

**EU-CHINA RELATIONS:  
ECONOMICS STILL IN COMMAND?**

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## **Executive Summary**

1. EU-China diplomatic relations date back to 1975. Three years thereafter a trade agreement was signed. In 1985 a more comprehensive agreement on trade and economic cooperation was negotiated between the two partners. This agreement still provides the framework for EU-China relations.
2. Since the signing of the agreement, EU-China trade and economic relations have flourished. China's accession to the World Trade Organization (WTO) in 2001 further boosted trade between the EU and China.
3. Despite a temporary freeze in relations after the Tian An Men incident in 1989, trade between the EU and China has continued to grow. In 2008, the EU-China total trade in goods was worth US\$426 billion according to Chinese sources. Trade in services amounted to US\$51.3 billion.
4. In spite of the global economic crisis that started in 2007, EU-China trade continued to maintain a double-digit growth rate during 2008. The EU is now China's biggest trading partner and China is the EU's second biggest trading partner, only surpassed by the US.
5. However, EU-China Foreign Direct Investment (FDI) relation has taken a backseat. Total EU FDI outflow into China amounted to US\$3.9 billion in 2007 and accounted for 5.2 per cent FDI inflow into China. Given the size of the EU, this value is clearly an unimpressive number.
6. Although trade between the two partners has flourished, it has been an imbalanced trade relation. The EU's trade deficit with China has run up to an unprecedented level and is growing further. This imbalanced trade relation has constituted a major challenge to both partners. In order to deal with this problem, China has been urged to import more from the EU and to reevaluate its currency.

7. The EU has a number of trade and investment disputes with China, mainly with regards to trade and investment barriers. The most pressing issues include Intellectual Property Rights (IPR) infringement, ownership restrictions, standards and certifications, including promotion of indigenous technical standards (which are often incompatible with international standards). The EU also complains about Chinese procurement practices and customs procedures.
8. The Chinese for their part complain that the EU tends to bend towards protectionism and often uses anti-dumping as a tool to target lowly priced Chinese products in order to protect their own uncompetitive industries.
9. Despite these disagreements, EU-China trade has continued to grow. The current global economic crisis has probably clouded out any issues confronting the EU and China. Both partners have continuously urged one another to remain open to trade and investment. Both also agree that trade and investment openness is the only way to pull them (if not the world) out of the current economic crisis.
10. Currently the EU and China are negotiating a new Partnership and Cooperation Agreement. The goal is to create a more comprehensive framework for the relationship, which also includes political issues, beyond a relationship primarily defined by economics.

# **EU-CHINA RELATIONS: ECONOMICS STILL IN COMMAND?**

Kjeld Erik BRØDSGAARD & HONG Wai Mun \*

## **The Economic Base of China-EU Relationship**

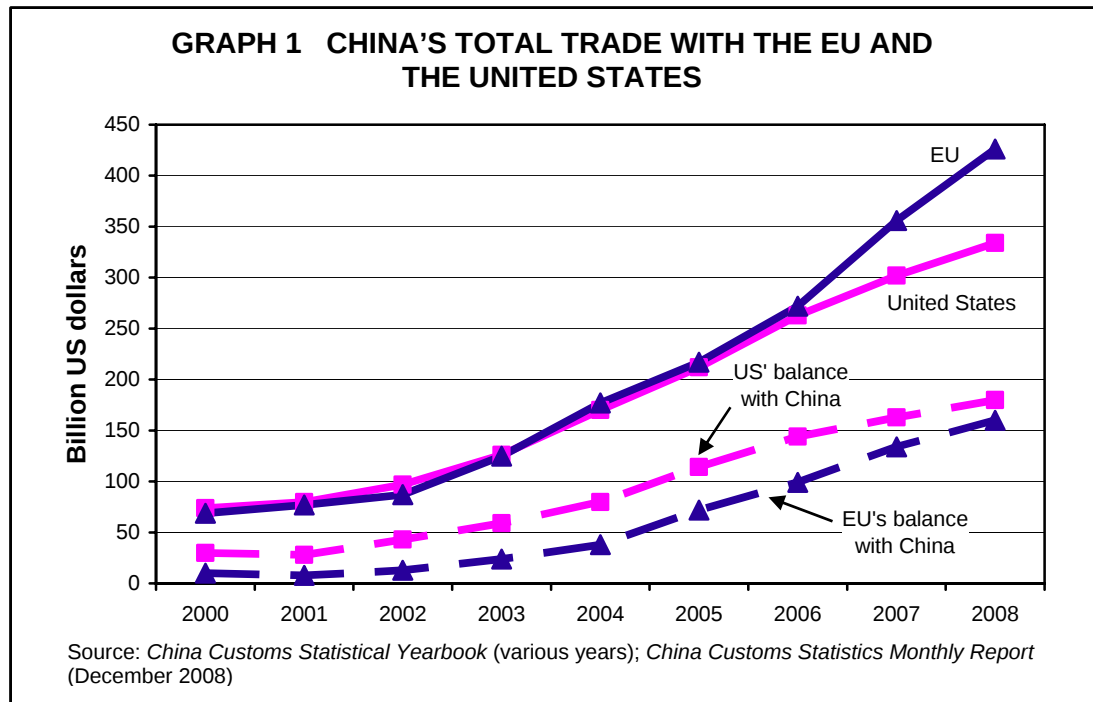
- 1.1 As reflected in the 1985 document, “EU-China Trade and Cooperation Agreement”, early trade formed the foundation of the EU-China relationship. The 1978 trade agreement coincided with the beginning of China’s reform and open door policies where both sides saw many opportunities in closer economic and commercial cooperation.
- 1.2 It is often overlooked that Western Europe was China’s biggest trading partner during the 1960s accounting for one third of China’s trade with the outside world. During the 1980s Japan and Hong Kong became a more important trading partner of China and in the 1990s China-US trade also grew rapidly.
- 1.3 From 2002 China-EU trade has experienced a new surge and in 2003 trade grew by more than 44 per cent or US\$40 billion year-on-year. By 2008, the value of trade between China and the EU had increased by about US\$354 billion compared to 2000 and had reached US\$426 according to Chinese sources.<sup>1</sup>

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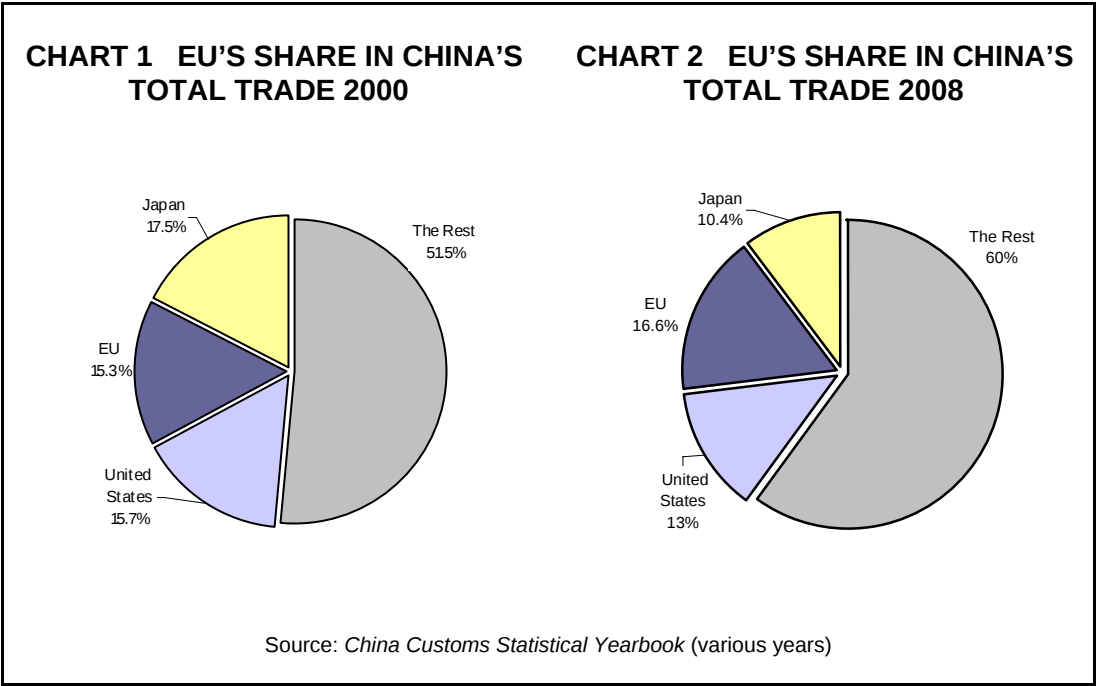
\* Kjeld Erik Brødsgaard is a Visiting Research Professor at EAI. Hong Wai Mun is an intern at the same institute. They would like to thank Professor John Wong for his valuable help in improving the paper. They also acknowledge the comments and suggestions by Professor Zheng Yongnian and Mr Lim Chee Kia.

<sup>1</sup> See Appendix I. Data is drawn from both the Official EU and Chinese reports for illustration and comparison purposes. Discrepancies are observed and it is largely technical (i.e. how imports and exports are recorded). For further short and detailed discussion, see Sarah Y. Tong, “US-China Trade Balance: Why Such A Huge Discrepancy?” *EAI Background Brief No 180*, East Asian Institute, National University of Singapore, 2004.

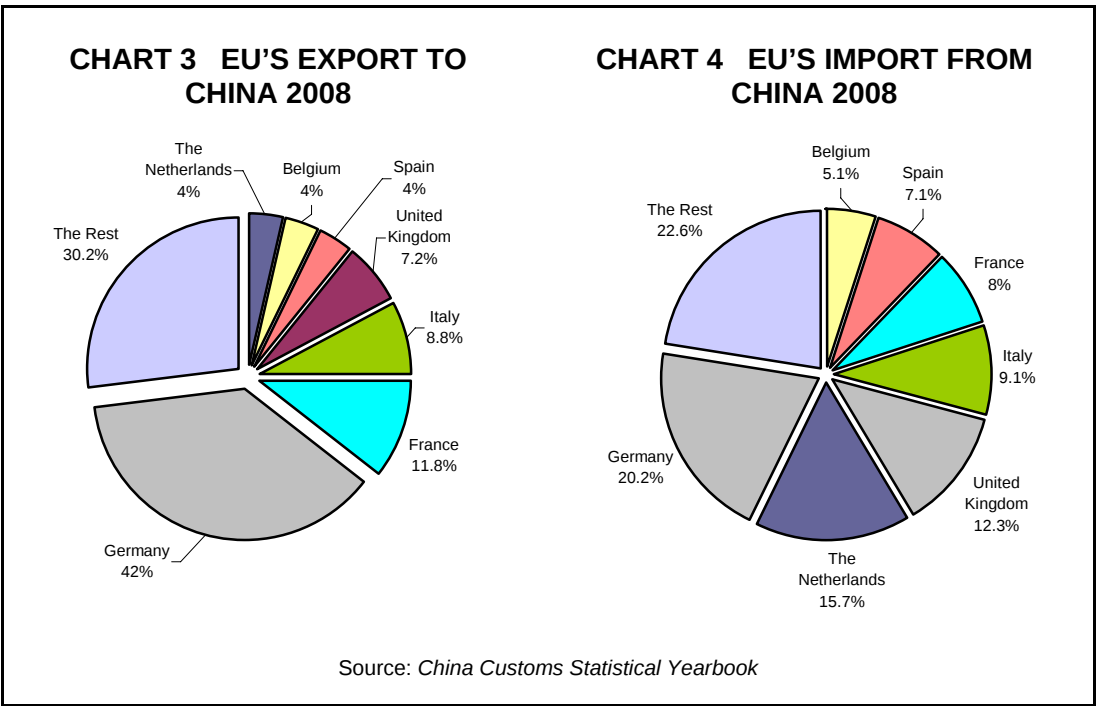
- 1.4 By 2004 the EU surpassed the United States to become China's biggest trading partner. The gap between China's trade with the EU and China's trade with the US grew from US\$7.46 billion in 2004 to US\$91.8 billion in 2008. (See Graph 1)



- 1.5 In recent years, EU's share in China's total trade has increased while the shares of both Japan and the US have decreased. EU now accounts for 16.6 per cent of China's total trade (See Charts 1 and 2), while Japan's share has dropped to 10.4 per cent and the US share to 13 per cent.
- 1.6 However the EU is yet to become China's biggest import partner, and is still second to Japan. The EU now accounts for 11.7 per cent of China's total imports. In 2007, the EU overtook the United States to become China's biggest export market, and now accounts for about 20 per cent of China's total export.



1.7 Germany, France, Italy, the United Kingdom and the Netherlands are China's five most important trade partners in EU. Germany alone accounts for more than 40 per cent of EU's export to China (See Chart 3). In terms of EU import from China there is a more equal distribution, although Germany still holds the largest share of the pie (See Chart 4).



- 1.8 From the perspective of the EU, China is EU's second most important foreign trade partner next to the US, accounting for 11.4 per cent of total extra-EU trade. In terms of import, China is EU's biggest import partner, representing 16 per cent of total extra-EU imports, but China is only the fourth most important export partner to the EU falling behind the United States, Switzerland and Russia. China makes up 6 per cent of EU's total foreign exports.<sup>2</sup>
- 1.9 Prior to the agreement on trade and economic cooperation in 1985, China experienced trade deficit with the EU until 1997 when it was converted into a trade surplus of US\$6 billion.<sup>3</sup> Since then China has experienced an ever growing surplus in its trade relation with the EU.
- 1.10 The Netherlands is among the EU member countries to suffer the biggest trade deficit with China. Its trade deficit accounts for more than 20 per cent of the total trade deficit EU has with China. This is followed by the United Kingdom with about 15 per cent of the total deficit and Italy and Spain about 9 per cent each.
- 1.11 The trade deficit of the EU with China continued to soar in the beginning of this century. In a span of 11 years between 1997 and 2008, trade deficit of EU with China increased to US\$160 billion or about 27 times.<sup>4</sup> EU trade deficit with China accounts for almost 70 per cent of its extra-regional trade deficit.<sup>5</sup>

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<sup>2</sup> Various Eurostat news releases and EU's DG *Trade Statistics Reports*, retrieved from <http://europa.eu> on 20 July 2009.

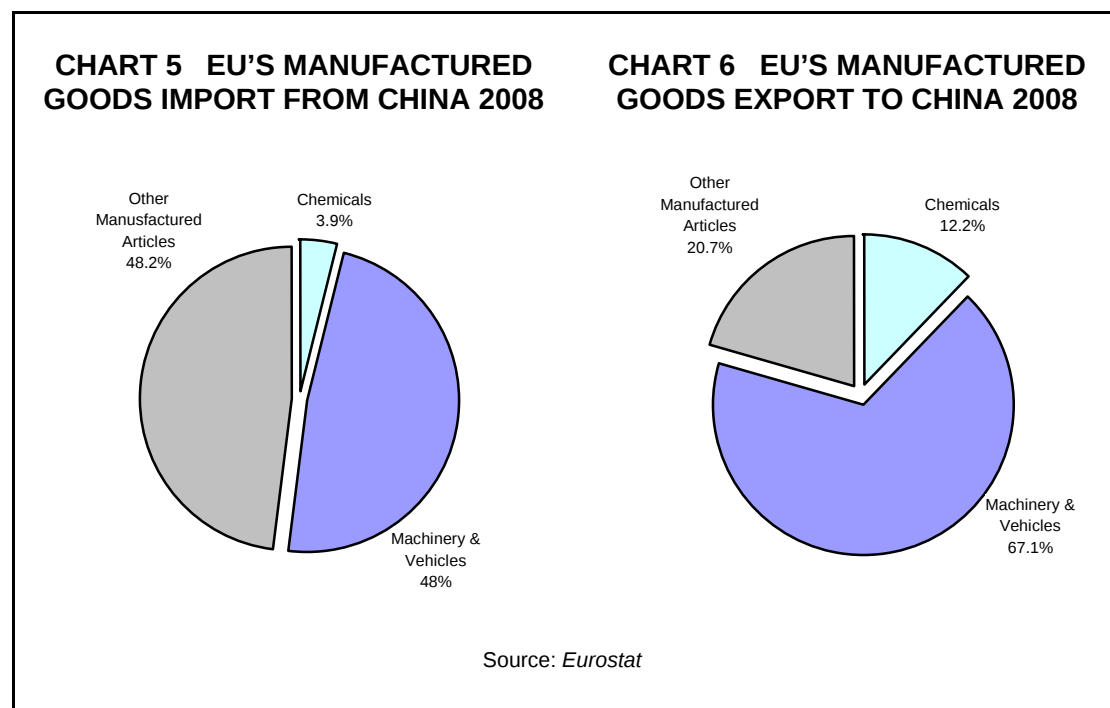
<sup>3</sup> Figure taken from the *China Customs Statistical Yearbook* of various years.

<sup>4</sup> Eurostat reported an EU deficit with China of US\$248 billion in 2008, a 450 per cent increase from 2000.

<sup>5</sup> Eurostat news release, "EU-China Summit: EU27 deficit in trade in goods with China of 170 bn euro in 2008", (18 May 2009) retrieved from <http://europa.eu> on 21 July 2009.

## What do the EU and China Trade?

- 2.1 According to various reports and statistics published by Eurostat, the majority of EU exports to China are of high value-added and high technology goods, while EU imports from China are of low value-added and low-technology goods despite China being keen on gearing its industry towards a high value-added goods production.
- 2.2 Imports from China into the EU increased by more than 400 per cent in value from 2000 to 2008, with manufactured goods representing more than 95 per cent of EU's import from China. EU exports to China have also increased by more than 300 per cent but from a much lower base figure, with manufactured goods now making up more than 85 per cent of EU's export to China.
- 2.3 Within the category of manufactured goods, machinery and vehicles represent the biggest share in EU trade with China, making up about 48 per cent of EU's import from China and 67.1 per cent of EU's export to China. Manufactured goods also account for the biggest share of the deficit EU suffers with China, amounting to 40.2 per cent of its total trade deficit. (See Charts 5 and 6)



- 2.4 The second most traded category of goods is “other manufactured articles” which mainly includes low value-added goods, accounting for 48 per cent of EU’s imports from China and 20.7 per cent of EU’s exports to China. Among the low value-added trades, textiles and clothing is the most traded, making up more than 10 per cent of EU imports of goods from China but less than 2 per cent of its exports. This is one area where EU suffers one of its biggest deficits with China.<sup>6</sup>

### **Trade in Services**

- 3.1 According to Eurostat, the total trade in services amounted to US\$51.8 billion in 2008. Although EU suffers a huge deficit in trade of goods, it enjoys a surplus of US\$8.5 billion in trade in services with China. However, the surplus EU generates in this area cannot offset its deficit in trade of goods and has little or even no effect on its overall trade deficit with China.
- 3.2 Transportation and other business services are the two most traded services between EU and China. In fact, EU surplus in trade in services are largely drawn from royalties and license and especially other business services (such as trade-related services, operational leasing services and miscellaneous business, professional and technical services), representing 28 per cent and 64 per cent of its total surplus in trade in services with China respectively. EU also enjoys a surplus in computer and information services (11 per cent of total). Financial and communication sectors remain insignificant due to restrictions imposed by the Chinese government although it is in these sectors where the EU has a comparative advantage over China.

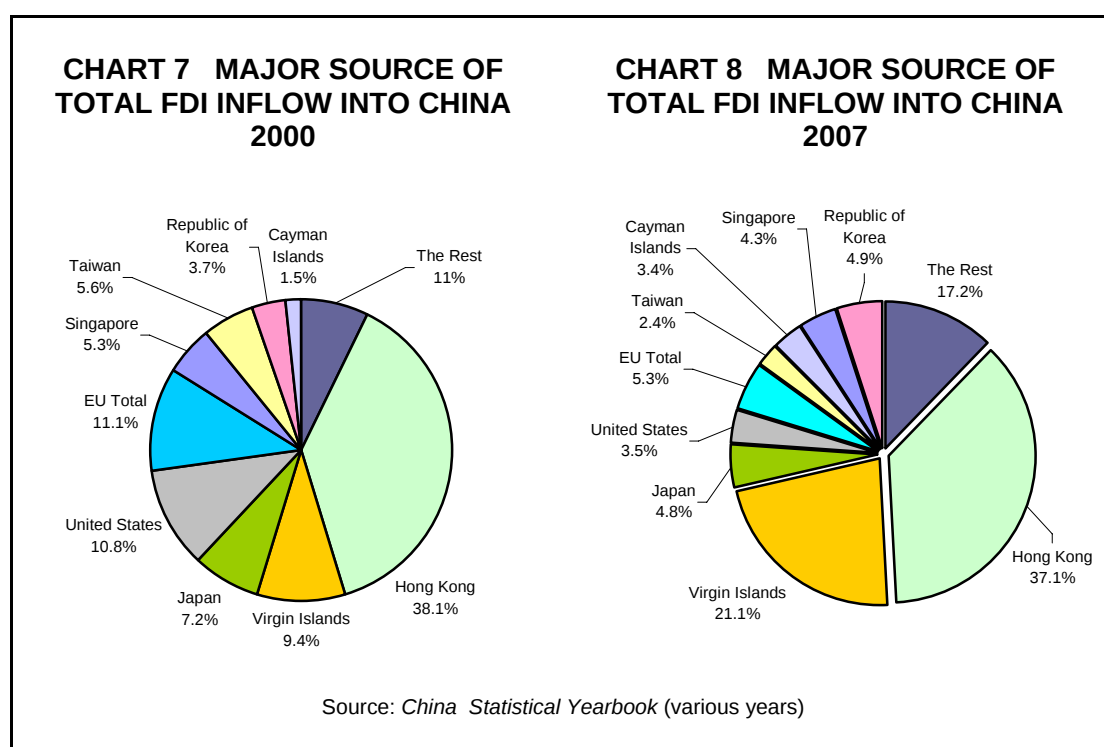
### **Foreign Direct Investment**

- 4.1 In 2007 EU outward investment to China amounted to US\$3.9 billion, equal to 5.2 percent of total FDI China attracted from the world that year. Between 2000 and 2007, EU’s FDI flow into China decreased by US\$575 million, a

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<sup>6</sup> Various Eurostat news releases and EU’s *DG Trade Statistics Reports*, retrieved from <http://europa.eu> on 20 July 2009.

falling share from 11.1 per cent to 5.3 per cent. The EU was China's second largest source of FDI in 2000 but slipped into third after the Virgin Islands in 2007. (See Charts 7 and 8) This is unimpressive given the size of the EU economy, representing a reduced share of EU FDI to China in the total FDI Inflow.

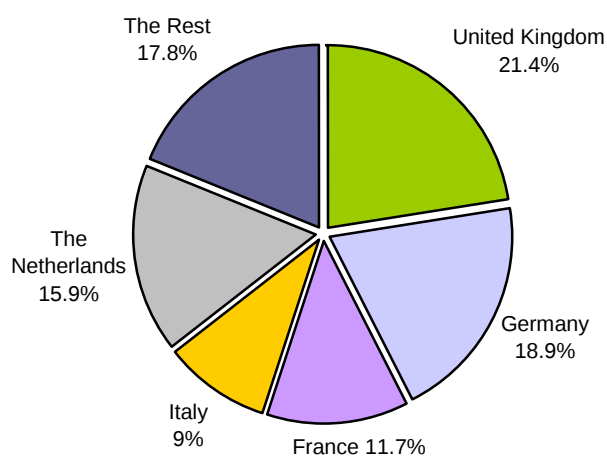


4.2 China's major EU FDI partners are the United Kingdom, Germany, the Netherlands, France and Italy and they are also China's largest EU trade partners. In 2007 the UK was the most important EU investor in China. (See Chart 9)

4.3 Largely due to competitive labour costs, the main part of EU FDI into China is concentrated in the manufacturing sector, accounting for more than 50 per cent of EU total FDI in China. Other sectors which attracted EU investment include real estate (11.9 per cent) and financial services in 2007 (9.7 per cent).<sup>7</sup>

<sup>7</sup> Report on Investment released by the Embassy of Spain in Beijing, retrieved on <http://www.icex.es/icex/cma/contentTypes/common/records/viewDocument/0,,00.bin?doc=4173170> on 21 July 2009.

**CHART 9 MAJOR SOURCE OF EU FDI INFLOW INTO CHINA (2007)**



Source: *China Statistical Yearbook 2008*

4.4 The most important destinations of Chinese FDI in Europe are the United Kingdom, Germany and France. In 2007 they accounted for 3.1 per cent of China's FDI outflow to the world.<sup>8</sup> From an EU perspective Chinese FDI into Europe is rather negligible, representing less than 1 per cent of total FDI inflow into the EU.<sup>9</sup> According to the Eurostat, the EU's FDI in China decreased in 2008 below the level it was in 2006 and Chinese FDI in the EU has been falling as well.

4.5 According to Eurostat, China represents less than 5 per cent of EU's total extra-regional FDI outflow as well as its total extra-regional FDI income. Since 2007 EU FDI into China has fallen by a third reflecting the problems EU companies experience concerning mergers and acquisitions in the Chinese corporate sector. Chinese FDI into the EU has also decreased during the same period due to difficulties in meeting EU demands on transparency.

<sup>8</sup> *Zhongguo Tongji Zhaiyao 2009* (China Statistics Abstract 2009) Beijing, Tongji Chubanshe, 2009. Latest statistics available for China FDI outflow to the world are those of 2007.

<sup>9</sup> "European Union Foreign Direct Investment Yearbook 2007", retrieved from [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-BK-07-001/EN/KS-BK-07-001-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-BK-07-001/EN/KS-BK-07-001-EN.PDF) on 20 July 2009.

## **Trade Disputes and Investments Barriers**

- 5.1 Despite suffering the biggest deficit in machinery and vehicles trade with China, EU still enjoys an overall surplus with the world in this sector. However, in textile and clothing, deficit with China accounts for about 60 per cent of the total deficit EU has with the world. Besides, the EU is the world's second largest textiles exporter after China.<sup>10</sup> Therefore, trade in textile and clothing rather than machinery and vehicles has become a concern to the EU.
- 5.2 The end of the WTO Agreement on Textiles and Clothing (ATC) at the beginning of 2005 saw a sudden surge in Chinese textiles imports in the first three months after its expiry. Being the second largest textile and clothing producer, the EU felt threatened by the competition from China. South European countries such as Italy, Spain and Greece were especially worried about protecting their home industries against Chinese competition. EU also claimed its traditional textile import partners among the developing economies were threatened.<sup>11</sup> To avoid further trade war, the EU and China reached a bilateral agreement in June 2005 to limit Chinese imports of textiles and clothing.<sup>12</sup>
- 5.3 Anti-dumping is one of the tools most often employed by the EU against lowly priced Chinese products. Low-cost production is an important comparative advantage for China in the face of the competitive global market. Besides, the enormous Chinese workforce helps to meet world demand. The EU's comparative advantage is in high quality and technology. However, China's interest to push forward a high-technology industry will put the EU at

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<sup>10</sup> "European Commission (EC) Memo on EU-China textile agreement (10 June 2005)", retrieved from [http://ec.europa/u/trade/issues/sectoral/industry/textile/memo100605\\_en.htm](http://ec.europa/u/trade/issues/sectoral/industry/textile/memo100605_en.htm) on 21 July 2009.

<sup>11</sup> "European Commission (EC) Text on Evolution of EU Textile Imports from China in 2005 and the first quarter of 2006", retrieved from [http://ec.europa/u/trade/issues/sectoral/industry/textile/pr150606\\_en.htm](http://ec.europa/u/trade/issues/sectoral/industry/textile/pr150606_en.htm) on 21 July 2009.

<sup>12</sup> Maciej Pletnia, "Regulations on textile import from China to EU (20<sup>th</sup> August 2008)", retrieved from [http://www.bigchina.eu/articles/import\\_in\\_practice/65/regulations\\_on\\_textile\\_import\\_from\\_china\\_to\\_eu](http://www.bigchina.eu/articles/import_in_practice/65/regulations_on_textile_import_from_china_to_eu) on 22 July 2009.

risk of losing out on the world market share if it does not act fast enough to counter the imminent threat of the rise of Chinese products.

- 5.4 Other challenges faced by EU companies entering the Chinese market include IPR infringement. Here ownership restrictions, standards and certification, and the promotion of indigenous technical standards are of concern. EU companies also complain about unfair procurement practices and customs procedures. Without addressing these issues, the investment relationship between the EU and China will suffer as European companies will be reluctant to transfer their operations to China.

### **Market Economy Status**

- 6.1 To the Chinese, the arms embargo is not the only political discriminatory policy of the EU. Despite impressive improvements made since the opening up of China's economy, EU has refused to grant China market economy status (MES), claiming the presence of excessive state intervention, weak regulations and meager corporate governance.
- 6.2 Currently, according to WTO regulations, WTO members can use price comparisons with third world countries to assess whether imports from China are unfairly priced and therefore subject to anti-dumping duties. Granting China market economy status would remove this right to use such comparisons. Market economy status is important to China because it will reflect a more fair treatment in anti-dumping investigations since China in this regard would be put on an equal footing with its major trading partners. It would remove the possibility of using anti-dumping accusations as a weapon in trade disputes with China.
- 6.3 Recently, Beijing has accused the EU of imposing protectionism via anti-dumping measures. In the first half of 2009, the EU carried out two anti-dumping investigations and three anti-dumping measures, all targeting Chinese export. In July the EU went a step further and imposed anti-dumping

duties of 24.2 percent on Chinese steel wire rods citing “threats of material injury”.

- 6.4 Beijing reacted by filing a complaint with the WTO over the EU’s anti-dumping duties. This is the first time China has made such a petition since it joined the organization eight years ago.
- 6.5 Beijing is worried about a perceived surge in EU protectionism and blames industrial organizations in Europe for backstage manipulation of their governments to save uncompetitive industries. In China’s views such actions are doomed to fail and will only hurt European consumers and retailers and provoke Chinese trade reprisals.<sup>13</sup> In short, recent EU measures cause tensions between the two sides and pose barriers to bilateral trade.
- 6.6 In the Foreign Trade Agreements (FTAs) China has signed recently with trade partners in the Asian region, there is a stipulation concerning the recognition of China’s Market Economy Status. As more and more countries accept the Chinese demand for equal treatment on this issue, the pressure on the EU will increase.

### **Disunity of the EU**

- 7.1 A recent comprehensive survey of EU member states’ economic and political relations with China highlights the divisions within the EU on how to deal with China. The analysis categorizes member states into four groups: Assertive Industrialists, Ideological Free-Traders, Accommodating Mercantilists and European Followers.<sup>14</sup>
- 7.2 The small group of “Assertive Industrialists” composes of the Czech Republic, Germany and Poland. These are the only EU countries willing to pressure China on both economic and political issues.

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<sup>13</sup> Liu Mingli, “China vs. EU Protectionism ,” *Beijing Review*, No. 33 (August 20, 2009).

<sup>14</sup> J. Fox and F. Godement, “A Power Audit of EU-China Relations” Policy Report for the European Council on Foreign Relations, London, 2009.

- 7.3 The “Ideological Free Traders” are opposed to trade restrictions and barriers. They are in favour of letting the market regulate the economic relationship and see huge advantages for their industries and companies in the globalization process. However, they are ready to pressure China on politics, in particular on human rights issues. North European countries such as Denmark, the Netherlands, Sweden and the UK belong to this group.
- 7.4 The “Accommodating Mercantilists” are the largest group. In this group are Bulgaria, Cyprus, Finland, Greece, Hungary, Italy, Malta, Portugal, Romania, Slovakia, Slovenia, and Spain, i.e. most of the EU member states in Eastern and Southern Europe. These countries have not been able to phase out their labour intensive industries and fear competition from Chinese cheap products. Thus they are in favour of trade restrictions and oppose granting China market economy status. On political issues they are reluctant to confront China. Under President Chirac, France also fell into this group.
- 7.5 Finally, a group of EU member states – “the European Followers” - prefer to let the EU Commission manage their relationship with China. To them China is not a key priority and are happy to let others take the lead. Austria, Belgium, Estonia, Latvia, Lithuania, and Luxembourg belong to this group.
- 7.6 The authors of the “*A Power Audit of EU-China Relations*” conclude that these divisions are not in Europe’s interest as they can reinforce the impression of EU as a disunited group which cannot get its act together on important global issues. In order to deal effectively with the China challenge in political and economic areas the EU member states must find a common ground and speak with one voice.

**APPENDIX I CHINA'S TRADE WITH EU, 2000-2008 (BILLION USD)**

|      | Chinese Official Statistics |        |               | EU Official Statistics |        |               |
|------|-----------------------------|--------|---------------|------------------------|--------|---------------|
| Year | Import                      | Export | Trade Balance | Import                 | Export | Trade Balance |
| 2000 | 31                          | 41     | 10            | 24                     | 69     | 45            |
| 2001 | 36                          | 45     | 8             | 27                     | 73     | 46            |
| 2002 | 40                          | 53     | 13            | 33                     | 85     | 52            |
| 2003 | 55                          | 79     | 24            | 47                     | 120    | 73            |
| 2004 | 70                          | 109    | 38            | 60                     | 160    | 100           |
| 2005 | 74                          | 146    | 72            | 64                     | 199    | 135           |
| 2006 | 91                          | 190    | 99            | 80                     | 245    | 165           |
| 2007 | 111                         | 245    | 134           | 99                     | 319    | 220           |
| 2008 | 133                         | 293    | 160           | 115                    | 364    | 249           |

## APPENDIX II EU-CHINA RELATIONS CHRONOLOGY

|                    |                                                                                                                                                                                                                                                                                                                      |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1975, May          | Diplomatic relations established.                                                                                                                                                                                                                                                                                    |
| 1978, 2 May        | Trade Agreement EEC-China signed. Inter alia, establishes Joint Committee.                                                                                                                                                                                                                                           |
| 1979, 18 July      | (First) agreement on textile trade.                                                                                                                                                                                                                                                                                  |
| 1983               | Launch of first science and technology cooperation program.                                                                                                                                                                                                                                                          |
| 1984               | Launch of first cooperation projects in China (Management training and rural development).                                                                                                                                                                                                                           |
| 1985, 21-23 May    | Agreement on trade and economic cooperation signed.                                                                                                                                                                                                                                                                  |
| 1988, 4 October    | Opening of the Delegation of the European Commission in Beijing.                                                                                                                                                                                                                                                     |
| 1989, June         | As a reaction to Tian An Men incidents of 4 June, EC freezes relations with China and imposes a number of sanctions, including arms embargo.                                                                                                                                                                         |
| 1992, June         | Launch of environmental dialogue.                                                                                                                                                                                                                                                                                    |
| 1992, June         | Establishment of a new bilateral political dialogue.                                                                                                                                                                                                                                                                 |
| 1993, October      | Opening of Commission office in Hong Kong.                                                                                                                                                                                                                                                                           |
| 1995, 15 July      | European Commission publishes first Communication “A long-term policy for China-Europe relations”.                                                                                                                                                                                                                   |
|                    | Launch of a specific dialogue on human rights issues.                                                                                                                                                                                                                                                                |
| 1998, 25 March     | European Commission publishes Communication “Building a Comprehensive Partnership with China”.                                                                                                                                                                                                                       |
| 1998, 2 April      | 1 <sup>st</sup> EU-China Summit, London.                                                                                                                                                                                                                                                                             |
| 1999, 21 December  | 2 <sup>nd</sup> EU-China Summit, Beijing.                                                                                                                                                                                                                                                                            |
| 2000, 19 May       | Bilateral agreement on China’s WTO accession signed in Beijing.                                                                                                                                                                                                                                                      |
| 2000, 24 October   | 3 <sup>rd</sup> EU-China Summit, Beijing.                                                                                                                                                                                                                                                                            |
| 2001, 15 May       | European Commission published Communication “EU Strategy towards China: Implementation of the 1998 Communication and Future Steps for a more Effective EU policy”.                                                                                                                                                   |
| 2001, 5 September  | 4 <sup>th</sup> EU-China Summit, Brussels.                                                                                                                                                                                                                                                                           |
| 2002, 24 September | 5 <sup>th</sup> EU-China Summit, Copenhagen.                                                                                                                                                                                                                                                                         |
| 2003, 10 September | European Commission adopts policy paper “A maturing partnership: shared interests and challenges in EU-China relations”.                                                                                                                                                                                             |
| 2003, 13 October   | China releases first ever policy paper on EU.                                                                                                                                                                                                                                                                        |
| 2003, 30 October   | 6 <sup>th</sup> EU-China Summit, Beijing: Agreements signed on: <ul style="list-style-type: none"> <li>- cooperation in the Galileo Satellite navigation program</li> <li>- Industrial Policy Dialogue</li> <li>- EU-China Dialogue on Intellectual Property</li> </ul>                                              |
| 2004, 6 May        | Chinese PM Wen Jiabao visits Commission Headquarters, new dialogue initiatives signed; customs cooperation agreement initialed; political leaders recommend the implementation of “Guidelines for Common Action”.                                                                                                    |
| 2004, 8 December   | 7 <sup>th</sup> EU-China summit, The Hague: the EU and China signed <ul style="list-style-type: none"> <li>- Joint declaration on Non-proliferations and Arms Control</li> <li>- EU-China Customs Cooperation Agreement</li> <li>- Agreement on R&amp;D cooperation on the peaceful use of nuclear energy</li> </ul> |

|                   |                                                                                                                                                                                                                                                                                                                       |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2005, 5 September | 8 <sup>th</sup> EU-China Summit, Beijing: the EU and China signed <ul style="list-style-type: none"> <li>- MoU on labour, employment and social affairs</li> <li>- Joint Statement on cooperation in space exploitation, science and technology development</li> <li>- Joint declaration on climate change</li> </ul> |
| 2006, 9 September | 9 <sup>th</sup> EU-China Summit, Helsinki: the EU and China agree on opening negotiations for a new comprehensive framework agreement.                                                                                                                                                                                |
| 2006, 24 October  | Commission adopts Communication “EU-China: closer Partners, growing responsibilities” and a policy paper on trade and investment.                                                                                                                                                                                     |
| 2007, 28 November | 10 <sup>th</sup> EU-China Summit, Beijing: the EU and China <ul style="list-style-type: none"> <li>- establish High Level Economic and Trade Dialogue</li> <li>- agree to enhance cooperation on climate change</li> </ul>                                                                                            |
| 2008, 24-25 April | President José Manuel Barroso and nine Commissioners meet with their counterparts in Beijing.                                                                                                                                                                                                                         |
| 2008, 25 April    | EU-China High Level Economic and Trade Dialogue Mechanism, Beijing.                                                                                                                                                                                                                                                   |
| 2009, 30 January  | Prime Minister Wen Jiabao and 4 Chinese ministers visit Brussels.                                                                                                                                                                                                                                                     |
| 2009, 20 May      | 11 <sup>th</sup> EU-China Summit, Prague, Czech Republic.                                                                                                                                                                                                                                                             |