



EUROPEAN UNION *~FACTSHEET~*

EU-CHINA SUMMIT
(Beijing, 14 February 2012)

EU RELATIONS WITH CHINA

The European Union is committed to strengthening its partnership with China, as demonstrated by the fourteenth EU-China summit, to take place in Beijing on 14 February 2012. The EU will be represented by Herman Van Rompuy, President of the European Council, and by José Manuel Barroso, President of the European Commission. The People's Republic of China will be represented by Prime Minister Wen Jiabao. EU Trade Commissioner Karel De Gucht will also attend.

The parties are expected to discuss the following issues:

- the EU-China strategic partnership;
- the economic situation in the EU and in China;
- trade issues, including innovation cooperation and ways to deepen the EU-China investment relationship;
- bilateral issues and cooperation, including people-to-people exchanges, the Europe 2020 strategy and China's 12th five-year plan and energy;
- global issues, in particular the G20 and climate change;
- regional and international issues such as developments in the EU's southern neighbourhood, the Middle East Peace Process, Iran as well as Asian regional issues, including the Democratic People's Republic of Korea and Burma/Myanmar.

In addition, the summit will launch a range of new cooperation projects:

- a China-EU partnership on sustainable urbanisation;
- an EU-China high-level people-to-people dialogue;
- reinforced cooperation on energy.

Background

EU diplomatic relations with China were established in 1975 and are governed by the 1985 EU-China trade and cooperation agreement and seven other legally binding agreements.

P R E S S

China has emerged as the world's third economy, after the EU and the US, the biggest exporter in the global economy, and an increasingly important political power. EU-China trade has risen dramatically in the last decades. The EU remains China's biggest trading partner while China is now close to becoming the EU's largest trading partner as well.

Strategic partnership

In 2003, an EU-China comprehensive strategic partnership was launched, followed in October 2006 by a communication entitled “EU-China: closer partners, growing responsibilities” and a policy paper on trade, aiming for a close and comprehensive partnership with China, bilaterally and in the multilateral context. China released a white paper on relations with the EU in 2003, its first-ever white paper on relations with a foreign partner.

In January 2007, negotiations were launched on a new EU-China partnership and cooperation agreement, intended to reflect the full breadth and depth of the EU-China comprehensive strategic partnership.

Trade and investment

Since bilateral ties between the EU and China were established thirty-six years ago, trade relations have expanded from €4 billion in 1978 to €395 billion in 2010. Today, the EU is the biggest destination for China's exports and the second supplier to China, after Japan. For the EU, China is the second trading partner, after the United States, and is close to surpassing the US.

From 2006 to 2010, EU trade with China grew by 11.2%, while EU trade with the world grew by only 3.2%. In 2010, the EU imported €282 billion worth of goods from China, up by 31% from 2009 levels and 18.8% of total EU imports. China thus remains Europe's biggest source of manufactured goods. 2011 data up to the end of November show another 5% increase in imports from China over 2010 levels.

At the same time, the EU exported goods to the value of €113 billion to China in 2010, 37% more than in 2009. Between January and November 2011, EU exports to China increased by another 21% and amounted to € 124 billion. More than 60% of EU exports to China concern machinery and transport equipment.

Europe is one of the top-five sources of foreign direct investment to China (€ 5.8 billion in 2009; € 7.1 billion in 2010). Chinese investment in Europe has grown rapidly since the 2008 crisis: In the two quarters from October 2010 to March 2011, Chinese firms and banks committed USD 64 billion on European contracts – more than half the total investment and trade facilitation flows in Europe since 2008.

Culture and people-to-people dialogue

In May 2011, President van Rompuy, President Hu and Premier Wen agreed to establish a third pillar of EU-China cooperation on "people-to-people" issues. This will be implemented through a high level dialogue to enhance education and cultural contacts and expand people-to-people exchanges and relations. The third pillar will be launched at the upcoming summit and should take the same format as the two existing EU-China high level dialogues (on economy and trade and on strategic issues).

In this context, the 2012 EU-China Year of intercultural dialogue aims to enhance cultural relations and cooperation and was officially launched on 1 February. Activities will include not only artistic exchanges, but all forms of people-to-people contacts and mobility contributing to mutual understanding. More information on the activities can be found at:

http://ec.europa.eu/culture/eu-china/intercultural-dialogue-2012_en.htm

Human rights

The EU-China human rights dialogue was set up in 1995 and is held twice a year, rotating between China and the EU, at the level of senior officials. The most recent session was held on 16 June 2011. The topics discussed in this session included minority rights; the rule of law; the situation of human rights defenders; freedom of expression and press freedom; ratification of the international convention on civil and political rights and the reform of the re-education through labour system.

Energy and climate change

The EU and China established a partnership on climate change at the 2005 EU-China summit. The focus of the partnership is on concrete action: the progress and deployment of clean energy technology. One major objective is the development and demonstration of advanced, “zero emissions” coal technology based on CO₂ capture and geological storage.

EU-China partnership on sustainable urbanisation

This partnership will be launched at the upcoming summit. It aims at strengthening cooperation and dialogue on urban planning, energy supply for cities and energy demand management in cities, developing "green digital cities", urban mobility, water and air quality, waste management, as well as the social inclusion of migrants into cities.

It is also intended to strengthen practical co-operation on the development and commercial transfer of low carbon and environment-friendly technologies and to enhance energy efficiency of cities.

Science and technology

The EU-China agreement signed in 1998 governs bilateral science and technology cooperation. The 12th EU-China summit in Nanjing endorsed its renewal for another five years. The 7th research framework programme (2007-2013) is the main EU financial tool to support joint research. China is the EU's third largest partner after the United States and Russia; approximately 220 Chinese research institutions and businesses have so far taken part in the 7th framework programme.

EU-China cooperation

In recent years, this successful EU-China cooperation has included the following flagship initiatives:

- The China-Europe international business school (CEIBS - in Shanghai since the mid-1990s, €33m) and the China-Europe school of law (CESL - in Beijing since 2008, €17.5m).
- The Europe-China clean energy centre EC2 in Beijing (€10m) and the international institute for clean and renewable energy in Wuhan (€15m) are the main channels for cooperation in the field of energy and sustainable development (launched in April 2010).

- China is a beneficiary of Erasmus Mundus funding, with a specific “China window” that has funded nearly 1000 thousand Chinese students to go to study in Europe (€26m).

International security cooperation

The EU and China hold regular consultations at expert level on non-proliferation and conventional arms exports. An EU-China dialogue on small arms and light weapons has been established. In addition, the EU and China have joined efforts in fighting piracy in the Gulf of Aden.
