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EU AND CHINA PERFORM TRICKY DIPLOMATIC DANCE

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Tricky diplomatic relations between China and the EU were on full display on Friday (26 October), as both lauded the defence of the global world order and international trade, but diverged on human rights.

Speaking at an event organised by the European Policy Centre, a think-tank, in Brussels, the two sides heaped praise on each other when it came to free trade, climate change, and the Iran nuclear deal.

But Gunnar Wiegand, the EU's chief Asia director, poured cold water on the platitudes after raising the issue of human rights in Xinjiang, where the mass detention of Muslim Uighurs has raised alarm by the United Nations.

"The situation in Xinjiang is a matter of great concern for us and there will be more and more questions," he said.

Wiegand also pointed out China's social credit system, one party rule, internet governance, unfair subsidies, intellectual property theft and forced technology transfers as other big problems.

"The relations between the EU and China are not ones of Romantic idealism, but ones based on the very firm interests of each side," he said.

For his part, Zhang Ming, China's ambassador to the EU, said at the same event in response to the Xinjiang criticism that the country is weeding out terrorism.

"Poverty is the hotbed and breading ground for radical thoughts," he said.

He also said that the Chinese government had prohibited the forced transfer of technology, passed some 20 laws and regulations on intellectual property rights, and scrapped ownership limits in the banking sector.

In terms of access to Chinese markets, Ming said "the door of opening up, will be opened wider and wider".

Strategic partnership

The EU is China's biggest trading partner, while China is the EU's second largest.

The two signed a strategic partnership some 15 years ago. At the time, bilateral trade hovered at around €110bn compared to €391bn in the first eight months of this year alone.

"At the end of this year, we could expect an amount more than four times of that 15 years ago," noted Ming.

The comments follow German carmaker BMW taking majority control of its Chinese joint venture, earlier this month, after paying €3.6bn to increase its stake.

The move makes BMW the first foreign auto maker to take advantage of Beijing's relaxation of investment restrictions.

Ming said ownership restrictions had also been lifted on aircraft and ship building. He also announced a Shanghai international import expo in early November that seeks "to open up the Chinese market".

The EU and China held a summit in July. The summit reaffirmed "rules-based trade" and engagement with the World Trade Organisation.

Both are facing direct challenges by the United States, the world's largest economy, under US president Donald Trump.

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