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

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

LEGAL BASIS

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

EAST ASIA

A. China

The EU and China established formal diplomatic ties in 1975. Following the violent crushing of the Tiananmen Square protests by military forces in 1989, relations were suspended. The EU only resumed relations in 1994, but its arms embargo imposed in 1989 remains in place.

The growing economic and geopolitical interdependence between the EU and China is reflected in the joint EU-China 2020 Strategic Agenda for Cooperation, which has deepened and broadened cooperation in a wide range of areas, such as foreign and security policy; economic development; global governance and multilateral cooperation in trade and investment; social and environmental areas; and other areas including people-to-people contacts. The strategic partnership with China has evolved into a complex relationship. China is an essential economic partner and key partner cooperating on global issues such as climate change, global economic recovery, pandemics, regional security threats and digital standards.

China is an economic competitor and even a systemic rival with its rising political influence reshaping international governance structures. China’s Silk Road initiatives are reaching every corner of the globe, promoting globalisation with Chinese
characteristics such as non-transparent contracting, Chinese labour standards and debt policies. China aims to become the world leader in high-tech industries and digital technologies, including artificial intelligence and 5G. China has its own research capacity, but often uses cyberespionage to gain access to technologies, as Parliament pointed out in its resolution of 12 March 2019 on security threats connected with the rising Chinese technological presence in the EU and possible action on the EU level to reduce them. China has been systematically developing influencing strategies using disinformation campaigns.

With the rise of China’s political and economic powers and military capabilities, the country has been violating Taiwanese waters and air space, as well as constructing artificial land and building military facilities in the South China Sea, ignoring the Permanent Court of Arbitration’s 2016 ruling.

The 22nd EU-China Summit, held virtually on 22 June 2020, was overshadowed by the continuing COVID-19 crisis and by growing disagreements and serious strains on bilateral relations. The EU called on China to assume greater responsibility in dealing with global challenges through the rules-based international system, promoting international peace and security, and adhering to international standards. Leaders held a substantive discussion on new digital technologies that must go hand in hand with respect for fundamental rights and data protection. The EU also raised unresolved issues in relation to cybersecurity and disinformation. In the context of the COVID-19 pandemic, the EU reiterated the shared responsibility to participate in global efforts to stop the spread of COVID-19 and boost research on treatments and vaccines, stressing the need for solidarity in addressing the consequences in developing countries, in particular as regard debt relief.

The last EU-China Leaders’ meeting took place on 30 December 2020, and focused in particular on progress achieved during negotiations on investment, as the EU and China ‘in principle’ concluded negotiations on a Comprehensive Agreement on Investment (CAI). At the end of the June 2020 EU-China Summit, the EU had taken critical note of the negotiation process, and the existing imbalances and lack of reciprocity in many fields, in particular in the trade and investment relationship. It is hoped that the agreement will address some of the inequalities and level the playing field for business, providing new market opportunities, protecting investors and their investments, and allowing both sides to envisage broader and deeper ambitions. An Agreement on Geographical Indications (GIs) was signed on 14 September 2020, guaranteeing a high level of protection.

The CAI needs approval from Parliament. However, Chinese sanctions on 22 March 2021 cast doubt on the approval process of the agreement. China had imposed sanctions on five MEPs (Reinhard Bütikofer, Michael Gahler, Raphael Glucksmann, Ilhan Kyuchyuk and Miriam Lexmann) and four European entities, including the Political and Security Committee of the Council of the European Union, Parliament’s Subcommittee on Human Rights, the Mercator Institute for China Studies in Germany and the Alliance of Democracies Foundation in Denmark, for acts that, according to the Chinese authorities, ‘severely harm China’s sovereignty and interests and maliciously spread lies and disinformation’. The sanctions prevent the blacklisted entities and their families from entering mainland China, Macau and Hong Kong and bar
them from conducting business with China. This move was in retaliation for the Council of the European Union’s sanctions on China for the extensive arbitrary detention of Uyghurs in Xinjiang.

The EU is China’s biggest trading partner, while China became the EU’s largest trading partner for the first time in 2020. Trade in goods between the EU and China is worth over EUR 1.5 billion per day. In 2020, two-way trade between China and the EU stood at EUR 586 billion, accounting for a trade deficit for the EU of EUR 181 billion, an increase of EUR 17 billion from 2019. In 2020, China was the third largest partner for EU exports of goods (10.5%) and the largest partner for EU imports of goods (22.4%). In 2020, exports of EU goods to China increased by 2.2% and imports increased by 5.6%, while due to the COVID-19 pandemic, EU trade with the rest of the world was down 9.4% in terms of exports and 11.6% in terms of imports compared with 2019.

As for trade in services, in 2019 the EU exported EUR 52.5 billion to China and imported EUR 32.8 billion from China, giving the EU a surplus of EUR 19.7 billion. Chinese foreign direct investment (FDI) in the EU continued its downward trend in 2020 to USD 7.5 billion. The cumulative FDI flows from the EU to China over the past twenty years have reached more than EUR 140 billion, while EUR 120 billion of Chinese FDI has been invested in the EU.

Parliament is deeply concerned by the human rights situation in China and has drawn attention to China’s human rights violations, including arbitrary detention, labour camps, the death penalty, problems with freedom of expression and association, forced abortions and repressive policies in Hong Kong, Tibet and Xinjiang. Parliament has also supported Chinese citizens’ calls for effective political reforms and has condemned the treatment of various individual human rights defenders and activists. Calls for China to resume the EU-China Human Rights Dialogue have increased.

Parliament condemned China’s suppression of political opposition and pro-democracy activists in Hong Kong in its resolution of 19 June 2020 on the PRC national security law for Hong Kong and the need for the EU to defend Hong Kong’s high degree of autonomy. In its resolution of 21 January 2021, it condemned the crackdown on the democratic opposition in Hong Kong.

Parliament raised concerns about Xinjiang in its resolution of 19 December 2019 on the situation of the Uyghurs, and condemned forced labour and the exploitation of Uyghur minorities in its resolution of 17 December 2020. Parliament has also adopted resolutions on Tibet, such as its resolution of 18 April 2019 on the situation of religious and ethnic minorities.

B. Taiwan

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

The EU has developed a well-structured dialogue on economic and trade matters with Taiwan in sectors such as the car industry, pharmaceuticals, cosmetics and medical devices. The EU is Taiwan’s fourth largest trading partner after China, the US and
Japan. EU-Taiwan trade in goods reached a record of EUR 51.9 billion in 2018 and amounted to EUR 49 billion in 2020 due to the COVID-19 pandemic. With FDI stocks of EUR 21.2 billion in 2017, the EU is the largest investor in Taiwan.

The EU and Taiwan held their third annual Human Rights Consultations via videoconference in July 2020. Taiwan has made progress in the adoption of the first national Human Rights Action Plan and in establishing a National Human Rights Commission. The EU underlined the need to ensure that migrant workers’ rights are fully protected to avoid discrimination and exploitation. The EU urged Taiwan to pursue a policy moving towards the abolition of the death penalty.

Taiwan held its presidential elections in January 2020. Tsai Ing-wen, the leader of the Democratic Progressive Party, returned for a second term with 57.1% of the votes, ahead of Han Kuo yu of the Kuomintang (Chinese Nationalist Party) who obtained 38.6%.

Parliament has repeatedly encouraged closer EU-Taiwan bilateral cooperation in areas such as trade, research, culture, education, climate change and environmental protection, expressing its support for the launching of negotiations for an EU-Taiwan bilateral investment agreement. Parliament has equally supported Taiwan’s meaningful participation in international organisations such as the World Health Organization and the International Civil Aviation Organization. Parliament has also repeatedly urged China to refrain from acts of military provocation towards Taiwan, emphasising that all cross-strait disputes should be settled by peaceful means based on international law.

C. Hong Kong

The EU attaches great importance to Hong Kong’s high degree of autonomy, which must be preserved in line with the Basic Law and international commitments. Continued respect for fundamental rights and freedoms and the independence of the judiciary remain essential for the development of Hong Kong. EU-Hong Kong relations cover trade, economic development, customs cooperation, innovation and technology, competition, food safety, the environment and education. The EU was Hong Kong’s second largest trading partner in goods in 2019 after mainland China. In 2020, the EU had a EUR 15.9 billion surplus in trade in goods, and Hong Kong had a EUR 0.4 billion surplus in trade in services in 2019. The 13th EU-Hong Kong Structured Dialogue took place in November 2019.

The EU removed Hong Kong from the watch list of non-cooperative tax jurisdictions in March 2019, following improvements made in good governance. The EU is seriously concerned about the National Security Law (NSL) imposed by China, promulgated on 30 June 2020. The Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy expressed concerns about the conformity of the NSL, which is considered not to comply with the Hong Kong Basic Law, the 1984 Sino-British Joint Declaration and China’s international commitments. It has been used to suppress Hong Kong’s pro-democracy movement, as any expression perceived to be in conflict with the government’s line could lead to arrests and imprisonments. A further worrying aspect is the extraterritorial application of the new security law.

In July 2020, the EU and its Member States reiterated their support for Hong Kong’s high degree of autonomy under the ‘one country, two systems’ principle, while setting
out a coordinated package of measures in fields such as asylum, migration, visa and residence policy, in particular Member States’ extradition arrangements. The package included exports of specific sensitive equipment and technologies for end use in Hong Kong, scholarships and academic exchanges involving Hong Kong students, as well as support to civil society. The government postponed the 2020 Hong Kong Legislative Council election, scheduled for 6 September 2020, by one year, justifying its decision with the rise of COVID-19. Opponents believe that this was an effort to avoid the opposition winning a majority for the first time despite the electoral system.

Parliament’s recommendation of 13 December 2017, issued 20 years after the establishment of the Hong Kong Special Administrative Region (SAR), stressed that respect for the Basic Law of the Hong Kong SAR was of key importance for further strengthening relations with the EU. Parliament condemned China’s interference in Hong Kong’s internal affairs, which may put the long-term viability of the ‘one country, two systems’ model at risk. Parliament’s resolution of 19 June 2020 called the unilateral introduction of national security legislation a comprehensive assault on Hong Kong’s autonomy, the rule of law and fundamental freedoms. China is bound by the Joint Declaration, which was registered with the UN as a legally binding treaty, to uphold Hong Kong’s high degree of autonomy and its rights and freedoms.

Parliament’s resolution of 21 January 2021 on the crackdown on the democratic opposition in Hong Kong called for the immediate and unconditional release of those arrested in Hong Kong in the first two weeks of 2021, and of all those previously arrested on charges pursuant to the NSL. It again urged the authorities to respect Hong Kong’s rule of law, human rights, democratic principles and high degree of autonomy, and to immediately refrain from making further use of the NSL to suppress the rights to freedom of expression, peaceful assembly and association.

D. Japan

Having been strategic partners since 2003, the EU and Japan share fundamental values such as respect for human rights, democracy and the rule of law, as well as a strong commitment to sustainable development, multilateralism and a rules-based World Trade Organization system. Japan is committed to the effective implementation of the Paris Agreement on climate change and to other multilateral environmental agreements. However, there are some issues that cause concern for the EU: Japan’s application of the death penalty, whaling and parental abductions of EU children in Japan.

The EU and Japan upgraded their bilateral strategic relationship in February 2019 with the provisional implementation of the Strategic Partnership Agreement and with the entry into force of the Economic Partnership Agreement (EPA). The EPA is the most important bilateral trade agreement ever concluded by the EU, as it covers nearly one third of world GDP, almost 40% of world trade and over 600 million people.

The EPA also contains commitments regarding both trade in goods and trade in services, and provides a framework that promotes bilateral investment. It also sets ambitious targets for sustainable development and includes, for the first time, a specific commitment to the Paris climate agreement. The EU and Japan signed an agreement on civil aviation safety on 22 June 2020.
Japan is the EU’s second largest trading partner in Asia, after China, with total trade amounting to EUR 109 billion in 2020. EU exports to Japan amounted to EUR 54.9 billion in 2020. The EU had a trade surplus in goods of EUR 0.5 billion. As for trade in services, in 2018 the EU exported EUR 35 billion in services to Japan and imported EUR 18 billion from Japan, leaving the EU with a surplus of EUR 16.3 billion in trade in services.

The two parties remain committed to enhancing investment relations by concluding a separate investment agreement in the future that would include investor/investment protection standards and a mechanism for the resolution of disputes. The EU and Japan concluded negotiations on an adequate level of data protection in July 2018 and adopted decisions in January 2019 to recognise each other’s data protection systems as ‘equivalent’, creating the world’s largest area of safe data flows. The 26th EU-Japan Summit on 25 April 2019 focused on climate change, regional security and trade. In September 2019, during the visit by Prime Minister Abe to Brussels, the EU and Japan signed the Partnership on Sustainable Connectivity and Quality Infrastructure.

As a result of COVID-19, the 2020 EU-Japan Summit in Tokyo was transformed into the EU-Japan Leaders’ meeting via videoconference on 26 May 2020. The leaders reaffirmed their commitment to the Japan-EU strategic partnership and to pooling efforts in tackling the effects of the COVID-19 pandemic and working together on the development of vaccines. In the framework of G7, the EU and Japan have also committed to pursue a rapid strategy to secure a global economic recovery. They also committed to cooperate on climate change and research, viewing the Green Deal and the Digital Agenda as means of further strengthening cooperation. The EU and Japan re-confirmed their cooperation on peace and security as well as on fighting against disinformation campaigns.

On 25 January 2021, the Council of the European Union held a discussion with the Foreign Minister of Japan Toshimitsu Motegi on their respective approaches to the Indo-Pacific, agreeing that enhanced EU engagement in the region, as well as enhanced cooperation with Japan and other like-minded partners, would be beneficial. There was mutual interest in advancing cooperation on connectivity, maritime security, environment and climate change, trade and investment, digital issues, promoting multilateralism and upholding the international rules-based order.

As an integral part of the upgrading of the EU-Japan bilateral strategic relationship, the European Parliament and the Japanese Diet are strengthening their interparliamentary dialogue. Parliament’s most recent comprehensive political resolution on Japan was the accompanying resolution to the conclusion of the EU-Japan Strategic Partnership, adopted on 12 December 2018. As regards trade and investment relations, Parliament’s most recent comprehensive resolution was the accompanying resolution to the conclusion of the EU-Japan Economic Partnership Agreement, also adopted on 12 December 2018.

E. The Republic of Korea (RoK, South Korea)
EU-South Korea relations date back to the 1997 Agreement on cooperation and mutual administrative assistance in customs matters. The Framework Agreement on Trade and Cooperation and its attached Political Declaration, which entered into force in 2001,
represented a new phase of the relationship that matched the growing political role of the EU and the advanced economy of South Korea. Relations were upgraded even further in 2010 with the entry into force of the comprehensive Framework Agreement, the Free Trade Agreement and the declaration of a Strategic Partnership. An agreement to facilitate South Korean participation in EU-led common foreign and security policy missions followed soon after. As one of the EU’s strategic partners, EU-South Korea relations are based on trade and the economy, global security, the environment and international cooperation, including the fight against COVID-19.

Bilateral trade between the EU and South Korea fell to EUR 89.4 billion in 2020, from EUR 91 billion in 2019. In 2020, there was a trade surplus of EUR 1.2 billion in favour of the EU. The EU is a significant investor in South Korea: its FDI stocks amounted to EUR 44 billion in 2019.

South Korea’s science and technology sector is one of the most advanced in the world. It seeks to focus on innovation and has an impressive record in robotics and AI, opening up new opportunities to step up scientific and technological cooperation with the EU. Closer cooperation between the EU and South Korea has already been established in the field of cyber threats. South Korea has a highly digitised economy and is developing a national cybersecurity strategy, following hacks and attacks affecting millions of people and official sites. North Korea has been accused of plotting most of the major cyber-attacks. In November 2020, the EU and South Korea held their sixth Cyber Dialogue. A notable outcome was the joint support of the establishment of a programme of action. The plan will help propagate responsible behaviour in cyberspace and address cyber issues in the context of international security within the United Nations.

Economic engagement and denuclearisation are the current priorities for inter-Korean relations. The South Korean government seeks to maintain peace on the Korean peninsula by encouraging inter-Korean and US-North Korea dialogue. Three inter-Korean summits to seek denuclearisation took place between April and September 2018 but dialogue and cooperation stalled following the 2019 US-North Korea Hanoi summit, and worsened again in August 2019 following a joint US-South Korea military drill. Tensions came to a head with North Korea’s launch of short-range missiles in March 2020 and with the explosion in June 2020 of the inter-Korean liaison office in Kaesong and the death of a South Korean citizen in North Korean territory. On 17 June 2020, after the explosion of the EU inter-Korean liaison office in Kaesong, supposedly provoked by North Korea, the Chairs of Parliament’s Committee on Foreign Affairs and Delegation for Relations with the Korean Peninsula issued a Joint Statement underlining that rising tensions could undermine the realisation of a comprehensive and lasting peace process in the Korean peninsula. They called for the restoration of communication and a climate of mutual trust, as well as sustainable peace on the peninsula in foreign policy dialogues with its strategic partners.

The EU supports a diplomatic solution to the Korean nuclear crisis and intends to continue its strategy of ‘critical engagement’ towards North Korea. Marking the 10th anniversary of the EU-Republic of Korea Strategic Partnership, on 30 June 2020, the EU-South Korea summit focused on how to foster global cooperation in the post COVID-19 recovery phase. Leaders underlined the urgency of stepping up the global
response to fight against climate change, including their commitment to implement the Paris Agreement. South Korea hosted its first multilateral environmental summit, the 2021 P4G Seoul Summit, from 30 to 31 May 2021. President Moon Jae-In was joined by 13 heads of state and senior leaders, including Commission President Ursula von der Leyen and US climate envoy John Kerry. The summit issued the Seoul Declaration, which advocates maintaining the rise in global temperature well below 2°C, aiming instead for the pre-industrial 1.5°C; encourages an increase in national contribution to lower greenhouse gases; accelerates efforts to transition away from non-renewable energy sources and to cooperate on resolving the issue of plastic waste in marine ecosystems.

A general legislative election took place in April 2020. The voter turnout of over 66% represents a remarkable success. For the first time in 16 years, President Moon’s ruling Democratic Party won an absolute majority. Addressing the COVID-19 pandemic is the government’s priority, passing supplementary budgets in parliament aimed at alleviating the economic impact of the crisis. South Korea is set to go to presidential elections in March 2022. President Moon is ineligible to run for a second term as the constitution only allows a single five-year term in office.

In April 2021, South Korea completed the ratification of three major International Labour Organization (ILO) conventions: the Freedom of Association and Protection of the Right to Organize Convention, the Right to Organize and Collective Bargaining Convention and the Forced Labour Convention. While the country joined ILO in 1991, it had not adopted these three conventions, which had attracted the ire of the international community as well as businesses and employees.

South Korea claims that Japan still owes the country World War II reparations. Relations remain strained despite efforts to restore ties under a treaty in 1965. A particularly contentious issue is that of ‘comfort women’ (sex slaves between 1932 and 1945). South Korea has also raised concerns over Japan’s plans to release contaminated water from its Fukushima power station back into the Pacific Ocean, which will affect marine life adversely and consequently the fishing industry. South Korea has threatened to boycott the Tokyo Olympics scheduled for July 2021 after two disputed island territories were included as Japanese territories on the Tokyo Games website.

Parliament is highly concerned about inter-Korean relations. A delegation from the Committee on Foreign Affairs visited Japan and South Korea in April 2018 with the aim of deepening the bilateral strategic partnership and its parliamentary dimension. A delegation from the Committee on Civil Liberties, Justice and Home Affairs visited South Korea in October-November 2018, focusing on data protection in the context of EU-South Korean relations and on inter-Korean relations. In November 2019, a South Korean delegation from the National Assembly visited the European Parliament in Brussels for their 21st interparliamentary meeting. Discussions focused on the free trade agreement, climate change, security and technology.

F. The Democratic People’s Republic of Korea (DPRK, North Korea)

The EU has a policy of ‘critical engagement’ towards North Korea, which combines pressure in the form of sanctions and other measures with open communication channels. Bilateral relations are limited and no bilateral political or commercial treaties
between the EU and North Korea are in force. Excluding humanitarian assistance, the EU’s development cooperation is mainly related to food security and is subject to political considerations, UN sanctions and other constraints. The EU does not have a bilateral development assistance programme with North Korea. Six EU Member States maintain embassies in Pyongyang, alongside the French Cultural Cooperation Office. A significant number of EU Member States have accredited their ambassadors resident in Seoul to North Korea. The closure of the borders by North Korea in January 2020 has led to difficulties in rotating staff in and out of the country and the diplomatic presence has been reduced.

The EU’s sanctions against North Korea are the toughest against any country, adopted in response to the country’s nuclear weapons and ballistic missile development activities. The EU has implemented all relevant UN Security Council (UNSC) resolutions and has put its own autonomous sanctions regime in place, which complements and reinforces the sanctions adopted by the UN. In September 2020, the EU conducted a fourth round of approaches to third countries encouraging them to fully implement the UNSC resolutions. The EU stands ready to assist partners in strengthening their capacity to fully implement the sanctions. On 22 March 2021, the EU announced human rights-related sanctions on the DPRK for the first time under the EU Global Human Rights Sanctions regime. The list includes two ministers as well as the Central Public Prosecutor’s Office for aiding repressive activities in the country.

North Korea held a massive military parade on 10 October 2020 to celebrate the ruling party’s 75th anniversary, showing a variety of weapons systems for the first time. Among the weapons put on display, one appeared to be an intercontinental ballistic missile (ICBM) larger than any of North Korea’s known ICBMs. During the event, Kim Jong-un also said the country’s continued efforts to develop its nuclear deterrent were necessary for its own defence, adding that his government was not targeting any specific country with its military force.

The 8th Congress of the Worker’s Party of Korea took place in Pyongyang from 5 to 12 January 2021. For the first time, Leader Kim Jong-un reportedly admitted that his five-year economic development plan had failed. It is likely that Kim will propose a new plan as well as policies aimed at dealing with the US and South Korea.

As per some experts, the US under the Biden administration is looking to pursue talks with the DPRK while maintaining pressure on the country to give up its nuclear weapons. Such a stance could lead to options for diplomacy. On 22 May 2021, President Biden appointed Sung Kim, who had served as a special envoy under the Obama administration, as a special envoy to engage the DPRK in diplomatic dialogue. In a joint statement with South Korean President Moon Jae-in, Biden said that the ultimate goal was the complete denuclearisation of the Korean peninsula.

Parliament has passed several resolutions condemning North Korea’s nuclear and missile programmes and has expressed grave concerns about the deteriorating human rights situation in the country.