

European lawmakers block a pact with China, citing human rights violations.

The European Parliament voted to refuse to ratify an investment agreement with China until Beijing lifts sanctions on European critics.



President Xi Jinping of China, upper left, and European leaders discussing the investment deal in December. Since then, opposition to the deal in the European Parliament has hardened. Johanna Geron/Reuters



By **Jack Ewing**

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The European Parliament halted progress Thursday on a landmark commercial agreement with China, citing the “totalitarian threat” from Beijing because of its record on human rights and its sanctions against Europeans who have been critical of the Chinese government.

By an overwhelming majority, members of Parliament passed a resolution refusing to ratify the so-called Comprehensive Agreement on Investment until China lifts sanctions on prominent European critics of Beijing. The members of Parliament also warned that they could refuse to endorse the agreement because of China’s treatment of Muslim minorities and its suppression of democracy in Hong Kong.

“The human rights situation in China is at its worst since the Tiananmen Square massacre,” the resolution said, accusing China of detaining more than one million people, mostly Muslim Uyghurs in Xinjiang province, a charge the Chinese government has denied.

The sanctions against members of the European Parliament who have been critical of Beijing, as well as several scholars and research organizations, “constitute an attack against the European Union and its Parliament as a whole, the heart of European democracy and values, as well as an attack against freedom of research,” the resolution said.

The vote was the latest setback to relations between the European Union and China only a few months after they signed a pact intended to make it easier for their companies to do business on each other’s territory. The agreement requires approval by Parliament.

The investment agreement was a high priority for Chancellor Angela Merkel of Germany because of China’s importance to German automakers and other firms. Among other things, the agreement would allow European companies to own majority stakes in their Chinese subsidiaries, rather than forcing them to operate through joint ventures with Chinese partners and share trade secrets.

But relations have gone downhill since March when the European Commission issued sanctions against four Communist Party officials after accusing them of being responsible for human rights violations.

China retaliated with sanctions against members of the European Parliament, including Reinhard Bütikofer, a member of the Greens faction from Germany and prominent critic of Beijing. They are not allowed to travel to China or do business with people in China.

The investment agreement was already in trouble. Valdis Dombrovskis, the European commissioner for trade, said earlier in May that work to finalize the pact was delayed because of repressive Chinese policies. The European Commission, the European Union’s administrative arm, also took steps this month to clamp down on Chinese companies that receive subsidies from the government, giving them an unfair competitive edge.

The resolution passed Thursday by a vote of 599 in favor and 30 against, with 58 abstentions. The no votes came from a handful of far-right or far-left members of Parliament.

Jack Ewing writes about business from New York, focusing on the auto industry and the transition to electric cars. He spent much of his career in Europe and is the author of “Faster, Higher, Farther,” about the Volkswagen emissions scandal.

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