

# EU-China Summit: Rebalancing the strategic partnership

President of the European Commission Jean-Claude **Juncker** and President of the European Council Donald Tusk represented the European Union at the Summit. The People's Republic of China was represented by Premier Li Keqiang. The EU High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission, Federica **Mogherini**, and European Commission Vice-President for Jobs, Growth, Investment and Competitiveness, Jyrki **Katainen**, also attended the Summit.

*"In today's world, our partnership is more important than ever before. We share the same belief that working together makes the world a stronger, safer and more prosperous place", said President Jean-Claude **Juncker**. "As good friends, we can also be honest with each other when we need to be or when progress is slower than we would like. This honesty and a strong determination to face our challenges together have allowed us to make real progress, reflected in today's Joint Statement. But we can do a lot better. We need to find a better balance and level of reciprocity. Europe wants to trade more and invest more in China but we need rules that allow us to do so. We want to work with China, because we believe in the potential of our partnership."*

The full remarks of President **Juncker** at the press conference following the Summit are available [online](#). The European Union and China have issued a [Joint Summit Statement](#).

## **A realistic, assertive and multi-faceted EU approach**

While China's economic and political influence makes it a vital partner for the European Union, as well as vice-versa, there is a growing appreciation in Europe that the **balance of challenges and opportunities** presented by China has shifted. In line with last month's [Joint Communication on China](#) and the discussion among EU leaders at the [March European Council discussion](#), the EU pursues a realistic and multi-faceted approach with a view to ensuring fair, balanced and mutually-beneficial relations. The EU will work for a more balanced economic relationship with China while at the same time pursue deeper engagement on global and multilateral issues, including reform of the World Trade Organisation.

In addition to the [Joint Summit Statement](#), which demonstrates the breadth and depth of EU-China cooperation, a number of other concrete deliverables were agreed at the Summit, including:

- a [Memorandum of Understanding](#) on a dialogue in the area of the **state aid control** regime and the Fair Competition Review System;
- an Agreement on the [Terms of Reference](#) of the **EU-China Competition**

### **Policy Dialogue;**

- a [Joint Statement](#) on the Implementation of the EU-China **Cooperation on Energy**;
- [Terms of Reference](#) for a Joint Study to identify the most **sustainable railways-based transport corridors** between Europe and China.

### **Preserving the international rules-based trade system and enhancing bilateral trade and investment**

At the Summit, the EU and China confirmed their firm support to the rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system with the World Trade Organisation (WTO) at its core. Building on the work of the joint working group on WTO reform established at [last year's summit](#), they will intensify discussions with a view to strengthening international rules on industrial subsidies.

The shared objective of equitable and mutually beneficial cooperation in bilateral trade and investment was one of the key topics discussed. The EU and China reiterated their willingness to provide each other with broader, non-discriminatory market access. With this in mind, the parties will work expeditiously on a number of key market access barriers ahead of the next EU-China Summit.

Progress was also made on the ongoing **Investment Agreement negotiations**, a top priority for maintaining an open, predictable, fair and transparent business environment for European and Chinese investors. The Leaders committed to achieving decisive progress to conclude the negotiations in 2020. In this regard, they also established a political mechanism to continuously monitor the progress in the negotiations.

With a provisional agreement reached on the text of the agreement on **Geographical Indications** (GIs) and on the protection for the majority of GI names, Leaders committed to work together to resolve the remaining issues to conclude the negotiations in 2019. The EU and China agreed that steel overcapacity remains a global challenge that requires collective responses. To this end, the EU and China will maintain communication in the Global Forum on Steel Excess Capacity, ahead of a substantive report by June 2019.

The EU and China have signed a **Memorandum of Understanding on a dialogue in the area of the State Aid Control and the Fair Competition**

**Review**, reconfirming a [Memorandum of Understanding signed in 2017](#). The **State aid dialogue** is a mechanism of consultation, cooperation and transparency between China and the EU in the field of State aid control. This dialogue will further the EU and China's mutual interest and joint work to promote fair global competition. It is also part of the Commission's broader strategy to address the distortion that national subsidies policies put on a global level playing field where companies can compete on their merits.

The **Agreement on the Terms of Reference of the EU-China Competition Policy Dialogue**, also agreed today, will replace two earlier documents signed by the EU and China in order to facilitate requests to investigate alleged anti-

competitive behaviour. The Agreement acknowledges that the EU and China share a common interest to minimise any potentially adverse effects of enforcement activities on each other's interests.

## **Tackling global and regional challenges together**

Beyond trade and investment, China has a responsibility to contribute to a rules-based global order, which can be decisive for ensuring effective multilateral responses to global challenges. EU-China cooperation has already proven crucial, from the fight against climate change to upholding the Joint Comprehensive Plan of Action on Iran's nuclear programme.

Following the [High-Level Strategic Dialogue](#), co-chaired by the High Representative/Vice-President, Federica **Mogherini** and Chinese State Counsellor, Wang Yi, as well as the [discussion between EU Foreign Ministers](#) and State Counsellor Wang on EU-China relations on 18 March, leaders held fruitful discussions on **foreign and security cooperation** and the situation in their respective neighbourhoods. Ways to support a peaceful solution on the Korean Peninsula; the continued, full and effective implementation of the Iran nuclear deal; joint, coordinated work on the peace process in Afghanistan; and the situation in Ukraine were all addressed. Leaders also discussed other foreign and security challenges, such as in Venezuela and Africa.

The EU recalled the importance of the application of international law and cooperation against malicious **cyber activities**, including on ICT-enabled theft of intellectual property, for an open, stable and secure cyberspace. The Summit also recognised that 5G networks will provide the backbone for future economic and social development. On 26 March, the [Commission recommended](#) that when deploying 5G networks all Member States conduct a thorough risk assessment and take the appropriate security measures. The [recommendation](#) also aims at building an EU coordinated approach to both risk assessment and management. It does not target specific companies or countries.

With the protection and improvement of **human rights** at the very core of the European Union and its global partnerships, Leaders also addressed such issues, one week after the EU and China held their [latest Human Rights Dialogue](#).

Leaders discussed the huge potential to further **connect Europe and Asia** in a sustainable manner and based on market principles. Building on the [fourth meeting](#) of the **EU-China Connectivity Platform**, held in the margins of the Summit, the EU and China looked at ways to create synergies between the [EU's approach to connectivity](#), including the [Trans-European Transport Network](#), and China's Belt and Road Initiative. Leaders committed to openness, transparency and a level playing field in the area of infrastructure connectivity, as well as mutually beneficial implementation of the [EU-China Connectivity Platform projects](#). Leaders also welcomed the agreement reached under the Connectivity Platform on the [Terms of Reference](#) for a Joint Study to identify the most

**sustainable railways-based transport corridors** between Europe and China.

The EU and China lead the clean energy transition towards meeting the objectives under the **Paris Agreement**. Commissioner for Climate Action and Energy, Miguel **Arias Cañete**, and his Chinese counterpart, Zhang Jianhua, the Administrator of the Chinese National Energy Agency, signed in the margins of the Summit a [Joint Statement on the Implementation of the EU-China Cooperation on Energy](#) that will provide a framework for deepening and intensifying EU-China energy cooperation. Cooperation will cover the expansion of renewable energy sources, energy efficiency, the development of energy markets and systems, as well as greater involvement for companies in the energy sector based on equal exchange and reciprocal business opportunities.

A number of other high-level meetings took place in the margins of the summit, including the [4<sup>th</sup> Innovation Cooperation Dialogue](#), co-chaired by Carlos **Moedas**, Commissioner for Research, Science and Innovation, and Wang Zhigang, Chinese Minister of Science and Technology. The EU and China will develop a joint roadmap to enrich and balance cooperation in research and innovation, while [the Dialogue](#) also focussed on framework conditions for cooperation, including mutual openness of the respective research and innovation programmes.

The **Regional and Urban Policy Dialogue**, co-chaired by the Commissioner for Regional Policy, Corina **Crețu**, and the Vice-Chairman of the National Development and Reform Commission, Luo Wen, will take place tomorrow. They will discuss ways to enlarge on-going cooperation to innovation, support to start-ups and small and medium businesses, as well as industrial transition. To this end, the EU and China will soon launch a joint study comparing the EU's approach to regional innovation ("[smart specialisation](#)") and relevant innovation strategies from China, to identify areas of future cooperation in this field.

## **Further Information**

[Joint Statement of the 21<sup>st</sup> EU-China Summit](#)

[Remarks of President Jean-Claude Juncker at the press conference following the 21<sup>st</sup> EU-China Summit](#)

[EU-China Summit website](#)

[EU-China relations factsheet](#)

[Delegation of the European Union to China website](#)