

FEATURE

Europe and China Approve Landmark Investment Treaty, Snubbing U.S.

[Europe And China Approve Landmark Investment Treaty, Snubbing U.S. : NPR](#)

Heard on [All Things Considered](#)



ROB SCHMITZ

December 30, 2020 12:47 PM ET



*A screen displays Chinese President Xi Jinping (top left), European Council President Charles Michel (top right), European Commission President Ursula von der Leyen (bottom right), French President Emmanuel Macron and German Chancellor Angela Merkel during an EU-China Leaders' meeting video conference Wednesday.
Johanna Geron/Pool via AP*

China's president and European leaders met Wednesday to mark their agreement on [an investment deal between the European Union and China](#) despite a request for talks on the issue by the incoming administration of President-elect Joe Biden.

Chinese President Xi Jinping, German Chancellor Angela Merkel and French President Emmanuel Macron joined EU leaders Ursula von der Leyen and Charles Michel in a video conference to conclude negotiations over the deal, which removes a number of barriers to European companies' investment in China.

After Wednesday's video meeting, von der Leyen tweeted: "The EU has the largest single market in the world. We are open for business but we are attached to reciprocity, level playing field & values. Today, the EU & China concluded in principle negotiations on an investment agreement."

Negotiations had repeatedly stalled since they began in 2013. But after Biden won the U.S. presidential election, Chinese negotiators went into overdrive, offering various concessions on market access for European companies to help push the deal through before the end of the year. Among other things, the investment agreement promises that China will no longer force European companies to transfer their technology to local joint-venture partner companies.

The deal is a diplomatic victory for Beijing and a domestic one for Xi. In Washington, it will be seen as a snub to the

incoming Biden administration, which last week [urged the EU to wait](#).

"Before President Biden has even taken the oath of office, the well has been a bit poisoned in transatlantic relations," said Theresa Fallon, director of the [Centre for Russia Europe Asia Studies](#), a think tank in Brussels.

"Before President Biden has even taken the oath of office, the well has been a bit poisoned in transatlantic relations."

Theresa Fallon, director of the Centre for Russia Europe Asia Studies

The deal has also been criticized by politicians in Europe because of concerns over forced labor and other human rights abuses in China, and for preempting any discussions with the Biden administration on a joint approach to Beijing.

Fallon told NPR that the push on the European side to sign the treaty was led by Merkel, who, in her final year as Germany's chancellor, wants to seal her legacy with a historic EU-China treaty, and whose country is Europe's largest trading partner with China.

"After four years of the Trump administration, which characterized the EU as 'worse than China,' there is a growing anti-American sentiment" among EU leadership, Fallon said, "meaning 'we don't want to do what the U.S. says.'"

Chinese Foreign Ministry spokesperson Hua Chunying [tweeted that](#) the agreement "demonstrates China's determination and confidence to advance toward a higher level of opening up."

The deal will undergo months of debate and discussion in the European Parliament before it can go into effect, which likely will not be until 2022.