

Chinese counter-sanctions on EU targets

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, that 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 comes 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.

Sanctions and counter-sanctions

The [EU sanctions](#) against which China retaliated with [counter-sanctions](#) were among the first uses of the [EU Global Human Rights Sanctions Regime](#) (GHRSR) established in December 2020. The GHRSR allows the Council of the EU to target foreign individuals and entities – both state and non-state actors – that it holds responsible for human rights violations. Targets of the 22 March sanctions included four Chinese individuals and one entity connected to the reported mass detention and persecution of the Uyghur ethnic minority in the Xinjiang Uyghur Autonomous Region, and were coordinated with equivalent sanctions by the United Kingdom, the United States and Canada. Third-country individuals listed under the GHRSR are subject to EU asset freezes and a travel ban to the EU, and EU entities are prohibited from making funds available to those listed. China's counter-sanctions targeted, inter alia, Parliament's Subcommittee on Human Rights; MEPs Reinhard Bütikofer (Greens/EFA, Germany), Michael Gahler (EPP, Germany), Raphaël Glucksmann (S&D, France), Ilhan Kyuchyuk (Renew, Bulgaria) and Miriam Lexmann (EPP, Slovakia); the Council's Political and Security Committee, and a number of EU Member State Members of Parliament, think-tanks and academics. The counter-sanctions prohibit targets from entering PRC territory and from doing business with China. In a [statement](#) on Twitter later the same day, European Parliament President David Sassoli said the PRC's sanctions were 'unacceptable' and would have 'consequences'. On 23 March, Bütikofer, Chair of Parliament's Delegation for Relations with the PRC, published a [statement](#) in which he declared it 'obvious that the Delegation cannot go back to normal in its work' until the counter-sanctions were lifted. He also co-signed a [statement](#) with other targeted MEPs reiterating 'serious concerns' about the human rights situation in Xinjiang, and urging the EU to keep human rights 'at the core' of its foreign policy.

Talks on approving the CAI unofficially on hold

The statements by Sassoli, Bütikofer and other MEPs were widely [understood](#) to have implications for the proposed EU-China CAI, agreed to 'in principle' in December 2020. Although neither the Council nor the European Commission has formally suspended the CAI approval process, Commission Vice-President Valdis Dombrovskis said in early May that the political context was [not conducive](#) to ratification, suggesting CAI approval could be put on hold. This interpretation was however later [denied](#) by a Commission spokesperson. Parliament has tabled a [motion](#) for a resolution on the sanctions, due to be voted in plenary on 20 May.

What is the EU-China Comprehensive Agreement on Investment (CAI)?

Launched in January 2014 and conducted in 35 rounds over the course of seven years, EU-China negotiations on the CAI reached a [conclusion](#) 'in principle' in December 2020. The agreement is designed to improve reciprocity in market access and level the playing field for EU investors in China. It would replace a number of older bilateral investment treaties agreed between the PRC and EU Member States. The conclusion of negotiations on the CAI was already the subject of debate before the imposition of EU and PRC sanctions. Critics questioned the [ambition](#) of the PRC's market access commitments, and the [strength](#) and enforceability of its climate and human rights commitments. For more, see the relevant EPRS 'International Agreements in Progress' [briefing](#).

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