NOTE TO THE FILE

Subject: Report of the 19th round of negotiations for the EU-China Investment Agreement

Participants: EU team led by Director Maria Martin-Prat, TRADE B
China team led by Deputy DG Li Yongjie, MOFCOM

The 19th round of the EU-China investment agreement negotiations took place in Beijing on 29 and 30 October 2018.

At the round, the parties provided for the first time their formal feedback on the market access offers exchanged this summer in the margins of the 20th EU-China Summit. Overall the exchanges were constructive with a view to seek common ground and identify balanced solutions in an effort to bridge the gaps on a number of remaining issues. Some progress was made, in particular, on investment protection-related provisions such as expropriation and compensation for losses. The round also confirmed the progress made previously on both state-to-state and investor-to-state dispute settlement, albeit additional technical follow up is required along the path outlined by the Chief Negotiators. The discussions on sustainable development were valuable and allowed the parties to move closer on their respective understanding of investment-related aspects of environment and labour. The issues concerning fair and equitable treatment as well as on national treatment and its related provisions and exceptions will instead require further substantial follow up, together with the discussions on transfers and capital movement provisions, the latter still in an initial stage.

Next steps:
- The 20th round is tentatively scheduled for early 2019 in Brussels. The exact agenda and timing are yet to be confirmed.