

The Relations between the European Union and the People's Republic of China - a Perspective out of the European Parliament -

The European Union has maintained a close relationship with the People's Republic of China already for a long time. The relations stretch from the trade policy - where the European Union has the sole responsibility in relation to third countries - to many other fields of policies including foreign relations. Facing the ever growing importance of China in trade as well as in International Foreign and Security Policy the relationship between the EU and China is becoming more and more important.

The main legal framework for the relations with China is still the EC-China Trade and Economic Cooperation Agreement, signed in May 1985 that covers all economic and trade relations between the EU and China. This cooperation has been deepened by exchanges of letters in the years 1994 and 2002 which have added more dimensions of cooperation and established already in 1994 the EU - China Political Dialogue. Since the Commission's policy paper entitled "A maturing partnership: shared interests and challenges in EU-China relations", endorsed by the European Council on 13 October 2003, and the first ever policy paper by China on the EU, also issued on 13 October 2003, the relationship between the EU and China can be called a strategic partnership.

The economical relationship has further been strengthened by the Science and Technology Agreement between the EC and China which entered into force in 2000 and was renewed in 2004, the EU agreement with China on cooperation in the EU's Galileo satellite navigation programme, signed on 30 October 2003, and the EU-China customs cooperation agreement which was signed in December 2004 that also includes measures to fight piracy and counterfeiting. Furthermore there are numerous Sectorial Dialogues going on between the EU and China in such fields as Intellectual Property Rights, Competition Law, Import Quotas and Education.

Of special and sensitive importance is the EU-China Dialogue on Human Rights that was initiated in January 1996 and interrupted by China already one year later when Denmark and other EU countries presented a China critical resolution to the UN Human Rights Commission. Yet already at the end of 1997 China restarted the Dialogue that has since then taken place by two sessions per year. The most important subjects within the EU-China Human Rights Dialogue are : China's transition towards an open society based on the rule of law and the process of democratization, freedom of speech, freedom of the press and freedom of worship. Under the auspices of this Dialogue the European Commission has been supporting several projects in China such as democratization on the local level and promotion of women's rights. To improve the human rights situation in China the EU urges China without any further delay to ratify the UN International Covenant on Civil and Political Rights and implement these rights throughout China.

The development of the relation between the EU and China is steered and promoted by the regular meetings of the EU Heads of State and Governments and the Chinese leadership at the EU-China Summits. The Ninth EU-China Summit was held in Helsinki on 9 September 2006. The EU was represented by the President of the European Council, Prime Minister Matti Vanhanen of Finland, President of the European Commission, Mr.

José Manuel Barroso. Premier Wen Jiabao of the State Council of China attended the meeting on behalf of the People's Republic of China. The two sides emphasized the importance of high-level political dialogue and consultations at all levels in enhancing understanding and trust and advancing bilateral relations. The main topics of these consultations were trade issues including the implementation of the WTO rules, the protection of intellectual property rights, actions against climate change, global energy security, cooperation in the fields of non-proliferation and disarmament and other issues of foreign policy.

The day-to-day cooperation between the EU and China is maintained and developed by the European Commission and the Chinese Government. Between the summits there are also regular dialogues on the ministerial level such as the EU-China Troika meeting in Beijing on 11 / 12 May 2006. The EU Commissioner for External Relations, the Austrian Foreign Minister and the High Representative of the Council met the Chinese Foreign Minister also to mark the 30th anniversary of EU-China Diplomatic Relations.

The EU - China relationship is also facilitated by the European Parliament that has already in 1980 established a Delegation for the Relations with China. The Members of the European Parliament and their counterparts from the National People's Congress meet at least once a year alternatively in China and the EU. The 23rd Interparliamentary Meeting EP/China just took place in Beijing from 20 November to 25 November 2006. The European Parliament takes these meetings very serious since the EP has a decisive role to play according to the European Treaties in formulating the EU trade policy and even more so in the fields e.g. of the EU transport and EU research policy. But even in the foreign and security policy the EP influences the Common and Security Policy of the European Union that is still primarily in the domain of the Member States responsibilities. The latest position of the EP on the EU –China relations can be found in its resolution of 7 September 2006.

Furthermore there are regular meetings between the Political Groups of the European Parliament with the International Committee of the Central Committee of the Communist Party of China. On this level e.g. the Presidency of the Christian-Democratic EPP-ED Group in the European Parliament visited Beijing and Shanghai in May 2006 and had intensive dialogues with high representatives of the Central Committee of the Communist Party. The EPP-ED Presidency delegation also met the representative of the Konrad-Adenauer-Foundation in Beijing for a very fruitful exchange of views. While insisting on our believes in multi-party democracy, the rule of law and the respect of human rights the EPP-ED delegation – as also our Communist counterparts – considered this visit very useful for strengthening the good relationship between the EPP-ED Group in the European Parliament and the Chinese Communist authorities.

The relationship between the EU and China is mainly dominated by the mutual trade and investment. The EU with its soon 27 Member States and its population of 480 million citizens and the People's Republic of China with its population of 1.3 billion citizens account for a quarter of the world's population. For the European Union China has become its second biggest trading partner and for China Europe is its biggest trading partner. Having in mind that China has an economic growth rate of nearly 10 % p.a. our trade relations become more and more important.

In the trade relations the European Union is very much worried about the following problems caused by China. Although China has become a member of the World Trade Organisation at the beginning of the year 2002 there are still a lot of problems with the

implementation of the WTO-rules in China, esp. on the regional and local levels. Quite often the intellectual property rights of European companies are not correctly protected by the Chinese authorities. Furthermore the European industries esp. in the shoe and textile sectors see themselves confronted with unfair trade practices by Chinese companies so that the European Union had to introduce some anti-dumping measures and some quota agreements. European companies doing business or investing in China face quite often legal uncertainty and the demand for bribes. Therefore the EU is urging the Chinese government to put these negative obstacles against trade and investment to an end. Furthermore the EU calls for the opening of the public procurement markets in China. Such an opening would not only be in our interest but in the interest of China itself since it could get more efficient goods and services at a better price for the development of its country.

A new problem has arisen between EU and China in the relation of the energy supply. The People's Republic of China is with the support of the highest Chinese authorities trying to settle esp. oil trade agreements with countries in Africa and South America – in competition with the Member States of the European Union. Such a competition would be quite natural and acceptable if China would not undermine the European position to secure democracy and human rights conditions in international trade agreements.

A further economical / political problem is the arms embargo of the European Union against the People's Republic of China imposed by the European Council in 1989 after the violent suppression of the peaceful demonstration on the Tian'anmen Square. At the Ninth EU-China Summit this September China has again asked for its lifting. The European side has only confirmed its willingness to discuss the subject further-on. The European Parliament is strictly against the lifting of the arms embargo as long as the Chinese government is not freeing the still detained demonstrators and as long as the Chinese authorities are not improving the human right situation in China.

In the fields of foreign and security policies the relationship between the EU and China has become more and more important during the last years. All the more since the People's Republic of China plays an increasing role in and outside of the UN Security Council esp. on such global issues as North Korea, Iraq and Iran. Meanwhile the EU and China are on the way to develop a strategic partnership in the foreign and security policy developed.

After the terrorist attacks of 11 September 2001 China has quickly joined the international fight against terrorism. Thus although China is always fearing a containment policy by the U.S. China has supported the American led intervention in Iraq. Furthermore China is against the nuclear arming of Iran and North Korea and is in this sense supporting the endeavours to find a denuclearisation result at the Six Nations Talks between China, Japan, North Korea, South Korea, Russia and the U.S. Although not being part of these talks the European Union is actively working towards achieving a successful outcome. The EU is delivering food to the North Korean people as much as North Korea permits it and is willing to help more.

Furthermore the European Union supports all endeavours that might lead to better relationships of China with its neighbours, esp. Japan and Taiwan. The new Japanese Premier Shinzo Abe has wisely paid his first state visit to Beijing. The Chinese side should take up this intention to overcome the decades old tensions between China and Japan. In relationship across the Taiwan Straits the European Union pleads for a constructive Political dialogue between the People's Republic of China and the Republic of China on Taiwan. The European Union on the one hand accepts a One China Policy and has

therefore no diplomatic relations with the R.O.C. on Taiwan. On the other hand the European Commission has in 2003 established an European Economic and Trade Office in Taipei also to deepen the good working relations with Taiwan.

In order to set the basis for an ambitious new agenda for the relations with China in the coming years the European Commission has issued on 24 October issued a Communication to the Council and the European Parliament with the title "EU – China : Closer partners, growing responsibilities". This communication has been accompanied by the Commission working document "A policy paper on EU-China trade and investment – Competition and Partnership". The European Commission advocates a closer comprehensive strategic partnership that extends from trade and economical relations via cooperation on energy and climate issues and via endeavours for China's transition towards a more open and plural society to cooperation in international foreign and security policies. This communication that will now be debated in the European Parliament and in the Council shall also be the basis for the negotiations starting next year to formulate a new and comprehensive Partnership and Cooperation Agreement between the EU and China.

The European Parliament will most certainly support the Commission's promotion for a closer strategic partnership between the European Union and the People's Republic of China. Yet the European Parliament will also stress its credo for a multi party democracy, the rule of law and the respect of human rights. Thus these fundamental principles should be introduced into the negotiations with China. In the end our partnership needs a clear fundamental basis of mutual openness, credibility, responsibility and understanding.

About the author:

Dr. Georg Jarzembowski (CDU) is Member of the European Parliament for Hamburg since 1991. He is the Coordinator (speaker) of the EPP-ED Group (Christian Democrats) in the Committee on Transport and Tourism and a Substitute Member in the Committee of Foreign Affairs. Dr. Jarzembowski is the Chairman of the Delegation of the EP for the relations with Japan and a Member of the Delegation for the relations with the Korean Peninsula. In the EPP-ED Group he is the Coordinator for Chinese affairs. Furthermore he is the Chairman of the non-partisan European Parliament - Taiwan Friendship Group.