underlines that the MOU on establishing an EU-China Water Policy Dialogue not only enriches the contents of China-EU strategic partnership, but also specifies the direction, scope, methodology and financial arrangements for cooperation;
84. Recognises the key role of the Commission-funded cooperation project between European and Chinese organisations, implemented in 2014-2017 under the auspices of the Instrument for Nuclear Safety Cooperation (INSC), in assessing the standards and arrangements for radiological and nuclear emergency management in China and in enhancing the capabilities of the Chinese Nuclear Power Technology Research Institute in the area of severe accident management guidelines;
85. Encourages Chinese and European investors to adopt better global standards of social and environmental responsibility and to improve the safety standards of their extractive industries worldwide; reiterates that, with regard to negotiations on a Comprehensive Agreement on Investment (CAI) with China, the European Union must lend support to sustainable development initiatives by encouraging responsible investment and promoting core environmental and labour standards; asks the Chinese and European authorities to put in place incentives to encourage Chinese and European mining companies to conduct their activities in developing countries in conformity with international human rights standards and to encourage investment in capacity-building for knowledge and technology transfer and local recruitment;
86. Welcomes the announcement by China in the context of the One Planet Summit in December 2017 to make the environmental impacts of companies in China and of Chinese investment abroad more transparent; is concerned that infrastructure projects such as the One Belt One Road (OBOR) Initiative by China might have a negative impact on the environment and climate and could lead to the increased use of fossil fuels in other countries involved or affected by the infrastructure development; calls for the EU institutions and Member States to perform environmental impact assessments and to include sustainability clauses in any cooperation project within the OBOR framework; insists on the establishment of a joint committee, composed of representatives of involved countries and third parties, to supervise the impact on the environment and climate; welcomes the initiative of the Commission and the EEAS to draw up an EU-Asia connectivity strategy in the first half of 2018; insists that this strategy should include strong commitments to sustainability, environmental protection and climate action;
87. Welcomes China's progress in enhancing food safety standards, key features in protecting Chinese consumers and preventing food fraud; stresses the improvement of

consumer empowerment as an important step in the rise of a consumer culture in China;

88. Encourages the Chinese and European police and law enforcement services to take common action to control the export of illegal drugs and to share intelligence on drug trafficking by exchanging information to identify individuals and criminal networks; notes that, according to the study entitled 'European Drug Report 2017: Trends and Developments' published by the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), much of the supply of new psychoactive substances to Europe originates in China, with new substances being produced in bulk by chemical and pharmaceutical companies in China, from where they are shipped to Europe, where they are processed into products, packaged and sold;
89. Acknowledges that families and individuals have migrated in response to drought and other natural disasters, and that, in response, the Chinese authorities have planned several large-scale relocation projects; is concerned by reports from the Ningxia region pointing out numerous problems with the new towns, and reprisals for people who refused to move; expresses its concern about the fact that environmental defenders are being detained, prosecuted and sentenced and that registered domestic environmental NGOs are facing increasing scrutiny by the Chinese supervisory authorities;
90. Asks China to further expand its law enforcement efforts to stop illegal fishing, as Chinese fishing boats continue to poach in foreign waters, including Korea's Western Sea, the East China Sea, the South China Sea, the Indian Ocean, and even South America;
91. Asks Chinese exporters and European importers to cut toxic residues in Chinese-made clothes by establishing proper chemical management regulations and by phasing out the use of lead, nonylphenol ethoxylates (NPEs), phthalates, perfluorinated chemicals (PFCs), formaldehyde and other toxic products found in textiles;
92. Instructs its President to forward this resolution to the Council, the European External Action Service, the Commission, the governments and parliaments of the Member States and the accession and candidate countries, the Government of the People's Republic of China, the Chinese National People's Congress, the Taiwanese Government and the Taiwanese Legislative Yuan.



29.5.2018

## OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Foreign Affairs

on the state of EU-China relations  
(2017/2274(INI))

Rapporteur for opinion: Iuliu Winkler

### SUGGESTIONS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that the People's Republic of China, hereinafter the PRC, is the EU's second-largest trading partner and that the EU is the PRC's largest trading partner; stresses the constant growth in trade between the two but considers the balance of trade in goods to be skewed in the PRC's favour; calls for a cooperative approach and a constructive attitude in order to effectively address matters of concern and exploit the great potential of EU-PRC trade; calls on the Commission to intensify cooperation and dialogue with the PRC;
2. Notes the findings of recent investigations that since 2008, China has acquired assets in Europe worth USD 318 billion; notes that this figure does not include several mergers, investments and joint ventures;
3. Notes that the PRC is a major global trade player and that the country's large market could in principle represent, particularly in the current global trade context, a good opportunity for the EU and for European businesses; recalls that Chinese companies, including state-owned enterprises, are benefiting from wide open markets in the EU; acknowledges the remarkable results of the PRC in lifting hundreds of millions of citizens out of poverty over the past four decades;
4. Notes that EU outward foreign direct investment (FDI) in the PRC has steadily decreased since 2012, particularly in the traditional manufacturing sector, with a parallel increase in investment in high-tech services, utilities, and agricultural and construction

services, while the PRC's investment in the EU has grown exponentially over the past few years; acknowledges that since 2016 the PRC has become a net investor in the EU; takes note of the fact that in 2017, 68 % of Chinese investments into Europe came from state-owned enterprises; is concerned about state-orchestrated acquisitions that might hinder European strategic interests, public security objectives, competitiveness and employment;

5. Welcomes the Commission's proposal on an FDI screening mechanism in the areas of security and public order, which represents one of the EU's endeavours to adapt to a changing global environment, without specifically targeting any one of the EU's international trade partners; cautions that the mechanism should not lead to protectionism in disguise; calls, nonetheless, for its swift adoption;
6. Welcomes the commitments made by President Xi Jinping to further open up the Chinese market to foreign investors and improve the investment environment, to complete the revision of the negative list on foreign investment and lift restrictions for European companies, and to strengthen the protection of intellectual property rights and level the playing field by making the PRC's market more transparent and better regulated; calls for the fulfilment of these commitments;
7. Reiterates the importance of ceasing all discriminatory practices against foreign investors; recalls, in this respect, that such reforms will benefit both Chinese and European businesses, especially micro, small and medium enterprises (MSMEs);
8. Calls on the Commission to promote the Union's new General Data Protection Regulation (GDPR) as a gold standard in its trade relations with China; points out the need for a systematic dialogue with China and other WTO partners on regulatory requirements relating to the digitisation of our economies and its multifaceted impact on: trade, production chains, cross-border digital services, 3D printing, consumption patterns, payments, taxes, the protection of personal data, property rights issues, the provision and protection of audio-visual services, the media and people-to-people contacts;
9. Calls on the PRC to accelerate the process of joining the WTO Government Procurement Agreement and to submit an accession offer so as to give European companies access to its market on an equivalent basis to the access that Chinese companies already enjoy in the EU; regrets the fact that the Chinese public procurement market remains largely closed to foreign suppliers, with European businesses suffering from discrimination and a lack of access to the Chinese market; calls on the PRC to allow non-discriminatory access to European businesses and workers on public procurement; calls on the Council to swiftly adopt the International Procurement Instrument; calls on the Commission to be vigilant against contracts awarded to foreign enterprises suspected of dumping practices and to take action, where necessary;
10. Calls for coordinated cooperation with the PRC on the Belt and Road Initiative on the basis of reciprocity, sustainable development, good governance, and open and transparent rules, in particular as regards public procurement; regrets, in this respect, the fact that the Memorandum of Understanding signed by the European Investment Fund and the PRC's Silk Road Fund (SRF) and that signed by the European Investment Bank

(EIB), the Asian Development Bank, the Asian Infrastructure Investment Bank, the European Bank for Reconstruction and Development, the New Development Bank and the World Bank have not yet improved the business environment for European enterprises and workers; regrets the absence of professional sustainable impact assessments in various projects relating to Belt and Road and underlines the importance of investment quality, particularly with regard to positive effects on employment, labour rights, environmentally sound production, and the mitigation of climate change, in line with multilateral governance and international standards;

11. Supports the ongoing negotiations on a comprehensive EU-PRC Investment Agreement, which were launched in 2013, and invites the PRC to engage more in this process; calls on both parties to renew their efforts to advance the negotiations, which are aimed at achieving a genuine level playing field for European businesses and workers, and to ensure reciprocity in market access, striving for specific provisions on SMEs and public procurement; calls on both parties, moreover, to seize the opportunity provided by the investment agreement to increase their cooperation in the area of environmental and labour rights and to include a sustainable development chapter in the text;
12. Recalls that EU companies face a growing number of restrictive market access measures in the PRC owing to joint venture obligations in several sectors of industry and further discriminatory technical requirements, including forced data localisation and source code disclosure, and regulatory rules for foreign-owned business; welcomes, in this regard, the Notice on Several Measures on Promoting Further Openness and Active Utilisation of Foreign Investment, issued by the PRC's State Council in 2017, but regrets the absence of a timeline for achieving its goals; calls on Chinese authorities, therefore, to swiftly materialise these commitments;
13. Calls on both the EU and its Member States and China to intensify cooperation to build up circular economies, as this urgent need has become even more visible following China's legitimate decision to ban imports of plastic waste from Europe; calls on both partners to intensify economic and technological cooperation in order to prevent global production chains, trade and transport, and tourism services from causing an unacceptable build-up of plastic pollution in our oceans;
14. Calls on the PRC to strive to play a responsible role on the global stage, with complete cognisance of the responsibilities arising from its economic presence and performance in third countries and on global markets, including by lending its active support to the multilateral rules-based trading system and the WTO; believes, in the present context of global value chains, that heightening international trade tensions should be resolved through negotiations, while reiterating the need to pursue multilateral solutions; calls, in this respect, for the fulfilment of obligations enshrined in the PRC's Accession Protocol to the WTO and the protection of its operative mechanisms; underlines the notification and transparency obligations stemming from WTO agreements as regards subsidies and expresses concerns about the current practice of the direct or indirect subsidisation of Chinese companies; calls for coordination with major EU trading partners on joint efforts and action to tackle and eliminate state-induced market distortions affecting global trade;
15. Regrets the fact that the PRC, despite the completion of the procedure for reforming the

European anti-dumping duties calculation methodology, has not yet withdrawn its case against the EU at the WTO appellate body;

16. Expresses concern at the escalating tariff measures being taken by China and the United States;
17. Expresses concern at the number of restrictions that European companies, and MSMEs in particular, continue to face in the PRC, including the 2017 Foreign Investment Catalogue and the 2017 Free Trade Zone Negative List, as well as in sectors covered by the 'Made in China 2025' plan; calls for the rapid reduction of these restrictions in order to fully harness the potential of cooperation and synergies between Industry 4.0 schemes in Europe and the 'Made in China 2025' strategy, in view of the need to restructure our production sectors towards intelligent manufacturing, including cooperation in the development and definition of respective industrial standards in multilateral fora; recalls the importance of reducing government subsidies in the PRC;
18. Calls on the PRC to stop making market access increasingly conditional on forced technology transfers, as stated in the EU Chamber of Commerce in China's 2017 position paper;
19. Calls for the resumption of negotiations on the Environmental Goods Agreement (EGA), by building on fruitful collaboration between the EU and the PRC in the fight against climate change and the strong joint commitment towards the implementation of the Paris Agreement; stresses the trade potential of technological cooperation on clean technologies;
20. Notes with concern the conclusions of the Commission's report on the protection and enforcement of intellectual property rights in third countries, which singles out the PRC as the chief concern; reiterates the need to ensure protection for the European knowledge-based economy; calls on the PRC to fight the illicit use of European licences by Chinese companies;
21. Calls on the Commission to provide for a European Union presence at the China International Import Expo to be held in Shanghai in November 2018, and to provide SMEs, in particular, with the opportunity to showcase their work; calls on the Commission to reach out to chambers of commerce, particularly in Member States that are currently less involved in trade with China, in order to promote this opportunity;
22. Expresses concern about the PRC's state measures that caused trade distortions, including industrial overcapacity in raw material sectors such as the steel and aluminium sectors, among others; recalls the commitments made at the first ministerial meeting of the Global Forum on Steel Excess Capacity in 2017 to refrain from providing market-distorting subsidies, but regrets the failure of the Chinese delegation to deliver data on capacity; calls on the PRC to fulfil its commitment to identify and disclose data on its subsidies and support measures for the steel and aluminium industries by June 2018; recognises the link between global industrial overcapacity and the surge in protectionist trade measures and continues to urge multilateral cooperation in order to address the structural concerns behind overcapacity; welcomes the proposed tripartite action by the US, Japan and the EU at WTO level;

23. Highlights the importance of an ambitious EU-PRC agreement on geographical indications (GIs), based on the highest international standards, and welcomes the EU-PRC's 2017 joint announcement on the list of 200 Chinese and European GIs, for which protection will be the subject of negotiations; considers, however, that given that negotiations were launched in 2010, the list is a very modest outcome, and regrets the lack of progress in this regard; calls for an early conclusion of negotiations and urges both parties to consider the opportunity of the upcoming EU-PRC Summit as a good occasion to score effective progress to this end; reiterates the need to cooperate further in the field of SPS measures in order to reduce burdens to EU exporters;
24. Welcomes China's decision to delay by one year the implementation of new certifications for imported food and drink, which would have dramatically reduced food imports from the EU; welcomes, moreover, the delay in implementation of new standards for electric vehicles and calls for substantive dialogue and increased coordination regarding such initiatives;
25. Recommends that the Union and the Chinese Government launch a joint initiative within the G20 to establish a Global Forum on Aluminium Excess Capacity, with a mandate to address the entire value chain of the bauxite, alumina and aluminium industry, including raw material prices and environmental aspects;
26. Calls on the Commission to actively monitor the Chinese trade distortion measures, which are affecting EU companies' positions in global markets, and to take appropriate action in the WTO and other forums, including through dispute settlement;
27. Notes that a new Chinese foreign investment law is in the process of being drafted; urges the Chinese parties concerned to strive for transparency, accountability, predictability and legal certainty, and to take into account the proposals and expectations of the current EU-China dialogue on the trade and investment relationship;
28. Express concerns about the new cybersecurity law, which includes, inter alia, new regulatory barriers for foreign companies that sell telecommunications and IT equipment and services; regrets the fact that such recently adopted measures, together with the establishment of Chinese Communist Party groups within private companies, including foreign firms, and measures such as the NGO law, make the overall business environment in the PRC more hostile for foreign and private economic operators;
29. Notes that in 2016 the PRC's banking system surpassed the Eurozone as the world's largest; calls on the PRC to allow foreign banking enterprises to compete on an equal footing with domestic institutions and to cooperate with the EU in the area of financial regulation; welcomes the PRC's decision to reduce tariffs on 187 consumer goods and the removal of foreign ownership caps for banks;
30. Recalls its 2015 report on relations between the EU and the PRC, in which it called for the launch of negotiations for a bilateral investment agreement with Taiwan; points out that the Commission has on more than one occasion announced the launch of negotiations on investment with Hong Kong and Taiwan, but deems it regrettable that no such negotiations have actually begun; reiterates its support for a bilateral investment agreement with Taiwan and Hong Kong; recognises that both partners could also act as

a springboard to mainland China for EU businesses;

31. Calls on the Commission to coordinate with the Member States and under the consultation of Parliament to formulate a unified European position and common economic strategy towards the PRC; calls on all Member States to consistently adhere to this strategy;
32. Underlines the potential consequences of the proposed social credit system for the business environment, and calls for its implementation in a transparent, fair and equitable manner;
33. Welcomes the legislative progress in the EU on Regulation (EU) 2017/821 on supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, and similar conflict minerals legislation in China aimed at ensuring that the trade in these minerals does not finance armed conflict; emphasises the need to prevent conflict minerals from being processed in our mobile phones, cars and jewellery; calls on both the Commission and the Chinese Government to set up structured cooperation to support the implementation of the new legislation and to effectively prevent global, Chinese and EU smelters and refiners from using conflict minerals, to protect mine workers, including children, from being abused, and to require EU and Chinese companies to ensure that they import these minerals and metals from responsible sources only.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	28.5.2018
<b>Result of final vote</b>	+: 32 -: 3 0: 2
<b>Members present for the final vote</b>	Laima Liucija Andrikienė, Tiziana Beghin, David Borrelli, Daniel Caspary, Salvatore Cicu, Santiago Fisas Ayxelà, Christofer Fjellner, Eleonora Forenza, Karoline Graswander-Hainz, Nadja Hirsch, France Jamet, Jude Kirton-Darling, Patricia Lalonde, Danilo Oscar Lancini, Bernd Lange, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Franz Obermayr, Artis Pabriks, Franck Proust, Godelieve Quisthoudt-Rowohl, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld
<b>Substitutes present for the final vote</b>	Klaus Buchner, Dita Charanzová, Sander Loones, Bolesław G. Piecha, José Ignacio Salafranca Sánchez-Neyra, Ramon Tremosa i Balcells
<b>Substitutes under Rule 200(2) present for the final vote</b>	Reinhard Bütikofer

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

32	+
ALDE	Dita Charanzová, Nadja Hirsch, Patricia Lalonde, Ramon Tremosa i Balcells
ECR	Sander Loones, Emma McClarkin, Bolesław G. Piecha, Joachim Starbatty
EFDD	Tiziana Beghin
ENF	Franz Obermayr
GUE/NGL	Eleonora Forenza, Helmut Scholz
NI	David Borrelli
PPE	Laima Liucija Andrikienė, Daniel Caspary, Salvatore Cicu, Santiago Fisas Ayxelà, Christofer Fjellner, Sorin Moisă, Artis Pabriks, Franck Proust, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, José Ignacio Salafranca Sánchez-Neyra, Adam Szejnfeld
S&D	Karoline Graswander-Hainz, Jude Kirton-Darling, Bernd Lange, Emmanuel Maurel, Alessia Maria Mosca, Inmaculada Rodríguez-Piñero Fernández, Joachim Schuster

3	-
ENF	Danilo Oscar Lancini
GUE/NGL	Anne-Marie Mineur
VERTS/ALE	Klaus Buchner

2	0
ENF	France Jamet
VERTS/ALE	Reinhard Bütikofer

Key to symbols:

+ : in favour

- : against

0 : abstention

2.5.2018

## **OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY**

for the Committee on Foreign Affairs

on the state of EU-China relations  
(2017/2274(INI))

Rapporteur: Stefan Eck

### **SUGGESTIONS**

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to the ‘Environmental Protection Tax Law’ promulgated by the National People’s Congress in December 2016, which came into effect on 1 January 2018,
  - having regard to the fact that the International Organisation for Migration has stated that environmental factors have an impact on national and international migration flows, as people leave places with harsh or deteriorating conditions resulting from accelerated climate change<sup>1</sup>,
- A. whereas China is the fastest-growing market for EU food products;
- B. whereas it is clear that in some regions of China, the livelihoods of the rural population will deteriorate because of variations in temperature and precipitation and through other climate extremes; whereas relocation planning has become an effective adaptation policy option to reduce climate-induced vulnerability and poverty<sup>2</sup>;
1. Welcomes the reforms undertaken by China since the launch of its ‘ecological civilisation’ approach; considers the special status granted to environmental NGOs in courts, audits of the environmental impact of the work of officials and high investment

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<sup>1</sup> <https://www.iom.int/migration-and-climate-change>

<sup>2</sup> Y. Zhen, J. Pan, X. Zhang, ‘Relocation as a policy response to climate change vulnerability in Northern China’, ISSC and UNESCO 2013, *World Social Science Report 2013, Changing Global Environments*, pp. 234-241.

in electro-mobility and clean energy as reforms in the right direction;

2. Welcomes China's 2016 action plan to tackle antimicrobial resistance; stresses the importance of cooperation between China, which accounts for half the world's annual antimicrobial drug consumption, and the EU in tackling this global threat; insists that animal welfare provisions should be included in bilateral EU-China trade agreements;
3. Welcomes the state guidelines encouraging Chinese citizens to reduce their meat consumption significantly by 2030; encourages the Union and China to join forces to move towards a more sustainable agro-food production and consumption system that will improve global food security, safety and traceability and promote healthy diets, animal health and animal welfare;
4. Takes note of China's decision to ban imports of solid waste, which highlights the importance of the process of designing, producing, repairing, reusing and recycling products, with a particular emphasis on the production and use of plastic; recalls China's recent attempt to ban exports of rare earth elements and asks the Commission to take into consideration the interdependence of the global economies when prioritising EU policies;
5. Believes that there would be scope, an interest in and a need for the EU and ASEAN to work together to develop a joint circular economy strategy; believes China could play a key role in taking this initiative forward in ASEAN;
6. Argues that China and the European Union will benefit from promoting sustainability in their economies and from developing a multi-sector sustainable and circular bioeconomy;
7. Welcomes the agreement to increase cooperation on research and innovation in flagship initiatives such as those on food, agriculture and biotechnologies, environment and sustainable urbanisation, surface transport, safer and greener aviation and biotechnologies for environment and human health that were agreed upon during the 3rd EU-China Innovation Cooperation Dialogue in June 2017 and the corresponding Roadmap for EU-China science and technology (S&T) cooperation from October 2017; calls on the EU and China to continue these efforts and to put the results of the research and development projects into practice;
8. Points out that the Union and China are heavily dependent on fossil fuels and together account for around a third of total global consumption, which places China at the top of the World Health Organisation (WHO) ranking for deadly outdoor air pollution; stresses that increased trade in bioeconomy products made from renewable materials can help reduce the fossil dependency of China's and the Union's economies; calls for the EU and China to deepen their relations in other areas of mitigation of greenhouse gas emissions such as electric mobility, renewable energies and energy efficiency, to continue and broaden the EU-China Roadmap on energy cooperation beyond 2020 and to intensify joint efforts on developing instruments for green finance, especially climate finance; calls for China and the EU to explore and engage in the advance planning and development of cross-border electricity transmission lines using high voltage direct current technology to make renewable energy sources more accessible;

9. Encourages the Union and China to continue their partnership on sustainable urbanisation, including in areas such as clean transport, air quality improvement, the circular economy and ecodesign; stresses the need for further environmental protection measures, bearing in mind that more than 90 % of cities do not comply with the national standard of PM 2.5 air pollution concentration and that, in China, more than one million people die each year from diseases linked to air pollution;
10. Underlines their mutual interest in promoting low-carbon development and addressing greenhouse gas (GHG) emissions in transparent, public and well-regulated energy markets; believes in the value of strategic EU-China partnerships as necessary for the implementation of the Paris Agreement and for the effective combating of climate change; calls on the EU and China to use their political weight to advance the implementation of the Paris Agreement as well as the 2030 Agenda on Sustainable Development and the Sustainable Development Goals (SDGs), and urges a cooperative approach at the Conference of Parties of the UNFCCC as well as at the High-level Political Forum of the UN; calls on both to adopt a joint statement on climate action to demonstrate their shared commitment to a strong implementation of the Paris Agreement and active participation in the 2018 Talanoa Dialogue as well as at COP24; encourages them to play a responsible role in international negotiations by contributing to the objective to limit global warming through their respective internal climate policies as well as by making financial contributions to reach the goal of providing USD 100 billion annually by 2020 for mitigation and adaptation;
11. Welcomes the launch of the nationwide emissions trading system in China in December 2017; takes note of the successful cooperation during the preparation phase between China and the EU enabling the launch; recognises the willingness of the Chinese leadership to reduce GHG emissions and looks forward to the results of the ongoing work on monitoring, reporting and verification, which is key to the good functioning of the system; stresses the importance of economy-wide action on climate change, and welcomes the intention to expand its coverage to include industrial sectors and improve the trading arrangements of the system; calls on the EU and China to continue their partnership within the cooperation project for the development of China's carbon market for it to become an effective instrument that creates meaningful incentives for emission reduction and further aligning it to the EU emissions trading system; calls on both sides to further promote carbon pricing mechanisms in other countries and regions by using their own experiences and expertise and by exchanging best practice as well as engaging in efforts to build up cooperation between existing carbon markets in order to work towards a global level playing field;
12. Hopes that China will uncouple economic growth from ecological degradation, by incorporating biodiversity protection into its ongoing global strategies, facilitating the achievement of the UN 2030 Agenda for Sustainable Development and the SDGs, and implementing the ivory trade ban effectively; acknowledges the work done by the EU-China Bilateral Coordination Mechanism (BCM) on Forest Law Enforcement and Governance (FLEG) to tackle illegal logging globally; urges China, however, to investigate the significant undocumented trade in timber between the FLEGT Voluntary Partnership Agreement signatory States and China;
13. Recommends the adoption of mandatory Chinese policy guidelines on responsible

overseas forestry investments to be implemented jointly with the supplier countries, involving Chinese companies in tackling the illegal timber trade;

14. Welcomes the fact that China and the EU have signed a Memorandum of Understanding (MOU) on water policy, with the aim of enhancing dialogue on the development and enforcement of legislation to protect water; strongly supports the September 2017 Turku Declaration signed by the EU and China, which stressed that good water governance should give priority to ecology and green development, to putting water conservation in a prominent position and to restoring water ecosystems; and underlines that the MOU on establishing an EU-China Water Policy Dialogue not only enriches the contents of China-EU strategic partnership, but also specifies the direction, scope, methodology and financial arrangements for cooperation;
15. Stresses the importance of ensuring a level playing field in EU-China trade; expresses concern over unfair competition as a result of state interference in the Chinese economy through massive subsidies and discrimination in favour of domestic suppliers, the fencing off of the Chinese market to EU investors and the takeover of European companies in key sustainability technologies by undertakings under government ownership, control or guidance, in particular but not limited to the market for solar panels, batteries and electric vehicles; calls on the Commission to make full use of all trade defence instruments at its disposal, in particular the EU's new anti-dumping and anti-subsidy rules, and on the Council to rapidly establish, in codecision with Parliament, an effective framework for the screening of foreign direct investment;
16. Recognises the key role of the Commission-funded cooperation project between European and Chinese organisations, implemented in 2014-2017 under the auspices of the Instrument for Nuclear Safety Cooperation (INSC), in assessing the standards and arrangements for radiological and nuclear emergency management in China and in enhancing the capabilities of the Chinese Nuclear Power Technology Research Institute in the areas of severe accident management guidelines;
17. Encourages Chinese and European investors to adopt better global standards of social and environmental responsibility and to improve the safety standards of their extractive industries worldwide; reiterates that, with regard to negotiations on a Comprehensive Agreement on Investment (CAI) with China, the European Union must lend support to sustainable development initiatives by encouraging responsible investment and promoting core environmental and labour standards; asks the Chinese and European authorities to put in place incentives to encourage Chinese and European mining companies to conduct their activities in developing countries in conformity with international human rights standards and to encourage investment in capacity-building for knowledge and technology transfer and local recruitment;
18. Welcomes the announcement by China in the context of the One Planet Summit in December 2017 to make the environmental impacts of companies in China and of Chinese investment abroad more transparent; is concerned that infrastructure projects such as the One Belt One Road (OBOR) Initiative by China might have a negative impact on the environment and climate and could lead to the increased use of fossil fuels in other countries involved or affected by the infrastructure development; calls for EU institutions and Member States to perform environmental impact assessments and to

include sustainability clauses in any cooperation project within the OBOR framework; insists on the establishment of a joint committee, composed of representatives of involved countries and third parties, to supervise the impact on the environment and climate; welcomes the initiative of the Commission and the European External Action Service (EEAS) to draw up an EU-Asia connectivity strategy in the first half of 2018; insists that this strategy should include strong commitments towards sustainability, environmental protection, and climate action;

19. Welcomes China's progress in enhancing food safety standards, key features in protecting Chinese consumers and preventing food fraud; stresses the improvement of consumer empowerment as an important step in the rise of a consumer culture in China;
20. Encourages the Chinese and European police and law enforcement services to take common action to control the export of illegal drugs and to share intelligence on drug trafficking by exchanging information to identify individuals and criminal networks; notes that, according to the 'European Drug Report 2017: Trends and Developments' by the European Monitoring Centre for Drugs and Drug Addiction (EMCDDA), much of the supply of new psychoactive substances to Europe originates in China, new substances are produced in bulk by chemical and pharmaceutical companies in China, from where they are shipped to Europe, where they are processed into products, packaged and sold;
21. Acknowledges that families and individuals have migrated in response to drought and other natural disasters, and that, in response, the Chinese authorities have planned several large-scale relocation projects; is concerned by reports from the Ningxia region pointing out numerous problems with the new towns, and reprisals for people who refused to move; expresses its concern about the fact that environmental defenders are being detained, prosecuted and sentenced and that registered domestic environmental NGOs are facing increasing scrutiny by the Chinese supervisory authorities;
22. Asks China to further expand its law enforcement efforts to stop illegal fishing, as Chinese fishing boats continue to poach in foreign waters, including Korea's Western Sea, the East China Sea, the South China Sea, the Indian Ocean, and even South America;
23. Asks Chinese exporters and European importers to cut toxic residues in Chinese-made clothes by establishing proper chemical management regulations and by phasing out the use of lead, nonylphenol ethoxylates (NPEs), phthalates, perfluorinated chemicals (PFCs), formaldehyde and other toxic products found in textiles.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	25.4.2018
<b>Result of final vote</b>	+:           55 -:           0 0:           4
<b>Members present for the final vote</b>	Marco Affronte, Margrete Auken, Pilar Ayuso, Zoltán Balczó, Biljana Borzan, Lynn Boylan, Nessa Childers, Birgit Collin-Langen, Miriam Dalli, Seb Dance, Angélique Delahaye, Stefan Eck, Bas Eickhout, José Inácio Faria, Francesc Gambús, Elisabetta Gardini, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Sylvie Goddyn, Françoise Grossetête, Andrzej Grzyb, Jytte Guteland, Anneli Jäätteenmäki, Benedek Jávor, Karin Kadenbach, Kateřina Konečná, Urszula Krupa, Giovanni La Via, Peter Liese, Joëlle Mélin, Susanne Melior, Miroslav Mikolášik, Rory Palmer, Massimo Paolucci, Piernicola Pedicini, Bolesław G. Piecha, Pavel Poc, Julia Reid, Frédérique Ries, Michèle Rivasi, Davor Škrlec, Renate Sommer, Estefanía Torres Martínez, Adina-Ioana Vălean, Jadwiga Wiśniewska, Damiano Zoffoli
<b>Substitutes present for the final vote</b>	Cristian-Silviu Bușoi, Caterina Chinnici, Fredrick Federley, Anja Hazekamp, Norbert Lins, Rupert Matthews, Alojz Peterle, Stanislav Polčák, Carolina Punset, Christel Schaldemose
<b>Substitutes under Rule 200(2) present for the final vote</b>	Jude Kirton-Darling, Jeroen Lenaers

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

55	+
ALDE	Fredrick Federley, Gerben-Jan Gerbrandy, Anneli Jäätteenmäki, Carolina Punset, Frédérique Ries
ECR	Urszula Krupa, Rupert Matthews, Boleslaw G. Piecha, Jadwiga Wiśniewska
EFDD	Piernicola Pedicini
GUE/NGL	Lynn Boylan, Stefan Eck, Anja Hazekamp, Kateřina Konečná, Estefanía Torres Martínez
NI	Zoltán Balczó
PPE	Pilar Ayuso, Cristian-Silviu Buşoi, Birgit Collin-Langen, Angélique Delahaye, José Inácio Faria, Francesc Gambús, Jens Gieseke, Julie Girling, Françoise Grossetête, Andrzej Grzyb, Giovanni La Via, Jeroen Lenaers, Peter Liese, Norbert Lins, Miroslav Mikolášik, Alojz Peterle, Stanislav Polčák, Renate Sommer, Adina-Ioana Vălean
S&D	Biljana Borzan, Nessa Childers, Caterina Chinnici, Miriam Dalli, Seb Dance, Jytte Guteland, Karin Kadenbach, Jude Kirton-Darling, Susanne Melior, Rory Palmer, Massimo Paolucci, Pavel Poc, Christel Schaldemose, Damiano Zoffoli
VERTS/ALE	Marco Affronte, Margrete Auken, Bas Eickhout, Benedek Jávor, Michèle Rivasi, Davor Škrlec

0	-

4	0
EFDD	Julia Reid
ENF	Sylvie Goddyn, Joëlle Mélin
PPE	Elisabetta Gardini

Key to symbols:

+ : in favour

- : against

0 : abstention

## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	20.6.2018
<b>Result of final vote</b>	+: 43 -: 9 0: 1
<b>Members present for the final vote</b>	Michèle Alliot-Marie, Francisco Assis, Amjad Bashir, Bas Belder, Goffredo Maria Bettini, Mario Borghezio, Victor Boştinaru, James Carver, Fabio Massimo Castaldo, Aymeric Chauprade, Javier Couso Permuy, Arnaud Danjean, Georgios Epitideios, Knut Fleckenstein, Eugen Freund, Michael Gahler, Sandra Kalniete, Tunne Kelam, Wajid Khan, Eduard Kukan, Arne Lietz, Barbara Lochbihler, Sabine Lösing, Andrejs Mamikins, Ramona Nicole Mănescu, David McAllister, Tamás Meszerics, Clare Moody, Pier Antonio Panzeri, Alojz Peterle, Cristian Dan Preda, Michel Reimon, Sofia Sakorafa, Jean-Luc Schaffhauser, Alyn Smith, Jordi Solé, Dobromir Sośnierz, Jaromír Štětina, Dubravka Šuica, Miguel Urbán Crespo, Ivo Vajgl, Elena Valenciano, Hilde Vautmans
<b>Substitutes present for the final vote</b>	Andrea Bocskor, Reinhard Bütikofer, Neena Gill, Ana Gomes, Andrzej Grzyb, Takis Hadjigeorgiou, Jo Leinen, Urmas Paet, Mirja Vehkaperä, Željana Zovko

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

43	+
ALDE	Urmas Paet, Ivo Vajgl, Hilde Vautmans, Mirja Vehkaperä
ECR	Amjad Bashir, Bas Belder
EFDD	Fabio Massimo Castaldo, Aymeric Chauprade
PPE	Michèle Alliot-Marie, Andrea Bocskor, Arnaud Danjean, Michael Gahler, Andrzej Grzyb, Sandra Kalniete, Tunne Kelam, Eduard Kukan, David McAllister, Ramona Nicole Mănescu, Alojz Peterle, Cristian Dan Preda, Jaromír Štětina, Dubravka Šuica, Željana Zovko
S&D	Francisco Assis, Goffredo Maria Bettini, Victor Boștinăru, Knut Fleckenstein, Eugen Freund, Neena Gill, Ana Gomes, Wajid Khan, Jo Leinen, Arne Lietz, Andrejs Mamikins, Clare Moody, Pier Antonio Panzeri, Elena Valenciano
VERTS/ALE	Reinhard Bütikofer, Barbara Lochbihler, Tamás Meszerics, Michel Reimon, Alyn Smith, Jordi Solé

9	-
ENF	Jean-Luc Schaffhauser
GUE/NGL	Javier Couso Permu, Takis Hadjigeorgiou, Sabine Lösing, Sofia Sakorafa, Miguel Urbán Crespo
NI	James Carver, Georgios Epitideios, Dobromir Sośnierz

1	0
ENF	Mario Borghezio

Key to symbols:

+ : in favour

- : against

0 : abstention