

# **China-France Joint Fact Sheet on the 8<sup>th</sup> High Level**

## **Economic and Financial Dialogue**

(December 13th, 2021)

### **Deepening China-France Economic and Financial Cooperation to promote the Economic Recovery and Growth**

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 8<sup>th</sup> China-France HED on December 13<sup>th</sup>, 2021 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 international macroeconomic policy coordination, and bilateral cooperation in key areas and major projects. During the 8<sup>th</sup> China-France HED, both sides reached the following consensus:

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

1. Both sides express concern over the negative impact of COVID -19 on global development, especially global implementation on the 2030 Agenda for Sustainable Development. Both sides remain determined to bring the pandemic under control everywhere as soon as possible, and strengthen global development partnership for SDGs. Thus, both sides reaffirm their commitment to helping address the bottlenecks and shortages of COVID-19 tools in low- and middle-income countries, to ensure a safe, equitable, transparent and affordable access to vaccines, therapeutics and diagnostics. We reiterate our support to all pillars of the ACT-Accelerator, including COVAX, and will continue to improve its effectiveness. Both sides will continue to sustain the economic recovery, avoiding any premature withdrawal of support measures, while preserving financial stability and long-term fiscal sustainability and safeguarding against downside risks and negative spill-overs. Both sides will work together and with international partners to monitor and address the global challenges that are impacting our economies, such as disruptions in supply chains and inflationary pressures.

2. Both sides support the critical role of the G20 as the premier

forum for international economic cooperation to improve global economic governance and promote the G20 to shape and impulse global economic governance to support the implementation of continued progress in the areas including macroeconomic policy coordination, trade and investment, supporting the multilateral trading system, opposing unilateralism and protectionism, keeping industrial and supply chains stable and functioning, level playing field, sustainable development, international financial architecture, sustainable finance, digital economy, anticorruption and quality infrastructure investment.

3. Both sides welcome each other's contributions to the G20 Debt Service Suspension Initiative (DSSI), which is also agreed to by the Paris Club, and remain committed to full and transparent implementation for all eligible countries that have formally sent a request. Both sides reiterate their commitment to step up their efforts to address requests under the Common Framework for debt treatment beyond the DSSI in a timely, orderly and coordinated manner, including through sharing necessary information among participating official bilateral creditors. These enhancements would give more certainty to debtor countries and facilitate the IMF's and MDBs' quick provision of financial support. We recall the forthcoming work of MDBs, as stated in the Common Framework, in light of debt vulnerabilities. We encourage IMF and MDBs to continue supporting the implementation of the Common Framework, in line with their respective mandates and provide a timely assessment of the financial situation of each debtor countries requesting a debt treatment. Furthermore, both sides welcome the close ongoing coordination to address the first country cases under the Common Framework, agreed by G20 and Paris Club creditors. Both sides stress the importance to strengthen this cooperation to improve their common understanding of sovereign debt issues such as the importance of quality and consistency of debt data and comparability of treatment with other creditors, including private creditors. 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 are committed to a strong, quota-based, and adequately resourced IMF at the center of the global financial safety net. We also remain committed to revisiting the adequacy of quotas and will continue the process of IMF governance reform under the 16th General Review of Quotas. Both sides welcome the new general allocation of Special Drawing Rights (SDR) to the tune of 650 billion USD,

implemented by the International Monetary Fund (IMF), and the total global ambition of USD 100 billion of voluntary contributions for countries most in need. Both sides are committed to implementing the G20 consensus on channeling the newly allocated SDR to scale up the Poverty Reduction and Growth Trust (PRGT) and to establish the "Resilience and Sustainability Trust" (RST).

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, including import substitution policies. Both sides commit to keeping markets open, and to ensuring a level playing field and legal certainty 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's rulebook and functioning, including restore the full operation of the dispute settlement mechanism. Both sides are also willing to discuss the issues of trade and health, trade and environment, investment facilitation and e-commerce, industrial subsidies and rules applicable to state-owned enterprises.

6. Both sides support a public procurement environment that is open, non-discriminatory and transparent. China reaffirms its willingness to join the WTO's Government Procurement Agreement(GPA) as soon as possible and will continue its efforts in joining the GPA. France encourages China's accession to the GPA as soon as possible.

7. Both sides will support EU-China dialogues in areas of mutual interests, in a spirit of mutual and reciprocal benefit. Both sides reaffirm the value of improving open, non-discriminatory, transparent and predictable conditions that foster sustainable investment.

8. 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 principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. Both sides welcome the new pledges that were announced during COP26, notably the Leaders' declaration on forests and land use. France reaffirms its commitment to be climate neutral by 2050 regarding all greenhouse gas. China will strive to achieve carbon neutrality before 2060. Both sides will promote the use of appropriate

carbon pricing mechanisms and incentives to meet these goals. Both sides will not build new coal-fired power projects abroad and commit to phase out inefficient fossil fuel subsidies. Both sides note that the goal of developed countries to mobilize jointly USD 100 billion per year by 2020 has not yet been met. Both sides urge developed countries to provide enhanced support to assist developing countries with respect to both mitigation and adaptation, in the context of meaningful mitigation actions and transparency on implementation, in continuation of their existing obligations under the UNFCCC, and encourage other parties to provide or continue to provide support voluntarily. Both sides commit to promote the transparency of national mitigation and adaptation policies. Both sides urge developed countries to fully deliver on the USD 100 billion goal urgently and through to 2025. Both sides appreciate the outcome of the first phase of the 15<sup>th</sup> Conference of the Parties (COP15) to the Convention on Biological Diversity, to inform the follow-up consultations on the Post-2020 Global Biodiversity Framework. 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.

9. Both sides will continue to encourage the Green Climate Fund (GCF) to promote a paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries, and achieving a balance between mitigation and adaptation, in the context of sustainable development. Both countries support the COP guidance to urge the GCF Board to prioritize closing the policy gaps. Both sides recognize the 30-year experience of the Global Environment Facility (GEF) in supporting developing countries and contributing to environmental conservation and encourage the GEF to generate environmental co-benefits, as the financial mechanism for the implementation of related conventions. Both sides look forward to a robust eighth replenishment of the GEF, to continue supporting developing countries to implement the related international environmental conventions and agreements, including the implementation of the future Post-2020 Global Biodiversity Framework.

10. Both sides will further strengthen cooperation at multilateral development banks, including the World Bank (WB), Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB) to jointly support them to help clients address the challenges and to pursue

sustainable development. Both sides acknowledge the concluding report on the 2020 Shareholding review of the IBRD and look forward to the next shareholding review, which will take place in 2025. Both sides look forward to an ambitious IDA20 replenishment.

## **II. Bilateral Cooperation on Key Areas and Major Projects**

11. Both sides reaffirmed the need to implement the November 2019 roadmap agreed by China and France.

Both sides agreed to continue cooperation on climate change, biodiversity conservation, green and low-carbon transformation, circular economy, water, air and soil pollution management and control, and play a leading and exemplary role in the field of environment cooperation.

12. 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.

13. France and China commit to providing non-discriminatory access to their markets for agri-food exporters.

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. Both sides agree to step up the cooperation between the competent administrations on geographical indications (GI) from both countries, both in a bilateral and a European framework, and to promote reciprocal protection of French and Chinese GI. Both sides welcome the work undertaken after the Bureau interprofessionnel des vins de Bourgogne (BIVB) submits the first two revised and completed 82 « vins de Bourgogne » application files, as a pilot, and will work with the objective to get these recognized and protected in China.

16. As decided in the joint agricultural committee held in Nanchang, on the 15<sup>th</sup> of November, 2019, France is committed to support China to adhere to the Organisation internationale de la Vigne et du Vin (OIV) headquartered in France. In collaboration with the European Union,

France will facilitate a prompt adhesion, according to the procedure of the OIV.

17. On agricultural cooperation, both sides reiterate their commitment to deepen their activities in the framework of the joint declaration signed on January 9<sup>th</sup>, 2018, especially on agricultural vocational education and training, in the framework of the agreement signed on November 4<sup>th</sup>, 2018. The programs shall be decided by the management committee according to this agreement. Both sides recognize the importance of agricultural cooperative organizations in agricultural development, and are ready to share information on support policies and management experience in developing agricultural cooperatives. Both sides agree to promote agricultural science and technology cooperation under the framework of the China-France Mixed Committee on Agriculture and Agri-Food. Both sides will jointly promote modern agricultural cooperation projects of mutual interest, such as agroecology and soil carbon sequestration and health, wheat breeding as well as plant protection. Both sides recognize the importance of relevant platforms such as joint laboratories for future cooperation and continue supporting their national agricultural academies (INRAE and CAAS) to deepen their cooperation under this framework.

18. Both sides are committed to implementing decrees 248 and 249 of the General Administration of Customs of the People's Republic of China in a concerted way, without creating neither excessive constraints for companies regarding the level of risk of their products, nor trade disruption.

19. (1) 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 on commercial contract and international documents about the spent fuel reprocessing-recycling plant in China.

(2) 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. Both sides are looking forward to renewing the Protocol on Peaceful Use of Nuclear Energy for three additional years in 2022.

20. (1) Both sides attach great importance to nuclear safety. Both sides welcome the successful cooperation at the industrial level between CGN and EDF during the summer 2021 to analyse the causes of the

unsealed assembly rods in reactor No. 1 of the Taishan nuclear power plant, which is a joint venture between CGN and EDF. Both sides will continue to encourage transparent communication and cooperation in mutual trust to ensure the safe and steady operation of the Taishan power plant.

(2) Both sides welcome the resilience of the Hinkley Point C (HPC) project in spite of the COVID crisis and acknowledge the positive developments regarding a new pair of EPR nuclear reactor at the Sizewell C (SZC) power plant. Both sides welcome the new progress of the UK HPR1000 Generic Design Assessment (GDA) related to the Bradwell B (BRB) project.

(3) Both sides will exchange views on use cases and future trends in civil nuclear energy.

21. Both sides strongly value the strategic cooperation partnership in the aeronautical field and agree to strengthen it. Both sides support Airbus and its Chinese partners to actively pursue industrial cooperation and the purchase of Airbus aircrafts. Both sides encourage the enhancement on bilateral cooperation on Air Traffic Management, to cope with the objectives of absorbing the growth of air traffic, enhancing aviation safety, improving the punctuality of flights and the carbon footprint of the Airlines.

22. Both sides agree to continue their efforts to develop their cooperation in astronomy (SVOM), Exploration (Chang'e 6, Extraterrestrial samples study, Tianwen-1), Earth monitoring (Doris, Space Climate Observatory,) and other fields. Both sides agree to explore the possibility of cooperation on GEO High Throughput Satellites and LEO Constellations, and to exchange views on International Lunar Research Station, as well as satellite missions for Environment and Climate.

23. Both sides agree to continue promoting cooperation between their respective financial regulatory authorities, including in sustainable finance. Consistently with their G20 commitments, both countries will continue to actively push sustainable finance as a key means to promote transition towards more sustainable economies, in line with the 2030 Agenda for Sustainable Development and UNFCCC and the Paris Agreement. Both countries are founding members of - and actively committed to - the Central Banks and Supervisors Network for Greening the Financial System (NGFS). They recognize the role of central banks and supervisors in promoting green and sustainable finance. Both sides

will continue to strengthen institutional cooperation in order to support the development of sustainable finance and green financial market. Both sides agree to foster their cooperation to bring bridges between taxonomies and to avoid market fragmentation and greenwashing. Both sides will continue cooperation on green finance through multilateral platforms including the G20.

24. Both sides remain committed to the principles of mutual benefits, level-playing field and transparency, facilitating the development of financial market players. Both sides agree to continue cooperating in the fields of banking and financial markets. China welcomes qualified French institutional investors to actively invest in China's inter-bank bond market and to increase holding of RMB assets through multiple channels. China is willing to keep communication with France on issues related to investment and issuance of bonds in the inter-bank and exchange bond market, and willing to provide necessary support and facilitation. France welcomes this openness of the Chinese financial markets to foreign companies, including allowing foreign financial institutions to establish joint venture or fully owned securities companies in China, as well as completing the filing procedure for QFII/RQFII asset custody business qualification of a French bank in the past year.

25. The AMF and the CSRC reaffirm their commitment to carry on cooperation both within the international bodies in which they participate as well as on a bilateral basis. Building on their earlier cooperation agreements, they agree to pursue their dialogue in the fields of listed companies and their financing on markets, asset management, as well as innovation in financial services, investor protection, fight against market abuse and cross border cooperation in the field of investigations. The AMF and the CSRC further agree to share experience in the field of green, climate and sustainable finance and discuss their respective approaches.

26. Both sides welcome the fruitful relationships developed between the authorities and the French and Chinese asset management industries. Both sides welcome qualified French financial institutions to be registered by the Asset Management Association of China (AMAC) as a Wholly Foreign Owned Enterprise (WFOE) or joint Private Fund Managers (PFM). China welcomes eligible French managers to convert their PFM WFOEs into a Fund Management Company (FMC). France expects the continued issuance of Qualified Domestic Limited Partnership (QDLP) and Qualified Domestic Investment Entity (QDIE) licenses to qualified French institutions.



27. Both sides agree to further strengthen bilateral intellectual property cooperation in the field of patents, trademarks, geographical indications, trade secret, and others, including cooperation on offline and online IP law enforcement under the frameworks of the relevant cooperation agreements and mechanisms. Both parties are committed to guarantee the protection and enforcement of intellectual property irrespective of the nationality of the right holder, as well as to ensure a non-discriminatory access to the administrative or judicial enforcement mechanisms. Both parties will continue the negotiations of a PPH agreement between INPI and CNIPA and strive to sign it in 2022. The two sides will organize the 33<sup>rd</sup> Joint Committee Meeting on Intellectual Property to share the best practices in IP creation, protection and utilization.

28. Both sides are committed to facilitating trade in the cosmetics industry, and will do their utmost to create an orderly and fair business environment according to WTO rules.

29. Both sides recognize the importance of resilient international supply chains including in raw materials and agree to keep industrial and supply chains stable and functioning.

30. Both sides agree to continue to strengthen bilateral loan cooperation between the Ministry of Finance of the People's Republic of China and Agence Française de Développement and to actively carry out innovative and exemplary projects in areas including climate change, environmental protection and biodiversity conservation.

31. (1) China welcomes qualified French banks and financial market infrastructures to apply for accessing the Cross-border Inter-bank Payment Systems (CIPS) to conduct RMB business.

(2) France welcomes cooperation between companies and China UnionPay on acceptance of UnionPay cards.

32. Both sides will continue AML/CFT communication and strengthen AML/CFT supervisory cooperation in various ways, including accelerating negotiations on the MOU of AML/CFT supervision and signing the MOU in due time, and to continue cooperation between financial intelligence units.

33. Both sides are committed to strengthening cooperation and communication regarding OTC markets as well as the dialogue on central counterparties activities in China and Europe.

34. Both sides are willing to exchange views and cooperate on

issues related to Central Bank Digital Currency(CBDC).

## **Appendix: Outcome List**

1. Both sides mutually acknowledge the recognition of their management and control systems for African Swine Fever (ASF) zoning, and welcome the signing of the relevant protocol and its entry into force.

2. Both sides are interested in furthering cooperation in local advantageous agricultural industry; they are willing to carry out pilot projects on Inner Mongolia cattle meat as well as on Ningxia grape and wine industry and potential cooperation on Jiangxi pig production industry.

3. Both sides recall that enhancing air connectivity between France and China is a key to promote and develop our bilateral economic ties. Both sides consider that the 1966 Air Services Agreement between France and China remain the valid framework to provide traffic rights for the designated Airlines, with equal and fair opportunities. Both sides agree to further discuss a continuous increase of international passenger flights between France and China, including direct flights to Beijing, as defined by the bilateral framework, in an orderly manner. Both sides encourage their Civil Aviation Authorities to keep close contact and hold a new round of Bilateral Air Talks at the convenience of both sides and at the earliest time possible in 2022.

4. Both sides agree to strengthen cooperation with each other and call to the relevant authorities to issue, at the earliest time possible the certification for the following projects: ATR 42-600 aircraft and Airbus helicopter H175. Both sides agree to strengthen cooperation with each other and make best efforts to push forward the project of Dassault Aviation Falcon 8x Business Jet. Both sides call on strengthening cooperation of Aneto engine for Safran Helicopter Engines and AVIC Helicopter AC352.

5. Both sides welcome the recent signing of the fourth-round list of priority projects in third market and will jointly support the implementation of the listed priority projects. Both sides commend the positive progress made on the Hann Bay Depollution Project in Dakar, for which the forthcoming signature of the loans agreements will mark the start of the Project implementation phase on the ground.

6. Both sides appreciate the contribution by the China-France Industrial Cooperation Implementation Platform, in implementing and

promoting the launching of the third batch of China-France Industrial Cooperation Pilot Projects, officially presented on November 26<sup>th</sup>. Both sides welcome the Center for International Economic and Technological Cooperation of Ministry of Industry and Information Technology of China, and the French Future Industry Alliance to promote Industrial Cooperation Pilot Projects carried out by companies and organizations in smart manufacturing, green manufacturing, education and training.

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

8. Both sides welcome the increased participation of a qualified French bank in consumer finance in China, and they are willing to facilitate the takeover of an existing Consumer Finance Company by this French bank and its Chinese bank partner.

9. China will positively consider the application of a qualified French bank for a junior underwriting license for non-financial enterprise debt instruments in the market-based evaluation process, which will be conducted in the first half of 2022 in accordance with the Chinese procedure and criteria.

10. Both sides are willing to further cooperate on the involvement of French institutional investors in the Chinese markets. They fully support the application of eligible French financial institutions to fully own a securities company in China. China welcomes French asset management institutions owned by French banks to set up joint venture wealth management companies together with subsidiaries of Chinese banks, and submit application in accordance with Chinese laws and regulations.

11. France welcomes China's large exposure requirements exemption for intrabank exposure in the parent group on foreign bank subsidiaries in China. Taking into account reciprocity of practices between the two jurisdictions, France welcomes the Chinese banks to submit request for the exemption of capital adequacy ratio requirement of euro business that the Chinese banks are subject to meet. It agrees to positively consider such requests and facilitate the process in accordance with the provisions of the French legal framework.

12. Both sides will jointly support the cooperation between stock exchanges in strengthening cross-border products and businesses.

13. China welcomes France's commitment in supervision and

recommendation of companies in meat sector, and will grant export licenses to those companies that meet Chinese food health regulation requirements in a timely manner.

14. Both sides welcome the work launched in the infant milk sector and are committed to progress on the registration of formula before the 22<sup>nd</sup> of February, 2023, with the aim to achieve them, if conditions allow it, so that French companies meeting Chinese infant milk powder formula registration requirements may maintain their exports.

15. Both sides will promote customs cooperation pursuant to the 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. Under the guidance of China-EU Customs Cooperation and Mutual Assistance Agreement (CCMAA) and China-EU Strategic Framework for Customs Cooperation (2021-2024), both sides will strengthen cooperation in trade security and facilitation.

16. Both sides encourage the France-China Cooperation Fund, which is launched by CIC, BNP Paribas and Eurazeo, to boost its role as a cross-border investment platform.

17. Both sides are preparing the signing of the agreements of Protection of Qianjiangyuan and Sustainable Territory Development of Kaihua Project, Ecological Governance of Shihu in China-France Eco-Demonstration Zone of Wuhan Project and Tengchong City Ecological Restoration of the Daying River and Watershed Project (pending the approval of AFD Boards on December 16).

18. Both sides support credit rating agencies from both countries to establish cooperation, provide credit rating services in compliance with respective regulations and rules, and enhance exchanges on credit rating concepts, techniques and methods.

19. Both sides agree to enhance communication and cooperation on audit supervision based on mutual respect for sovereignty and domestic laws, sign MOU on cooperation in audit supervision as soon as possible in order to facilitate cross-border bond issuance and cooperation on trade and finance of both countries.

20. France welcomes China's invitation of France as the country of honor of the Second China International Consumer Products Expo to be held in 2022 in Hainan Province, China.

