

**March 2022**

Even before the outbreak of the pandemic in Europe in early 2020, China's growing political influence within the EU and on the global stage as well as its widespread efforts to promote authoritarian models of governance through economic statecraft, disinformation and through the clampdown on pro-democracy forces in Hong Kong had increasingly been perceived in the EU as evidence of systemic competition between the norms and values of two fundamentally different political models. As a consequence, the [2019 joint communication](#) defined China as a cooperation partner with whom the EU has closely aligned objectives, a negotiating partner with whom the EU needs to find a balance of interests, an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance.

The EU-China comprehensive agreement on investment (CAI) was agreed in principle in December 2020. It had for years been at the heart of the [EU's strategy](#) to re-balance its economic relationship with China. However, relations between the EU and China deteriorated after China in May 2021 imposed sanctions targeting Members of the European Parliament, members of national parliaments, bodies within two EU institutions and also academics and think-tanks, for [criticising](#) serious human rights violations against Uyghurs in China. The European Parliament reacted by adopting a [resolution](#) listing conditions for giving its consent to the (CAI), linking it to China's human rights record. This was followed up by another resolution, on '[a new EU-China strategy](#)' in September 2021, that underlined European values and autonomy.

On 4 February 2022, China and Russia published a joint statement in which China for the first time voiced its outright opposition to NATO enlargement and support for Russia's 'proposals to create long-term legally binding security guarantees in Europe. China considers Russia as an important long-term source of energy and food supplies.

EU-China relations**EU-China relations in challenging times**

Briefing by Ulrich Jochheim, October 2021

Following the 1975 establishment of diplomatic relations with China, the European Economic Community (EEC) focused its strategic approach – in line with its competences at the time – on support for China's economic opening, launched in 1978 by Deng Xiaoping. While this approach resulted in a swiftly expanding trade and investment relationship, results in other areas have been rather mixed. By most accounts, the strategy also failed to contribute to making significant progress on the rule of law in China, and there were no visible results of the EU's human rights engagement. As a consequence, the EU has changed its strategic approach considerably, as exemplified by the 2019 joint communication, which proposed different legal instruments to ensure a level playing-field in trade, and to fend off Chinese attempts to gain access to critical infrastructure.

Stepping up EU cooperation with Taiwan

'At a glance' note by Ulrich Jochheim, October 2021

Since its political transition began in the 1980s, Taiwan has become a vibrant democracy and has also joined the ranks of high-income countries. Economic relations between the EU and Taiwan are flourishing, as illustrated by the fact that the EU is Taiwan's most important source of foreign direct investment. The European Parliament has repeatedly called for the EU to take the first steps towards a bilateral investment agreement. During its October II 2021 plenary session, Parliament debated EU-Taiwan political relations and cooperation and voted a recommendation to the High Representative of the Union for Foreign Affairs and Security Policy.

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Trends in Chinese reporting on the European Union: Xinhua's coverage of EU affairs, 2012-2021

Briefing by Eamonn Noonan, September 2021

The main Chinese news service, Xinhua, has steadily expanded its coverage on the European Union over the past decade. The main challenges facing the Union have featured strongly, from the refugee crisis, to Brexit, to the impact of Covid-19. The tone of the coverage in this period has been neutral, rather than negative, and has not become more critical during the pandemic. Internal EU policies are often put in a favourable light, although internal divisions also feature in Xinhua's reporting. Xinhua tends to emphasise EU cooperation with China and EU divisions with the United States. It also criticises EU sanctions and human rights complaints, both about China – for example on Xinjiang and Hong Kong – and about countries including Russia and Turkey. These trends are in line with China's long-standing stated preference for the EU to become a pole in a multipolar world order that is able to balance US power, despite its disapproval of the EU's pursuit of human rights issues. Xinhua's coverage emphasises both the opportunities and the challenges facing European integration. This dual approach tends to support the view that China is ambiguous about the EU's ability to become a more influential and more useful strategic partner on the world stage.

Chinese counter-sanctions on EU targets

'At a glance' note by Matthew Parry, May 2021

On 22 March 2021, the People's Republic of China (PRC) announced sanctions on 10 individuals and 4 entities in the EU, including Members of the European Parliament and of the Council's Political and Security Committee, which, it said, 'severely harm China's sovereignty and interests and maliciously spread lies and disinformation'. It described the sanctions as a response to EU sanctions imposed the same day on a Chinese entity and individuals accused of human rights abuses in Xinjiang (PRC). The dispute came at a sensitive time in EU-China relations, raising questions about approval of the Comprehensive Agreement on Investment (CAI), a proposed EU-China bilateral investment treaty.

EU-China Comprehensive Agreement on Investment – Levelling the playing field with China

'International agreements in progress' briefing by Gisela Grieger, March 2021

The lack of reciprocity in access to the Chinese market and the absence of a level playing field for EU investors in China have posed major challenges for EU-China investment relations in recent years, with the EU considering the negotiation of a comprehensive agreement on investment (CAI) a key instrument to remedy the situation. The CAI was intended to go far beyond traditional investment protection, to cover market access, investment-related sustainable development, and level playing-field issues, such as transparency of subsidies, rules on state-owned enterprises, and forced technology transfer. On 30 December 2020, negotiators reached an agreement in principle. Following vetting by lawyers, it has to be translated into all official EU languages – taking up to one year – before it can be formally submitted to the Council for approval and to the European Parliament for consent to that approval.

EU-China relations: Taking stock after the 2020 EU-China Summit

Briefing by Gisela Grieger, June 2020

The 22nd EU-China Summit, originally scheduled for March 2020, was postponed because of the pandemic. While other summits were simply cancelled or postponed indefinitely, the EU and China decided to hold the summit by video-link, on 22 June 2020. This decision testifies to the importance both sides attached to taking their complex relationship forward in difficult times. The 2020 summit offered the opportunity to take stock of progress made on past commitments and to re-calibrate EU-China relations, against the backdrop of the wide-ranging fallout from the coronavirus pandemic, growing United States-China strategic rivalry, rapid geopolitical power shifts and the erosion of multilateralism.

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2019 Sakharov Prize laureate: Ilham Tohti

'At a glance' note by Gisela Grieger, December 2019

Space for freedom of thought is shrinking dramatically across the globe, as the geo-political and geo-economic clout of authoritarian regimes expands. The Sakharov Prize for Freedom of Thought is therefore more important than ever: it enables the European Parliament to draw attention to the plight of those who stand up against the repression of human rights and fundamental freedoms. The 2019 Sakharov Prize laureate was renowned Uyghur economics professor Ilham Tohti, a moderate advocate of the rights of the Uyghur minority and of dialogue with the Han majority in China. In 2014, he was sentenced to life imprisonment on separatism-related charges, against the backdrop of China's hardening policy of countering religious extremism, ethnic separatism and terrorism – one that now frames Uyghur identity as a major national security threat.

China in the World

China-Russia relations: A quantum leap?

Briefing by Ulrich Jochheim, March 2022

Even before the full-scale Russian invasion of Ukraine, many argued that China seemed to have accepted Russia's ambitions to bring the European part of the post-Soviet area within its sphere of influence. Furthermore, analysts also pointed out before the Russian attack on Ukraine that Russia and China had agreed on a kind of 'benevolent neutrality' should a conflict with the US arise. With the outcome of the ongoing conflict in Ukraine more than uncertain, experts tend to agree that China will do its utmost to support the solution least likely to pose a challenge to the power of the Communist Party of China in the run-up to the 20th Party Congress this autumn, and to China's economic interests.

US Congress and trade policy tackling China

'At a glance' note by Gisela Grieger, March 2022

In the first year of the 117th US Congress (2021-2022), members of both the House and the Senate saw an urgent need both for a trade policy offensive specifically for the Indo-Pacific region to maintain US leadership in setting international standards and norms, and for an upgrade of defensive trade policy tools to address China's unfair trade practices. Congressional initiatives have coincided with debates in the European Parliament on the EU's Indo-Pacific strategy and on legislative proposals set to expand the EU's toolbox of autonomous trade measures.

US Congress approach to US-Taiwan relations

'At a glance' note by Gisela Grieger, March 2022

The first year of the 117th US Congress (2021-2022) under a 'unified government', where President Biden's party holds a majority of Democrats in the House of Representatives and the Senate, saw strong bipartisan support for shaping closer security, economic and political ties with Taiwan. Perceived as a vibrant democracy, worth protecting to secure peace and security in the Indo-Pacific region, the Biden administration invited Taiwan to the 2021 US Summit for Democracy, defining shared values rather than statehood as the criterion for participation. However, like the Trump executive, Biden's administration has not delivered on Congress's call to start talks with Taiwan on a free trade agreement, but has embraced an alternative framework for engagement.

US approach to research cooperation with China

'At a glance' note by Gisela Grieger, March 2022

China's meteoric economic and military rise, authoritarian political system and non-market economic model, and growing US-China strategic competition, have had a significant impact on how bilateral research ties are perceived in the US, and on how the US Congress and the Trump and Biden administrations have shaped the US research ecosystem in response to China's 'Thousand Talents' programme.

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China's compliance with selected fields of international law

Briefing by Matthew Parry, September 2021

China has ratified numerous legally binding international agreements. Like other countries, it has a strong incentive to commit itself in this way: international agreements are a means of binding other treaty parties; strengthening international standing; creating a favourable legal framework for trade and investment; and, such as with the 1984 Sino-British Declaration on Hong Kong, settling territorial questions. At the same time, China has been careful to avoid making commitments in two areas in particular: questions of national security and sovereignty, where it recalls a history of mistreatment by outside powers; and human rights, where its political and cultural traditions differ considerably from those of Western democracies.

China's ambitions in artificial intelligence

'At a glance' note by Ulrich Jochheim, September 2021

In 2017, China announced an ambitious programme for its domestic development of artificial intelligence (AI) technology, with the aim of becoming the world's 'major AI innovation centre' by 2030. China plans to expand AI in many spheres of production, governance and defence by that deadline. Even today, the country ranks second globally in AI, although it still has to overcome major challenges, in particular in terms of talent and the production of very sophisticated semiconductors. China hopes to acquire 'leapfrog' technology, including in military AI. Faced with China's technological challenge, the United States and the European Union are tracking AI developments in China more closely.

China tightens its grip over the South China Sea

'At a glance' note, by Gisela Grieger, February 2021

Of all the disputed areas claimed by China, the South China Sea has been most prominent in recent years, as it involves the largest number of actors with overlapping claims to maritime features and waters, as well as non-claimant countries, owing to its strategic importance as one of the world's busiest shipping lanes. In 2020, China stepped up its 'divide and rule' tactics to assert its sweeping 'historic' rights, while Malaysia, Indonesia, the Philippines, and Vietnam dismissed them in an alignment of positions supported by a 2016 landmark arbitration award under the United Nations Convention on the Law of the Sea. In 2020, the United States' previously neutral position on China's maritime claims shifted to dismissing them as unlawful. The EU remained attached to its position of not taking sides with either party's claims. Some EU Member States have however become more vocal in dismissing China's 'historic' rights and have increased their presence in the South China Sea.

Hong Kong: A Beijing-imposed security law?

'At a glance' note, by Gisela Grieger, June 2020

On 28 May 2020, the National People's Congress of the People's Republic of China authorised its Standing Committee to adopt a national security law for Hong Kong, bypassing the city's Parliament, the Legislative Council. The law, planned to enter into force prior to Hong Kong's legislative elections scheduled for September 2020 (but postponed to December 2021), was seen as a turning point for the city's 'high degree of autonomy' and a premature phasing out of the 'One country, two systems' model that was planned to subsist for 50 years from 1997.

China's growing role as a security actor in Africa

Briefing, by Gisela Grieger, October 2019

China has pursued a two-pronged approach to African security issues, to defend its economic and security interests and to expand its influence in Africa. On the one hand, it has contributed to existing multilateral structures and instruments to foster peace and security. On the other hand, it has expanded its military presence by engaging African countries bilaterally through joint drills, military training, and military infrastructure-building, and multilaterally through the recently created China-Africa forum on security issues.

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Further reading

EU human rights sanctions. Towards a European Magnitsky Act

Briefing by Martin Russell, December 2020

Religion and the EU's external policies: Increasing engagement

In-depth analysis by Philippe Perchoc et al.; case study on China by Gisela Grieger, February 2020

What Think Tanks are thinking – EU-China ties and Russia's war on Ukraine

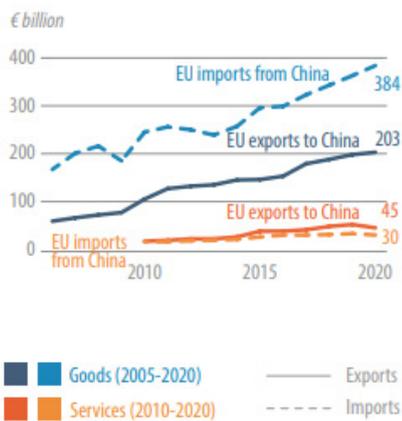
Briefing by Marcin Grajewski, March 2022

What Think Tanks are thinking – China: Partner or rival?

Briefing by Marcin Grajewski, June 2021

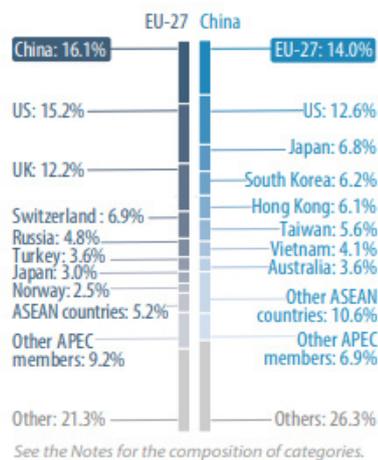
More in the EPRS–Globalstat Infographic: China: Economic Indicators and Trade with the EU

EU trade with China



Main trade partners (2020)

Trade in goods, exports plus imports



Top EU partners (2020)

Trade in goods



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