

China-France Joint Fact Sheet on the 7th High Level

Economic and Financial Dialogue

(July 21st, 2020)

Deepening China-France Economic and Financial Cooperation, Jointly Coping with the Impact of COVID-19

Against the special backdrop of COVID-19 pandemic, Chinese Vice-Premier Hu Chunhua and French Economy and Finance Minister Bruno Le Maire co-chaired the 7th China-France HED on July 21st, 2020 in the form of video conference, joined by senior officials from both countries. To intensify China-France economic and financial cooperation in an innovative manner, both sides held an in-depth discussion on cooperation on fight against COVID-19 and international macroeconomic policy coordination, bilateral cooperation on key areas and major projects. During the 7th China-France HED, both sides reached the following consensus:

I. International and multilateral affairs in the context of the COVID-19

1. Both sides will adopt effective macroeconomic policy to support the economic growth and strengthen policy coordination to jointly address the impact of the COVID-19 pandemic. Both sides support the key leadership role of WHO and the fundamental role of multilateral institutions, such as the United Nations, the WHO, the IMF and the World Bank in catalysing and coordinating the comprehensive global response to the COVID-19 pandemic. Both sides reiterated their appreciation of the reciprocal gestures of solidarity on medical equipment and in conducting commercial procurement in the face of the pandemic. Both sides call for stabilizing industrial chains and supply chains at the regional and global level, ensuring the continued flow of goods, services and personnel, drawing upon the professional advice of the relevant international organizations including WHO to promote the orderly resumption of productive activities.

2. Both sides support the critical role of the G20 as the premier forum for international economic cooperation to improve global economic governance.

3. Both sides encourage the effective implementation of the G20 Debt Service Suspension Initiative for Poorest Countries (DSSI), which is also agreed by the Paris Club. Both sides call for the G20 to further extending the period of debt suspension for countries concerned, including those in

Africa, and encourage the multilateral financial institutions including the World Bank to take more forceful actions to participate in the DSSI and strongly encourage private creditors to participate in DSSI in comparable terms when requested by eligible countries. Both sides reaffirm the Paris Club's role as the principal international forum for restructuring official bilateral debt and support its work on sovereign debt issues. China intends to play a more constructive role including the possibility of cooperation with Paris Club on individual case of debt restructuring.

4. Both sides support a strong, quota-based, adequately resourced IMF at the center of the global financial safety net, and are committed to continuing the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, with the Review to be extended from 2020 to no later than 2023. Both sides welcome exploring options on Special Drawing Rights (SDRs), including a general SDR allocation to help members fight against COVID-19 and broader use of SDR.

5. Both sides firmly uphold the rules-based, non-discriminatory, open, transparent, and inclusive multilateral trading system with the WTO at its core, and oppose all forms of protectionism. Both sides commit to keeping markets open, and to ensuring a level playing field to foster an enabling business environment. Both sides will engage constructively in the China-EU Joint Working Group on WTO Reform, in order to advance the necessary reform of the WTO. To that end, both sides call for discussions to progress on proposals submitted to WTO members on strengthening the three essential functions of the WTO, which are dispute settlements, monitoring and negotiations.

6. Both sides support the implementation of the commitments made at the 2019 EU-China Summit, in areas of mutual interests, in a spirit of mutual and reciprocal benefit. Both sides agree to sign and implement as soon as possible the agreement on cooperation on, and protection of, Geographical Indications on the basis agreed last November 6, 2019. Both sides support the conclusion of an ambitious *China-EU Comprehensive Investment Agreement* that substantially improves market access, eliminates discriminatory requirements and practices affecting foreign investors, establishes a balanced investment protection framework and includes provisions on investment and sustainable development.

7. Both sides are committed to implement their consensus in the Beijing Call for Biodiversity and Climate Change, agreed between their heads of state in November, 2019. Both sides reaffirm their firm commitments to enhancing international cooperation on climate change to ensure full and effective implementation of the UN Framework Convention

on Climate Change (UNFCCC) and its Paris Agreement guided by the principles of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances, and communicate or update their respective nationally determined contributions representing a progression beyond the current one reflecting their highest possible ambition and communicate mid-century long-term low greenhouse gas emission development strategies by 2020. On climate finance, both sides call developed countries to fulfill their commitment to provide and mobilize \$100 billion each year by 2020 and to set a new collective quantified goal from a floor of US \$100 billion per year by 2025, taking into account the needs and priorities of developing countries. Both sides call for mobilizing additional resources from all sources, both public and private, at the domestic and at the international level, towards both climate adaptation and mitigation. Both sides stress an economically, socially and environmentally sustainable, strong, balanced and inclusive recovery, towards low greenhouse gas emissions and climate-resilient development. Both sides will jointly promote active engagement of political leaders at the highest level in advocacy for biodiversity at COP15 of the Convention on Biological Diversity in order to define and adopt an ambitious and realistic post-2020 global biodiversity framework. Both sides call all stakeholders to work together to define milestones in order to bend the curve of biodiversity loss by 2030.

II. Bilateral Cooperation on Key Areas and Major Projects

8. France welcomes China's engagement to provide non-discriminatory access to the Chinese market to agrifood exporters.

9. Both sides support the work ongoing between the EU and China to develop synergies between connectivity initiatives, in particular the EU's Europe-Asia Connectivity Strategy and China's Belt and Road Initiative. They reaffirm their support for the promotion of quality connectivity and the development of quality infrastructure investments between Europe and Asia drawing on international standards, norms and good economic governance principles, while recalling our cooperation on the G20 work on sustainable financing and on quality Infrastructure Investment.

10. Both sides will continue to facilitate the cooperation between Chinese and French enterprises and financial institutions in third markets. Both sides expect the China-France Third Market Cooperation Fund to develop viable projects in line with sustainable development approaches. The Chinese side welcomes more proposals from the French side for such cooperation in Africa and in Asia.

11. Both sides recognize that the implementation of the agreed

roadmap of zoning for the African Swine Fever has been disturbed by the Covid-19 epidemic, and will work to ensure the roadmap produces concrete results by the end of 2020 on the basis of the reciprocity principle.

12. Both sides agree to step up the cooperation between the competent administrations on geographical indication (GI) from both countries and to promote reciprocal protection of French and Chinese GIs. After the Bureau interprofessionnel des vins de Bourgogne (BIVB) submits the revised and completed 82 « vins de Bourgogne » application files with the objective to get these recognized and protected in China, CNIPA will conduct the examination according to the Measures on the Protection of Foreign Geographical Indication Products issued in November 2019.

13. As decided in the joint agricultural committee held in Nanchang, on the 15th of November, 2019, France is committed to support China to adhere to the Organisation internationale de la Vigne et du Vin (OIV) headquartered in Paris. In collaboration with the European Union, France will facilitate a prompt adhesion, according to the procedure of the OIV.

14. Both sides will join efforts to secure a fair and non-discriminatory market environment, and encourage businesses from all countries to participate in the 5G network construction in line with market principles and security principles.

15. On agricultural cooperation, both sides reiterate their commitment to deepen their activities in the framework of the joint declaration signed on January 9th, 2018, especially on agricultural vocational education and training, in the framework of the agreement signed on November 4th, 2018; the programs shall be decided by the management committee according to this agreement. Both sides also attach importance to farmers' cooperative organizations in agricultural development. Both sides recognize the importance of relevant platforms such as joint laboratories for future cooperation and to continue supporting their national agricultural academies (INRA and CAAS) to deepen their cooperation under this framework.

16. Both sides reiterate their commitment to supporting the development of the peaceful uses of nuclear energy and to ensuring high standards of nuclear safety, security and non-proliferation. Both sides are willing to deepen the bilateral nuclear partnership by the conclusion of the ongoing negotiations about the spent fuel reprocessing-recycling plant in China, which are making positive progress.

Both sides will continuously deepen the nuclear R&D cooperation under the framework of Protocol on Peaceful Use of Nuclear Energy between CAEA and CEA.

17. France will positively consider the request of Chinese banks' branches in France for the exemption of capital adequacy ratio requirements of euro business that the Chinese banks' branches in France are subjected to. China will positively consider the French request about large exposure requirements on French banks in China, and maintain close communication with the French side.

18. Both sides welcome enhanced communication between exchanges in respective countries, and their pragmatic cooperation in cross-border ETF, overseas indexes development and depository receipts.

19. Both sides strongly value the strategic partnership in the aeronautical field and agree to strengthen it. Both sides support the prospect of deepening the cooperation between Airbus and Chinese airlines, on the basis of mutually beneficial and friendly negotiations. In this spirit, both sides strongly value the active discussions between Airbus and Chinese Air carriers regarding the deliveries of Airbus aircrafts in 2020 and onwards.

20. Both sides agree to continue their efforts to develop their cooperation in astronomy (SVOM), Exploration (Chang'e 6, Tianwen-1), Earth monitoring (Doris, Water Cycle, Space Climate Observatory), and other fields.

21. Both sides agree to continue promoting cooperation between their respective financial regulatory authorities, including in sustainable finance. China welcomes qualified French institutional investors to actively invest in Chinese bond market. China is willing to keep communication with France on issues relate to investment and issuance of bonds in the inter-bank bond market, and to stand ready to provide necessary support and facilitation. China welcomes French banks and financial market infrastructures to apply for accessing the Cross-border Inter-bank Payment System (CIPS). Both countries are founding members of and actively committed to the Central Banks and Supervisors Network for Greening the Financial System (NGFS). Both sides will continue to strengthen cooperation on green financial market, through the discussion on topics as environmental, social and governance disclosure, risk weighting of green assets and green finance to support biodiversity, in particular, supporting the development of sustainable finance.

22. Both sides agree to further strengthen bilateral intellectual property cooperation in the field of patents, trademarks, geographical indications and others, including cooperation on offline and online IP law enforcement under the frameworks of *China-France Cooperation Agreement on Intellectual Property*, as well as other relevant bilateral

cooperation agreements and mechanisms. The two sides will organize the 32nd Joint Committee Meeting on Intellectual Property to share the best practices in IP creation, protection and utilization.

Several topics could not be covered during the 7th HED and will be in the next one. Both sides look forward to hold the 8th HED in France.

Appendix: Outcome List

1. Within the framework of the agreement reached between CAAC and DGAC that allows both French and Chinese airlines companies to operate 3 flights a week between France and China, both sides welcome the resumption of 2 weekly Air France flight between Paris and Shanghai and look forward to the resumption of an additional flight between Paris and Beijing via Tianjin. Both sides also welcome the weekly flights operated by Air China, China Eastern and China Southern between Paris and respectively Beijing, Shanghai and Guangzhou. When the conditions are appropriate, both sides will promote a further increase of capacity entitlements between France and China, subject to an arrangement between the civil aviation authorities.

2. Both sides welcome the recent signing of the co-financing credit facility agreement of Shandong Green Development Fund Project, which utilizes loan from Agence Française de développement (AFD).

3. Both sides welcome the smooth implementation of China-France third market cooperation priority projects including the Tin Can Container Port, as well as the future cooperation between Chinese CHEC and French CMA-CGM on Lekki Port in Nigeria.

4. Both sides appreciate the contribution by the China-France Industrial Cooperation Implementation Platform, in implementing and promoting the launching of the first and second patch of China-France Industrial Cooperation Pilot Projects. Both sides welcome the Center for International Economic and Technological Cooperation, under the Ministry of Industry and Information Technology of China, and the French Future Industry Alliance to continue to promote Industrial Cooperation Pilot Projects in smart manufacturing, green manufacturing, education and training.

5. Both sides will implement the consensus reached at the 14th China-France Joint Committee Meeting on Scientific and Technological Cooperation.

6. Both sides welcome that the EPR Unit 2 of Taishan Nuclear Power Plant started operation, which is an important achievement of China-

France nuclear cooperation. Both sides will make continuous efforts to ensure the safe, steady operation of Taishan Unit 1 and 2 on the basis of mutual benefit.

7. Both sides welcome that the Unit 1 and 2 of Hinkley Point C (HPC) project completed the nuclear island basemat in 2019 and 2020 respectively, and agree to fully utilize feedback from Taishan into HPC. Both sides welcome the on-going progress on the Sizewell C (SZC) project. Both sides will continue the cooperation in promoting the preliminary work of the Bradwell B (BRB) project. Both sides welcome that the UK HPR1000 Generic Design Assessment (GDA) entered to Step 4 in 2020.

8. Both sides agree to strengthen cooperation with each other and use best efforts to push forward the finalization of the certification process of the ATR 42-600 aircraft and the H175 helicopter.

9. Both sides welcome the successful issuance of 4 billion euros of sovereign bonds by the Ministry of Finance of China in Paris on 5 November 2019, the largest single issuance of euro sovereign bonds by the Chinese government to date, which will further deepen financial cooperation between China and France, as well as between China and the EU.

10. France welcomes cooperation between companies and China UnionPay on acceptance of UnionPay cards.

11. China will positively consider the application of a French bank for a junior underwriting license for non-financial enterprise debt instruments in the market-based evaluation process in accordance with the Chinese procedure and criteria.

12. Both sides welcome wider participation of qualified French financial institutions in Chinese domestic and cross-border custodian and settlement business. China will positively consider the application of a qualified French bank that meets all the qualification criteria under Chinese regulation.

13. Both sides welcome the increased participation of a qualified French bank in consumer finance in China, and they are willing to facilitate the commencement of a new consumer finance joint-venture between a French bank and a Chinese bank.

14. France welcomes China's financial regulatory authorities' recent approval of the establishment of the first wealth management company with foreign majority shareholding in China by Amundi Asset Management.

15. France welcomes China's financial regulatory authorities' recent approval of the AXA Group increasing its equity in the AXA Tianping P&C Insurance Co., Ltd. up to a 100% shares.

16. Both sides welcome the first Huaan CAC-40 ETF targeted in French market has been listed in Shanghai Stock Exchange, and the first branch of CNI selected Europe index series jointly by China and France was officially released in the Shenzhen Market.

17. France welcomes China's decision to grant export licenses to the French agrifood companies of the meat sector recommended by the French authorities and meeting Chinese food health regulation requirements.

18. France welcomes China's decision to grant export licenses to French production centers of pig semen.

19. Both sides held a technical meeting and agreed to finalize the bilateral protocol for export of French poultry genetics and to sign it before the end of August 2020.

20. Both sides will promote customs cooperation through the signature of a Joint Statement on Strengthening Cooperation on Supply Chain Connectivity Amid the COVID-19 Situation between the General Administration of Customs of the People's Republic of China and the Directorate General of Customs and Excise of the French Republic.