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DRAFT REPORT

on the EU-China relations
(2015/2003(INI))

Committee on Foreign Affairs

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the EU-China relations (2015/2003(INI))

The European Parliament,

- having regard to the establishment of diplomatic relations between the EU and China on 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 EC-China Trade and Economic Cooperation Agreement¹, 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 EU-China High Level Strategic Dialogue held in Beijing on 6 May 2015,
- having regard to the negotiations on a new Partnership and Cooperation Agreement that have been ongoing since 2007,
- having regard to the negotiations on a Bilateral Investment Agreement that were started in January 2014,
- having regard to the 16th EU-China Summit, which took place in Beijing on 21 November 2013, and to the joint press communiqué issued at the conclusion thereof,
- having regard to the Commission communication of 24 October 2006 to the Council and the European Parliament entitled ‘EU – China: Closer partners, growing responsibilities’ (COM(2006)0631),
- having regard to the Council’s East Asia Policy Guidelines,
- having regard to the General Affairs and External Relations Council conclusions of 11-12 December 2006, entitled ‘EU-China Strategic Partnership’,
- having regard to the Commission Strategy Paper for China 2007-2013, the Multiannual Indicative Programme 2011-2013 and the 2010 mid-term review of the Strategy Paper and review of the Multiannual Indicative Programme 2011-2013,
- having regard to the first ever policy paper by China on the EU, issued on 13 October 2003,

¹ OJ L 250, 19.9.1985, p. 2.

- having regard to the publishing of the second draft of a new national security law of 7 May 2015 by the National People's Congress,
- having regard to the White Paper on China's military strategy of 26 May 2015,
- having regard to the EU-China dialogue on human rights, launched in 1995, and the 32nd round held in Beijing on 8-9 December 2014,
- having regard to the 60 sectoral dialogues in progress between China and the Union concerning, *inter alia*, the environment, regional policy, employment and social affairs, and civil society,
- 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 EC and China, which entered into force in 2000¹ and the Science and Technology Partnership Agreement signed on 20 May 2009,
- having regard to the EU-China Partnership on Climate Change agreed, and the Joint Declaration on Climate Change issued, at the 8th EU-China Summit in September 2005,
- having regard to the EU-China Joint Declaration on Energy Security made in Brussels on 3 May 2012, and the Energy Dialogue between the EC and China,
- having regard to the China-EU Round Tables,
- having regard to the 18th National Congress of the Communist Party of China, which took place from 8 to 14 November 2012, and to the leadership changes in the Politburo Standing Committee as decided at that congress,
- having regard to the International Covenant on Civil and Political Rights of 16 December 1966,
- having regard to the outcomes of the Fourth Plenary Meeting of the 18th Chinese Communist Party Central Committee (the Fourth Plenum) held on 20-23 October 2014,
- having regard to the Chairman's Statement of the 26th ASEAN Summit, of 27 April 2015,
- having regard to the statement of the Vice President of the Commission / High Representative of the Union for Foreign Affairs and Security of 6 May 2015 following her meeting with Chinese Premier Li Keqiang,
- having regard to its most recent Interparliamentary Meeting with China, which took place on 26 November 2013,
- having regard to its recent resolutions on China, in particular those of 23 May 2012 on

¹ OJ L 6, 11.1.2000, p. 40.

- EU and China: Unbalanced Trade?¹, of 2 February 2012 on the EU foreign policy towards the BRICS and other emerging powers: objectives and strategies², of 14 March 2013 on nuclear threats and human rights in the Democratic People's Republic of Korea³, of 17 April 2014 on the situation in North Korea⁴, of 5 February 2014 of 2030 framework for climate and energy policies⁵, and of 3 March 2015 on the Annual Report from the Council to the European Parliament on the Common Foreign and Security Policy (CFSP)⁶,
- having regard to its resolutions of 7 September 2006 on EU-China relations⁷, of 5 February 2009 on trade and economic relations with China⁸, of 14 March 2013 on EU-China relations⁹, of 9 October 2013 on the EU-China negotiations for a bilateral investment agreement¹⁰, and of 9 October 2013 on EU-Taiwan trade relations¹¹,
 - having regard to its human rights resolutions of 26 November 2009 on China: minority rights and application of the death penalty¹², of 10 March 2011 on the situation and cultural heritage in Kashgar (Xinjiang Uighur Autonomous Region, China)¹³, of 5 July 2012 on the forced abortion scandal in China¹⁴, of 12 December 2013 on organ harvesting in China¹⁵, and of 13 March 2014 on EU priorities for the 25th session of the UN Human Rights Council¹⁶,
 - 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 basic choices of CFSP¹⁷,
 - having regard to its resolution of 7 July 2005 on relations between the EU, China and Taiwan and security in the Far East¹⁸,
 - having regard to its previous resolutions on Tibet, in particular those of 25 November 2010 on Tibet: plans to make Chinese the main language of instruction¹⁹, of 27 October

¹ OJ C 264 E, 13.9.2013, p. 33.

² OJ C 239 E, 20.8.2013, p. 1.

³ Texts adopted, P7_TA(2013)0096.

⁴ Texts adopted, P7_TA(2014)0462.

⁵ Texts adopted, P7_TA(2014)0094.

⁶ Texts adopted, P8_TA(2015)0075.

⁷ OJ C 305 E, 14.12.2006, p. 219.

⁸ OJ C 67 E, 18.3.2010, p. 132.

⁹ Texts adopted, P7_TA(2013)0097.

¹⁰ Texts adopted, P7_TA(2013)0411.

¹¹ Texts adopted, P7_TA(2013)0412.

¹² OJ C 285 E, 21.10.2010, p. 80.

¹³ OJ C 199 E, 7.7.2012, p. 185.

¹⁴ Texts adopted, P7_TA(2012)0301.

¹⁵ Texts adopted, P7_TA(2013)0603.

¹⁶ Texts adopted, P7_TA(2014)0252.

¹⁷ OJ C 288 E, 25.11.2006, p. 59.

¹⁸ OJ C 157 E, 6.7.2006, p. 471.

¹⁹ OJ C 99 E, 3.4.2012, p. 118.

2011 on Tibet, in particular self-immolation by nuns and monks¹ and of 14 June 2012 on Tibet: the human rights situation² ,

- having regard to Rule 52 of its Rules of Procedure,
- having regard to the report of the Committee on Foreign Affairs (A8-0000/2015),
- A. whereas 2015 marks the 40th anniversary of diplomatic relations between the EU and China; whereas the EU-China Strategic Partnership is of key importance to relations between the EU and the People's Republic of China (PRC) and to finding mutual answers to a range of global concerns;
- B. whereas, under the current leadership of Communist Party of China (CPC) General Secretary and President Xi Jinping, China has launched a flurry of initiatives, including a strategically important energy deal with Russia, the establishment of the Asian Infrastructure Investment Bank (AIIB) and a 'New Silk Road' project to integrate China economically with Central Asia and, ultimately, with Europe and Africa;
- C. whereas China is pressing for statutory investment protection backed by investor-state-dispute settlement (ISDS) procedures during the negotiations on a bilateral investment treaty (BIT);
- D. whereas President Xi Jinping launched the 'Chinese Dream', which is aimed at revitalising the Chinese nation inside and outside the PRC by strengthening the power monopoly of the CPC, re-ideologising the party, the state and society and increasing the authority of the party leader;
- E. whereas President Xi Jinping's popular anti-corruption campaign has claimed one high-profile victim after another, exposing not only graft, but also the vast fortunes amassed by Chinese leaders and also revealing the infiltration of powerful criminal networks into the political system;
- F. whereas China's family planning policy has caused a rapid ageing process among the population since the 1980s, with over 200 million citizens now over 60 years old;
- G. whereas environmental degradation in China has taken dramatic proportions and requires powerful and targeted government action;
- H. whereas in 2013 and 2014 Beijing, Kunming and Urumqi were the targets of major and violent terrorist attacks, leaving 72 people dead and 356 injured; whereas China is preparing an anti-terror law, which underlines the fact that the government gives the fight against terrorism the highest priority;
- I. whereas the main terrorist threats originate from the Xinjiang Uyghur Autonomous Region;
- J. whereas the new Chinese leadership considers the rise of the PRC as an irreversible fact resulting in a shift from 'responsive diplomacy' to 'proactive diplomacy';

¹ OJ C 131 E, 8.5.2013, p. 121.

² Texts adopted, P7_TA(2012)0257.

- K. whereas the new White Paper on China's military strategy postulates that the traditional mentality that land outweighs sea must be abandoned and that greater importance should be attached to managing the seas and protecting maritime rights and interests;
- L. whereas, in a 2002 Declaration of Conduct, China and the ASEAN countries signified their willingness to create conditions for 'a peaceful and durable solution' in the South China Sea;
- M. whereas China is North Korea's main political supporter, largest investor, aid donor and trade partner; whereas Chinese experts recently revealed that North Korea may already have 20 nuclear warheads;
- N. whereas in the wake of the Ukraine crisis Russia and China stepped up their mutual relations in an unprecedented way;
- O. whereas the Chinese Government acknowledges the importance and even the universality of human rights, but prefers to present this as an aspiration rather than a binding norm for the present;
- P. whereas the CPC recognises five religions, which are ultimately controlled by the party's own United Front Work Department;
- Q. whereas the EU adheres to its one-China policy in the cross-strait relations between the PRC and Taiwan;
- R. whereas Tibetans express their cultural identity through the Lhakar movement ('white Wednesday') by wearing only Tibetan clothes, speaking only Tibetan and eating only Tibetan food each Wednesday;

EU-China Strategic Partnership and Cooperation

- 1. Welcomes the 40th anniversary of diplomatic relations between the EU and China as a source of inspiration to strengthen the Strategic Partnership;
- 2. Stresses the need for EU Member States to speak with one voice to the Chinese Government, particularly in view of Beijing's present diplomatic dynamism; deplores the lack of profound debate and close coordination at EU level regarding Member States' membership of the AIIB;
- 3. Underlines the Chinese interest in strategic infrastructure investments in Europe; concludes, with regard to Beijing's demand for ISDS procedures as an essential element of a BIT, that Brussels should reciprocally demand that provisions be included in the BIT that guarantee better access for and fairer treatment of EU companies on the Chinese market;

Internal situation

- 4. Notes that President Xi Jinping is trying to give a new attractive face to Chinese politics through an attitude of openness and to impress world leaders by projecting both accessibility and powerful self-confidence; points out, however, that President Xi is not

the new attractive face of Chinese politics for the country's civil rights activists, lawyers, journalists, bloggers and academics, who find their freedom curbed in a way not seen since decades;

5. Observes that, although the targets of the anti-corruption campaign extend to the highest political level, these seem to be limited to the allies of President Xi's main rivals in the CPC; considers that this fierce ongoing anti-corruption campaign is, at the same time, serving to win back popular trust in the CPC, to discipline bureaucracy and to eliminate rivals inside the CPC;
6. Notes that the rapid ageing of the Chinese population poses significant risks to the country's prosperity and social stability; notes that the government's policy measures to tackle the issue (gradual relaxation of the one-child policy) have not yet led to a significant rise in the birth rate, mainly for economic reasons;
7. Underlines the urgency of environmental protection measures, bearing in mind, for example, that in 2014 only eight out of 74 major cities reached the national standard of PM 2.5 air pollution concentrations; warns that the double water crisis (massive pollution combined with increased water usage) could cause major political and social instability; welcomes the fact that under the new environmental protection law local cadres are accountable, also retroactively, for environmental damage caused during their tenure;
8. Observes that in recent years China's anti-terrorism policy has evolved rapidly from a somewhat reactive 'defence against terror' approach to a proactive 'war on terror', along with permanent 'crisis management' entailing action to an unprecedented extent in affected regions and in society;
9. Deplores the fact that Xinjiang is caught in a vicious circle, given that, on the one hand, there are violent separatist and extremist groups among the Turkic-speaking Muslim Uyghurs, who do not, however, represent the vast majority, and that, on the other hand, Beijing for the sake of stability is increasingly responding to social unrest with repression, heightening the presence of its security apparatus in the region, alienating many Uyghurs from Beijing and nourishing anti-Han-Chinese sentiments among the Uyghur population;

External situation

10. Notes that President Xi Jinping's Chinese Dream of national rejuvenation, which foresees a stronger and more pro-active role for China in the world, calls for a commensurate EU strategy towards Asia within a transatlantic context; stresses that China's rise as a global power requires a reconsideration of Europe's strategic priorities in its relations with China as a matter of urgency;
11. Notes the priority given by President Xi's presidency to the relationship with the US, given his proposal for a 'new type of major power relationship' between China and the US; stresses that, if this view is perceived as a code word for dividing the Pacific into two spheres of influence, other countries in the region will be greatly concerned;
12. Emphasises that the recent White Paper on China's military strategy highlights Beijing's

intentions to further expand the Chinese navy and extend the range of its operations, shifting from 'offshore waters defence' to 'open seas protection'; expects this to increase the current worries of China's neighbours, to create more tensions in the Pacific and Indian Ocean and to endanger Europe's crucial interest in freedom of navigation on the seas;

13. Considers it regrettable that, contrary to the 2002 Declaration of Conduct, several parties are reclaiming land in the Spratly Islands, and is especially concerned about the massive scale of China's present efforts, which include building military facilities, ports and at least one airstrip; warns against the looming danger of an increased presence of and confrontation between rivalling naval vessels and air patrols in the area;
14. Recalls the necessity of avoiding unilateral provocative actions in the South China Sea and stresses the importance of peaceful settlement of disputes based on international law and with the help of impartial international mediation such as UNCLOS; considers it regrettable that China refuses to acknowledge the jurisdiction of both UNCLOS and the Court of Arbitration; endorses the urgent call by the 26th ASEAN Summit for the speedy adoption of a Code of Conduct in the South China Sea;
15. Urges the Chinese Government to use all its levers of influence to induce North Korea to return to credible denuclearisation talks and to take concrete steps to denuclearise;
16. Draws Beijing's attention to the indispensable role of the US and the EU with regard to China's modernisation goals, given its support for Putin against the West;

Human rights situation

17. Notes that a strong contradiction exists between the official Chinese aspiration to the universality of human rights and the worsening human rights situation;
18. Criticises the fact that in China freedom of religion is not a right, but a matter for the state, which sets the limits of what is permissible; supports the resistance of Chinese churches against the government's renewed strategy of 'sinicisation' of Christianity; condemns, in particular, the ongoing anti-Christian campaign in the province of Zhejiang, during which dozens of churches were demolished and more than 400 crosses removed in 2014; shares the concerns of churches about other provinces where there is a strong Christian presence;
19. Protests against the marginalisation of Tibetan culture by the CPC and urges the Chinese authorities to respect the freedom of expression, association and religion of the Tibetan people;

Cross-strait relations

20. Advocates negotiating a bilateral investment agreement between the EU and Taiwan, given that Taiwan is, at regional level, the best gateway and springboard to China for EU businesses;
21. Instructs its President to forward this resolution to the Council, the EEAS, the Commission, the governments and parliaments of the Member States and of 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.