



EU and China discuss trade and economic relations

Brussels, 28 July 2020

The European Union and China held today their 8th High-Level Trade and Economic Dialogue (HED). Executive Vice-President Valdis **Dombrovskis**, accompanied by Commissioner for Trade Phil **Hogan**, held the meeting via videoconference with Chinese Vice-Premier Liu He accompanied by several Vice-Ministers. The HED focused on the joint response to coronavirus and global economic governance issues, bilateral trade and investment concerns, and cooperation in the area of financial services and taxation, as a follow up to discussions in the EU-China Summit on 22 June.

Executive Vice-President **Dombrovskis** said: *"The current crisis gives us no other option but to work hand in hand with our global partners, including China. By pulling together we can recover more quickly economically, and make progress on areas of mutual interest such as trade and investment relations. However, we also need to address sticking points such as reciprocity in the way our companies are treated. We will need to make further progress on these and other issues ahead of the next leaders' summit in the autumn."*

Commissioner **Hogan** said: *"EU-China bilateral and trade relations must be based on the key principles of reciprocity and level-playing field based on clear and predictable rules. Today I have called upon China to engage in serious reform of the multilateral system and its rulebook and to remove the existing barriers impeding access to the Chinese market of EU exporters of goods and services as well as of European investors. Such an approach by China would show a level of responsibility which reflects its economic and trade importance."*

The meeting allowed the two sides to exchange views on the ongoing negotiations on a Comprehensive Agreement on Investment following the last negotiating round which took place on 20-24 July. The EU registered the significant progress made on level playing field related issues, while highlighting that equally significant work that still remains to be done on key issues such as market access and sustainable development. On market access, the EU reiterated its request for improvements of China's offer in the telecommunication and computer sectors, health, biotechnology and new energy vehicles. On sustainable development, the EU insisted upon the political importance of meaningful commitments in this area and the need for China to increase its ambition and engagement.

With regards to market access, the EU recalled its request to China to authorise Member States' exports of agricultural products currently awaiting export authorisation, as it is the case in the beef and poultry sector. The EU also outlined its concerns about new restrictions introduced on food exports, on the ground of controlling the coronavirus pandemic, leading to an increased number of unjustified inspections, controls and requests for certificates on EU exports of agricultural products.

Both sides also discussed Market Access in the financial services sector, with the EU side encouraging China to continue opening China's financial services market to foreign investment.

A range of regulatory issues in the financial services area were also discussed, including cooperation on green finance, equivalence assessments, and the international role of the Euro and of the RMB. The two sides exchanged views on the current coronavirus pandemic and the need to work closely in the international arena to ensure a coordinated response to both the health and economic emergencies.

The EU and China agreed on the need to ensure the continued relevance of the World Trade Organization in addressing global trade challenges. In line with the 2019 EU-China Summit Joint Statement, the EU reiterated the urgent need for China to engage in future negotiations on industrial subsidies.

The EU also called upon China to start exploratory talks for an agreement with the EU covering administrative cooperation to fight VAT fraud.

For more information

[EU-China trade relations](#)

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