

Research Briefing

15 July 2024

By John Curtis

UK-China relations: Recent developments



Summary

- 1 UK and China government policies and strategies
- 2 Hong Kong, Uyghurs, Tibet and other human rights concerns
- 3 National security and interference concerns
- 4 Chinese investment in the UK and higher education
- 5 UK-China Trade and international development aid

Contributing Authors

Paul Bolton, Higher education statistics, SGS;
Adam Clark, Telecommunications & cyber, SES;
Suzanna Hinson, Nuclear energy, SES;
Ilze Jozepa, Procurement Act, EPAS;
Joe Lewis, Higher education, SPS;
Philip Loft, International aid, IADS;
Georgina Sturge, Hong Kong population statistics, SGS;
Matt Ward, Trade & investment statistics, EPAS

Image Credits

UK-China-flags-sunset by evgris. Licensed by Adobe Stock id=426771185.

Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing [‘Legal help: where to go and how to pay’](#) for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

Sources and subscriptions for MPs and staff

We try to use sources in our research that everyone can access, but sometimes only information that exists behind a paywall or via a subscription is available. We provide access to many online subscriptions to MPs and parliamentary staff, please contact hoclibraryonline@parliament.uk or visit commonslibrary.parliament.uk/resources for more information.

Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at commonslibrary.parliament.uk. If you have general questions about the work of the House of Commons email hcenquiries@parliament.uk.

Contents

Summary	5
1 UK and China government policies and strategies	7
1.1 Background	7
1.2 The 2021 Integrated Review and the tilt to the Indo-Pacific region	8
1.3 The 2023 Integrated Review Refresh	11
1.4 Recent Ministerial visits, speeches and evidence to select committees	13
1.5 China's foreign policy, and wider developments in Chinese domestic politics	16
1.6 Calls for a UK Government China strategy	23
1.7 International context: US and EU relations with China	24
2 Hong Kong, Uyghurs, Tibet and other human rights concerns	27
2.1 Overview and China's approach to human rights	27
2.2 Hong Kong	29
2.3 Uyghurs and Xinjiang	35
2.4 Tibet	38
3 National security and interference concerns	40
3.1 Overview	40
3.2 Recent UK legislation and government initiatives	40
3.3 Cyber-attacks and spying concerns	44
3.4 Chinese influence operations and monitoring of Chinese diaspora	48
4 Chinese investment in the UK and higher education	53
4.1 Overview and investment statistics	53
4.2 National Security and Investment Act 2021	55
4.3 Technology sector	57
4.4 Nuclear industry	61
4.5 Higher education	64

5	UK-China Trade and international development aid	69
5.1	UK-China trade: Key statistics and recent trends	69
5.2	International development aid	73

Summary

Over the last several years, relations between the UK and China have deteriorated sharply.

This paper looks at some of the most significant aspects of the UK-China relationship, but does not attempt to cover all of its components.

Worsening of relations

Several factors have contributed to the worsening of relations.

Domestic policy of the Chinese Communist Party

Firstly, the hardening of the Chinese Communist Party's (CCP's) rule over China, including [efforts to exert greater control over Hong Kong](#), and [alleged human rights abuses](#) against the Uyghur population in Xinjiang.

These in turn have led to strong criticism by the UK, including the [imposition of sanctions](#). China subsequently [retaliated with its own sanctions](#) with several British MPs and peers targeted.

Forceful foreign policy

Secondly, the adoption by China of [more forceful rhetoric](#) and more [expansive foreign policies](#). These have led to assessments by the UK Government in its [2021 strategic review of defence and security](#) that China is a “systemic competitor”, and that the that China represents the “greatest state-based threat to the UK's economic security”.

Cyber attacks and espionage

Thirdly, the UK's intelligence and security services have warned that China is [increasing its espionage and cyber operations](#), in particular [seeking to gain sensitive commercial information](#). These efforts are in part motivated by China's efforts to become a world-leader in emerging technologies, encapsulated by its [Made in China 2025](#) industrial strategy.

Relations between China and the UK's allies

Fourthly, the UK's major allies, including the [United States](#) and the [European Union](#) have also identified China as a growing threat, particularly to their economic security.

Strong economic relationship remains

Despite these tensions, the economic relationship between China and the UK remains strong, and the UK remains a [popular destination for Chinese students](#). However, there have been [concerns about the effect of Chinese funding in the higher education sector](#) has had on academic freedom and freedom of speech.

The UK Government has also said it [seeks to continue to work with China on areas of shared interests](#) such as climate change.

However, since 2021 the government has passed several pieces of legislation to counter state threats, including the [National Security and Investment Act 2021](#). This gave the government powers to block mergers and acquisitions on national security grounds. The government used these powers in 2022 to order a Chinese-owned firm to [reverse its takeover of the UK's largest microchip plant](#), Newport Wafer Fab.

China had been a major investor in the UK civil nuclear sector; however, the UK has now [changed the funding model for new nuclear plants](#), in part to reduce reliance on overseas investors. In 2022 the government [bought out the state-owned China General Nuclear's stake](#) in the proposed Sizewell C power station.

Future of UK-China relations

The Labour Party's manifesto [commits the new Starmer government to an audit of the bilateral relationship](#) (PDF) to "improve the UK's capability to understand and respond to the challenges and opportunities China poses".

1 UK and China government policies and strategies

1.1 Background

Over the last several years, the largely cordial relationship between the UK and China has deteriorated sharply.

In the previous two decades, regardless of the political make up of successive UK governments, the trend had been towards closer engagement and cooperation.

The high-point of UK-China relations was during the 2015-17 Conservative Government, when there was talk on both sides of a “[golden era](#)”.¹

Commons Library briefing [The UK-China relationship](#), examines this period, and changes between 2017 and 2020 in greater detail.

Several factors have contributed to the worsening of relations.

Firstly, the hardening of the Chinese Communist Party’s (CCP’s) rule over China, including efforts to exert greater control over Hong Kong, and ‘sinicise’ regions such as Tibet and Xinjiang.² These in turn have led to strong criticism by the UK, the imposition of sanctions, and other measures (see section 2 on human rights abuses), which have angered China.

Secondly, the adoption by China of more hawkish rhetoric and more expansive foreign policies, particularly in the South China Sea and against Taiwan. These have led to assessments by the UK Government in its strategic reviews of defence and security that China is a “systemic competitor” (see section 1.3).

Thirdly, the UK’s intelligence and security services have warned that China is increasing its espionage operations against the UK, seeking to gain economic advantage from commercially sensitive information but also influence opinion in the UK (see section 3.3)

¹ HM Treasury, [Chancellor: 'Let's create a golden decade for the UK-China relationship](#), 22 September 2015.

² Sinicise meaning in this context to make a faith or belief group, more culturally Chinese and reflect Chinese socialist values. For more see Bitter Winter, [New Directives on Sinicization of Religion: “Love the Party, Love Socialism”](#), 24 March 2022.

Fourthly, the UK's major allies, including the United States, the European Union and European countries, Australia, and Japan, among others, have all identified China as a growing threat, particularly to their economic security, raising economic barriers, and hardening their own rhetoric (see section 1.7).

Despite such tensions, the economic relationship between China and the UK remains strong (see section 4.1 on investment and section 5 on trade), and the UK remains a popular destination for Chinese students (see section 4.5). The UK Government has also said it seeks to continue to work with China on areas of shared interests (see below).

1.2

The 2021 Integrated Review and the tilt to the Indo-Pacific region

Integrated Review

The UK Government's March 2021 [Integrated review of security, defence, development and foreign policy](#) described China as a "systemic competitor", and that it also "presents the biggest state-based threat to the UK's economic security".³

The review said the UK will "do more to adapt to China's growing impact on many aspects of our lives as it becomes more powerful in the world".⁴ And that the Government will invest in "China-facing capabilities" allowing the UK to better understand China and its people, and improving the UK's ability to respond to the challenge it poses to "our security, prosperity and values – and those of our allies and partners".⁵

However, the review also emphasised the Government's intention to continue pursuing a "positive trade and investment relationship" with China, while also ensuring that national security is protected.⁶ It also acknowledged that cooperation with China on transnational issues such as climate change is a necessity.

Defence Command Paper

The Defence Command Paper published alongside the Review stated that the "rising power of China is by far the most significant geopolitical factor in the world today".⁷ It noted further that: "The significant impact of China's military

³ Cabinet Office, [Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy](#) (PDF), 16 March 2021, p26 & p62.

⁴ As above, p22.

⁵ As above.

⁶ Cabinet Office, [Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy](#) (PDF), 16 March 2021, p22.

⁷ Ministry of Defence, [Defence in a competitive age](#) (PDF), CP 411, March 2021, p5.

modernisation (which is proceeding faster than any other nation) and growing international assertiveness within the Indo-Pacific region will pose an increasing challenge”.⁸

Tilt to the Indo-Pacific

The 2021 Integrated Review (IR21) proposed a ‘tilt to the Indo-Pacific’, saying the UK needed to engage with the Indo-Pacific region more deeply for its own security, for the economic opportunities, and to promote its values in the region.⁹

The IR21 set the goal that the UK would become the “European partner with the broadest, most integrated presence in support of mutually beneficial trade, shared security and values”.¹⁰

On the subject of promoting the UK’s security in the region the IR21 noted that “much of the UK’s trade with Asia depends on shipping that goes through a range of Indo-Pacific choke points. Preserving freedom of navigation is therefore essential to the UK’s national interests”.¹¹ This reference was understood by analysts to be implicitly addressing China’s increasingly confrontational military actions in the South China Sea, and China’s previous rejection of the international [Arbitral Tribunal finding in favour of the Philippines](#) over China’s territorial claims in the Sea.¹²

The deterioration in UK-China relations from the ‘golden era’ to the IR21’s publication has been identified as one of the reasons for the announcement of the tilt. In 2020, before the publication of the IR21, Chatham House suggested a tilt to the region by the UK was already in motion and China was a factor behind this move, stating in “the past four years, there has been a major reassessment of Beijing’s behaviour and intentions, and its recent violation of the Sino-British Joint Declaration on Hong Kong is being seen as the last straw”.¹³

AUKUS agreement

In September 2021 the UK, Australia and the United States announced a [new defence and security partnership called AUKUS](#). A major part of the AUKUS

⁸ Ministry of Defence, [Defence in a competitive age](#) (PDF), CP 411, March 2021, p7.

⁹ Cabinet Office, [Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy](#), 16 March 2021, p66.

¹⁰ Cabinet Office, [Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy](#), 16 March 2021, p66.

¹¹ Cabinet Office, [Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy](#), 16 March 2021, p66.

¹² LSE Blogs, [The British ‘tilt’ to the Indo-Pacific and its ramifications for the South China Sea](#), 28 July 2021. For more on the 2016 ruling see Commons Library, [The South China Sea dispute: July 2016 update](#), 12 July 2016, and for more on China’s recent actions in the South China Sea see Council on Foreign Relations, [Territorial Disputes in the South China Sea](#), updated 25 June 2024.

¹³ Chatham House, [China and Brexit Drive the UK’s ‘Tilt’ to Indo-Pacific](#), 27 November 2020.

agreement (pillar 1) is to support Australia in [acquiring its first conventionally armed, nuclear-powered submarine fleet](#). The other focus of the agreement (pillar 2) is to [develop a range of advanced capabilities](#), to share technology and increase interoperability between their armed forces.

The three countries said the agreement “will help sustain peace and stability in the Indo-Pacific”.¹⁴ For the UK, it furthers its proposed tilt to the Indo-Pacific.

China was not mentioned in the [Joint Statement](#) released by the leaders of the US, UK and Australia, when the agreement was announced. However, commentators were united in believing that it was in part created to counter growing perceptions of a rising Chinese threat in the Indo-Pacific region, with an analysis from the think tank Chatham House noting that “the AUKUS announcement showed that China’s growing hard power is now eliciting a genuinely tough and structural political-military reaction”.¹⁵

Responding to concerns about China’s response, then Prime Minister [Boris Johnson said](#) the partnership “is not intended to be adversarial towards any other power”.¹⁶

When AUKUS was first announced, China stated the partnership “has seriously undermined regional peace and stability”. China’s foreign ministry spokesperson, Zhao Lijian, went on to say that the announcement has “intensified the arms race and undermined international non-proliferation efforts.” China accused the three countries of double standards over nuclear non-proliferation and of holding on to a “Cold War mentality”.¹⁷

For more on the AUKUS agreement see:

- Commons Library briefing paper, [AUKUS submarine \(SSN-A\) programme](#), 7 March 2024.
- Commons Library briefing paper, [AUKUS pillar 2: Advanced capabilities](#), 8 March 2024.
- Commons Library debate pack, [Impact on Anglo-Chinese relations following the AUKUS pact](#), 15 October 2021.
- Commons Library briefing paper, [The AUKUS agreement](#), 11 October 2021.

¹⁴ Prime Minister’s Office, [UK, US AND Australia launch new security partnership](#), 15 September 2021.

¹⁵ Chatham House, Robin Niblett, [AUKUS reveals much about the new global strategic context](#), 18 September 2021.

¹⁶ [HC Deb 16 September 2021 \[AUKUS\]](#).

¹⁷ Embassy of the People’s Republic of China to the UK, [Chinese Foreign Ministry Spokesperson’s Remarks on the US, UK and Australia announcing a new military partnership](#), 16 September 2021.

1.3

The 2023 Integrated Review Refresh

Overview

On 13 March 2023 the Government published a [refresh of the Integrated Review](#) (PDF). The refresh was produced in response to the significant world events that had taken place since the original strategy was published in 2021, including the war in Ukraine, and what then Prime Minister, Rishi Sunak, described in the refresh’s foreword as “China’s willingness to use all the levers of state power to achieve a dominant role in global affairs”.¹⁸

Mr Sunak also warned of “China’s more aggressive stance in the South China Sea and the Taiwan Strait”.¹⁹

The refresh describes an “epoch-defining and systemic challenge posed by China under the Chinese Communist Party (CCP) across almost every aspect of national life and government policy”.²⁰

The refresh says the UK must respond to two over-arching factors that have continued to evolve since the IR 2021:

- 1) China’s size and significance on nearly every global issue which will continue to increase in the years ahead, and so its choices, including in areas like climate change, will have a profound impact on the UK; and
- 2) The UK’s growing concerns about the China’s CCP leadership’s actions and intents including its strengthening partnership with Russia, disregard for human rights, military modernisation and actions in the South China Sea, and its espionage and interference activities in the UK.²¹

Despite these factors the refresh also states that the UK “does not accept that China’s relationship with the UK or its impact on the international system are set on a predetermined course”, and that the UK’s preference is for “better cooperation and understanding, and predictability and stability for global public good”.²²

The UK will “engage constructively” with China when it aligns with the UK’s core national interests and with maintaining an open and stable international

¹⁸ Cabinet Office, [Integrated Review Refresh 2023 Responding to a more contested and volatile world](#) (PDF), 13 March 2023, p2.

¹⁹ As above.

²⁰ As above, p6.

²¹ As above, p30.

²² As above.

order, but wherever “the CCP’s actions and stated intent threaten the UK’s interests” the UK will “take swift and robust action to protect them”.²³

Protect-Align-Engage framework

The refresh said the government will pursue its China policy through a three-stranded ‘Protect-Align-Engage’ framework, stating the UK will:

- **Protect** its national security, strengthening protective measures in “those areas where the actions of the CCP pose a threat to our people, prosperity and security”, while also increasing protections for academic freedom and university research.
- **Align** with core allies and partners, recognising the UK has “limited agency to influence the CCP’s actions” on its own, with Mr Sunak in his foreword saying: “where there are attempts by the Chinese Communist Party to coerce or create dependencies, we will work closely with others to push back against them”.
- **Engage** with China bilaterally and in international fora, strengthen diplomatic relations, and pursue a positive trade and investment relationship while ensuring trading and investment is “safe, reciprocal and mutually beneficial”.²⁴

Alongside the refresh the [Government announced extra funding](#) to “further boost skills and knowledge for government staff on China, including on economic and military policy as well as Mandarin language skills”.²⁵

Defence Command Paper refresh

A new defence Command Paper was also published alongside the Review Refresh. It stated that: “Escalating tensions in the Indo-Pacific, driven by China’s actions, present a direct challenge to a region that we believe should remain free and open for the prosperity of all”, and “despite previous Chinese claims of its peaceful rise, China has refused to renounce the use of force to achieve its objectives with regard to Taiwan”.²⁶

²³ Cabinet Office, [Integrated Review Refresh 2023 Responding to a more contested and volatile world](#) (PDF), 13 March 2023, p30.

²⁴ As above, p31.

²⁵ Prime Minister’s Office & FCDO, [Press Release: UK announces increased funding for China Capabilities Programme](#), 13 March 2023.

²⁶ Ministry of Defence, [Defence’s response to a more contested and volatile world](#) (PDF), CP 901, July 2023, p6.

It also said the UK “will work to convince China of the need for it to play a responsible global role in keeping with its status as a P5 power and a major security player”.²⁷

The paper also noted the “interconnectedness between regions and actors”, highlighting the deepening of Russia’s partnership with China, and looking at the conflict in Ukraine it stated: “China too will be observing the conflict, and drawing conclusions, including about the unity and staying power of the UK and our allies and partners”.²⁸

1.4

Recent Ministerial visits, speeches and evidence to select committees

April 2023, Foreign Secretary speech on China

On 25 April 2023 then Foreign Secretary, James Cleverly, made [a speech setting out the Government’s China policy](#).

Mr Cleverly said he did not see “anything inevitable about conflict between China and the United States and the wider West”, and that “we must face the inescapable reality that no significant global problem – from climate change to pandemic prevention, from economic instability to nuclear proliferation – can be solved without China”.²⁹

He said the Government will “advance British interests directly with China, alongside our allies, while steadfastly defending our national security and our values”. While giving examples of the UK successfully engaging and influencing China, for example through the UK’s membership of the Asian Infrastructure Investment Bank, and arguing “engagement can succeed”, he also acknowledged that “the truth is that a country like ours, devoted to liberty and democracy, will always be torn between our national interest in dealing with China and our abhorrence of Beijing’s abuse”.³⁰

He summarised that the UK’s policy “has to combine 2 currents: we must engage with China where necessary and be unflinchingly realistic about its authoritarianism”.³¹

²⁷ As above. P5 stands for the ‘Permanent 5’, as in the permanent five members of the UN Security Council.

²⁸ As above, p7 & p9.

²⁹ FCDO, [Speech: Our position on China: Foreign Secretary’s 2023 Mansion House speech](#), 25 April 2023.

³⁰ FCDO, [Speech: Our position on China: Foreign Secretary’s 2023 Mansion House speech](#), 25 April 2023.

³¹ As above.

August 2023, visit by Foreign Secretary

On 30 August 2023, [James Cleverly travelled to Beijing](#) to meet with the Chinese vice president, Han Zheng.

The visit was criticised by some, including Sir Iain Duncan Smith MP, who has [been sanctioned by China](#). He was [reported to have said](#) the visit was the latest stage of "Project Kowtow", and that the UK position "smells terribly of appeasement".³² Mr Cleverly [defended the trip](#), telling BBC News it would not be "credible" to disengage from China, and that it would help avoid "mistrust and errors".³³

January 2024, Lord Cameron gives evidence to Foreign Affairs Committee

On 9 January 2024, the new Foreign Secretary, Lord Cameron, while giving evidence to the Foreign Affairs Committee, also [defended his predecessor's trip to Beijing the previous year](#) saying "things probably would be worse without it".³⁴

Asked if the FCDO had resisted taking a tougher stance on China, the [Foreign Secretary responded](#):

I would say that the Department has a lot of people who understand China very deeply, and who want us to have a relationship that can bear a load, so that we can deal with things like climate change, and make sure that we have diplomatic relations, but there is no naivety. I do not sense in the Department any naivety on this. It knows that China has changed in the last few years, and become more assertive and more aggressive, and that is why the protect part of the policy is so important.³⁵

March 2024, Rishi Sunak's evidence to the Liaison Committee

Giving [evidence to the House of Commons Liaison Committee](#), the Prime Minister, Rishi Sunak, was asked about the use of Chinese-manufactured goods in the UK's critical national infrastructure such as cellular modules (electronic wireless components embedded in devices, such as CCTV cameras and utility meters that connect to the internet)³⁶. He responded that "the first thing to say is that China represents the greatest state-based threat to our economic security, and recently we have seen behaviour that we just won't

³² "[Disengaging with China not credible, says James Cleverly](#)", BBC News, 30 August 2023.

³³ As above.

³⁴ Foreign Affairs Committee, [Oral evidence: Work of the Foreign, Commonwealth and Development Office](#) (PDF), HC 325, 26 July 2007, Q712.

³⁵ Foreign Affairs Committee, [Oral evidence: Work of the Foreign, Commonwealth and Development Office](#) (PDF), HC 325, 26 July 2007, Q710.

³⁶ For more see Council on Geostrategy, [Chinese cellular \(IoT\) modules: Countering the threat](#), 19 March 2024.

stand for” and that “their actions in relation to our and our allies’ democracies are deeply concerning, which is why recently we have taken retaliatory action, and we will continue to address their behaviour with tough action”.³⁷

Mr Sunak talked specifically about actions the UK had taken to restrict Chinese investment in the country, including the Government’s decision to force the Chinese-owned Nexperia firm to [sell the majority of its stake in the Wafer Fab microchip factory in Newport on national security grounds](#); and the Government’s [buying out of the state-owned China General Nuclear’s stake](#) in the proposed Sizewell C nuclear power station.

Challenged by Liam Byrne MP, Chair of the Business and Trade Committee, that the UK was not acting as decisively against China as its allies such as the EU and the US, the Prime Minister responded:

I would say that our approach to China is undoubtedly more robust than most of our allies, in fact. The language we use is very similar, if you look across all our foreign policy strategies. You talked about Huawei. There are European countries—including Germany, when I last checked—that have not removed Huawei kit from their telecoms infrastructure. We placed export controls on sensitive technologies to China last year. Again, they have not been replicated by the EU and in some cases are broader than those in the US. The foreign investment regime that we passed is the most recent version of that law out of any of our allies, and as a result is more robust—probably than you would find in any European country, or in the US.

[...] On trade, we are already less dependent on China for trade than Australia, Korea, Japan, the US, Germany and many other countries.

Lastly, I don’t think any other country has set up a National Protective Security Agency—which we have funded, dealt with by MI5—which means that we can provide specific support to companies to manage the threats from all states when it comes to IP theft and espionage. I am entirely confident that our approach to dealing with the risk that China poses is very much in line with our allies, and in most cases goes further in protecting ourselves.³⁸

Labour party commits to audit of UK-China relationship

Ahead of the July 2024 general election the Labour party stated in their manifesto that they would “bring a long-term and strategic approach to managing our relations [with China]”, and that “we will co-operate where we can, compete where we need to, and challenge where we must”.³⁹

³⁷ Liaison Committee, [Oral evidence: Work of the Prime Minister](#), HC 572, 26 March 2024, Q62.

³⁸ Liaison Committee, [Oral evidence: Work of the Prime Minister](#), HC 572, 26 March 2024, Q64.

³⁹ Labour Party, [Change – Labour Party Manifesto 2024](#) (PDF), p120.

They committed to an audit of the bilateral relationship to “improve the UK’s capability to understand and respond to the challenges and opportunities China poses”.⁴⁰

The manifesto also contained a commitment to hold a strategic defence review in its first year of government which may contain a new assessment of China’s defence capabilities and intentions.⁴¹

1.5

China’s foreign policy, and wider developments in Chinese domestic politics

Developments in domestic politics and their effect on foreign policy

Centralisation, stifling of dissent, and influence of Xi Jinping

Xi Jinping has since he took over the leadership of the Chinese Communist Party (CCP) in 2012, and the Presidency in 2013, centralised power, removed political rivals, promoted his loyal supporters to key positions, and given the CCP further control over the economy and military compared to before he took power.⁴² Xi has cracked down on dissent against his leadership both within the CCP and in the country at large.⁴³

Giving evidence to the House of Lords International Relations and Defence Committee, as part of their 2021 report ‘[The UK and China’s security and trade relationship: A strategic void](#)’ (PDF), Professor Katherine Morton stated Chinese foreign policy is influenced by a “mix of domestic and international drivers in relation to protecting regime security, national development, economic diplomacy, the importance of ensuring that China is rising and protecting that rise more broadly”. These have remained constant and have not changed under Xi Jinping, however under Xi Jinping’s leadership she said there has been a “hardening stance” on national sovereignty and territorial integrity, and a “much stronger emphasis on national security”.⁴⁴

The Committees report quotes several pieces of evidence given to them that describe China following a more assertive approach in its foreign policy under President Xi:

⁴⁰ As above.

⁴¹ Labour Party, [Change – Labour Party Manifesto 2024](#) (PDF), p15.

⁴² See, for example, Susan L Shirk, [China in Xi’s “New Era”: The Return to Personalistic Rule](#), Journal of Democracy, Vol 29, Issue 2, pp 22-36, April 2018, and Minxin Pei, [Xi Jinping and the Paradox of Power What Mao’s Failures Reveal About Centralizing Control](#), Foreign Affairs, 21 November 2022.

⁴³ As above.

⁴⁴ House of Lords International Relations and Defence Committee, [The UK and China’s security and trade relationship: A strategic void](#)’ (PDF), HL Paper 62, 10 September 2021, Para 74 p24.

We heard that under President Xi China has become “much more proactive, less risk averse and much more outward looking”, with a greater focus on China’s image and on economic diplomacy, and with the aim of “transforming China from a rule-taker to a rule-maker in the international community”. This increased assertiveness was expressed by Xi Jinping in his recent speech for the centenary of the CCP, in which he said: “we will never allow anyone to bully, oppress or subjugate China” and that “anyone who dares try to do that will have their heads bashed bloody”.⁴⁵

It is not the case, however, that China’s foreign policy simply reflects the will of Xi Jinping.

A 2021 study by Chatham House, argued that “in reality, political decision-making within China is driven by a range of interests and shaped by different stakeholders, and that “while President Xi Jinping has centralized power in the CPC, certain actors still have varying degrees of autonomy and capacity to intervene in the foreign policymaking process”.⁴⁶

These findings were echoed in a 2023 analysis in the Diplomat magazine, which argued that foreign policy making in China remains fragmented and that “many domestic players act as lobbyists in China’s foreign policymaking”, and further that “local leaders have proven adept at citing central leaders’ rhetoric to advance their own distinct goals”.⁴⁷ The piece used the Belt and Road Initiative (see below) as an example of how China’s State Owned Enterprises have used their own motivations to influence China’s foreign policy outcomes.

Belt and Road Initiative

At the end of 2013, shortly after becoming President of China, Xi Jinping launched an ambitious and multifaceted foreign economic policy project, what is now known as the ‘Belt and Road Initiative’ (BRI).

Initially, Xi proposed building two major initiatives, a land-based “Silk Road Economic Belt,” extending from China to Central and South Asia, the Middle East, and Europe, and a sea-based “21st Century Maritime Silk Road,” connecting China to Southeast Asia, the Middle East, Africa, and Europe via major sea lanes.⁴⁸

⁴⁵ House of Lords International Relations and Defence Committee, [The UK and China’s security and trade relationship: A strategic void](#)’ (PDF), HL Paper 62, 10 September 2021, Para 75, p24. The full quote of the last sentence was delivered by Xi as “Anyone who dares try to do that will have their heads bashed bloody against the Great Wall of Steel forged by over 1.4 billion Chinese people”. See “[CCP 100: Xi warns China will not be ‘oppressed’ in anniversary speech](#)”, BBC News, 1 July 2021.

⁴⁶ Chatham House, [Who decides China’s foreign policy? The role of central government, provincial-level authorities and state-owned enterprises](#) (PDF), November 2021.

⁴⁷ The Diplomat, [The Power – and Limits – of Xi Jinping](#), 18 November 2023.

⁴⁸ Council on Foreign Relations (CFR), [Countries in China’s Belt and Road Initiative: Who’s In And Who’s Out](#), 24 March 2021.

This became known as the One Belt, One Road initiative in China, and in 2015 Beijing changed the English name to the Belt and Road Initiative.⁴⁹ It is Xi's signature foreign policy.

The UK has not hosted any BRI projects nor joined the initiative through a Memorandum of Understanding (MoU), as have 138 other countries (not all BRI Members host projects), including European countries such as Italy and Greece.⁵⁰

In 2017, Philip Hammond, then Chancellor of Exchequer said in Beijing: "As China drives forward the Belt and Road initiative from the east, we in Britain are a natural partner in the west, standing ready to work with all Belt and Road partner countries to make a success of this initiative",⁵¹ and as Prime Minister in 2018, Theresa May repeated the phrase that that the UK was a "natural partner" for the BRI.⁵² According to the China-Britain Business Council, in 2019 while attending the BRI Forum in Beijing, Phillip Hammond, came close to signing an MoU with China on the BRI.⁵³

However subsequent governments cooled on the initiative, and there have been no similar statements during the Johnson, Truss and Sunak administrations, nor any suggestion the UK would join the BRI.⁵⁴

Chatham House in a 2020 report on China and debt-trap diplomacy argues that economic considerations are the primary drivers of the BRI, and the focus in the West on the 'rise of China' obscures this:

Interpretations that emphasize the geopolitical strategic aspects of the BRI are dominant because it is easier to see the project as part of a wider narrative about declining Western power, and the 'rise of China', than to examine its more complex economic drivers. While President Xi Jinping clearly aims to signal China's great-power status through the BRI, it remains a plan mainly aimed at addressing deep crises within the Chinese economy. The Chinese government launched the BRI primarily in order to help address these systemic problems by unlocking overseas demand for Chinese industry, construction projects and loans.⁵⁵

The Foreign Affairs Committee in their 2019 report on China and the Rules-Based International System, however argued that "regardless of the intent

⁴⁹ Congressional Research Service (CRS), [China's "One Belt, One Road" Initiative: Economic Issues](#), 22 January 2021.

⁵⁰ Council on Foreign Relations, [Countries in China's Belt and Road Initiative: Who's In And Who's Out](#), 24 March 2021.

⁵¹ "[Britain says it's a natural partner for China's new Silk Road](#)", Reuters, 14 May 2017.

⁵² British Embassy Beijing, [UK takes centre stage at the Silk Road International Expo, as Country of Honour](#), 11 May 2018.

⁵³ China-Britain Business Council, [How Has The UK's Stance Towards The Belt And Road Initiative Changed?](#), 19 January 2022.

⁵⁴ See Edward Ashbee, [The United Kingdom, the Belt and Road Initiative, and policy amalgams](#), Asia Europe Journal, Volume 22, pp 63-83, 07 February 2024, and China-Britain Business Council, [How Has The UK's Stance Towards The Belt And Road Initiative Changed?](#), 19 January 2022.

⁵⁵ Chatham House, [Debunking the Myth of 'Debt-trap Diplomacy'](#), 19 August 2020.

behind BRI, it appears to be having geopolitical effects, and will continue to do so. In hard power terms, BRI provides a physical platform for expanded Chinese state presence worldwide”.⁵⁶ The committee urged the government to adopt a “strictly case-by-case approach to assessing Belt and Road Initiative projects, and to refrain from expressing an overarching view on the merits of the initiative as a whole”.⁵⁷

Made in China 2025

In 2015, China’s State Council issued an ‘industrial masterplan’ called Made in China 2025 (MIC2025).⁵⁸ The US Congressional Research Service (CRS) describe the initiative as “a broad set of industrial plans that aim to boost competitiveness by advancing China’s position in the global manufacturing value chain, “leapfrogging” into emerging technologies, and reducing reliance on foreign firms”.⁵⁹ China has provided direct subsidies “through state funding, low interest loans, tax breaks, and other subsidies” as part of MIC2025 in key industries.

The CRS states that while MIC2025 stresses “indigenous” innovation “this process often involves the acquisition, absorption, and adaptation of foreign technology by PRC entities that recast these capabilities as their own”. One of the ways that China aims to meet the goals of MIC2025 is, according to the Council on Foreign Relations by encouraging “Chinese companies, both private and state-backed (...) to invest in foreign companies, notably semiconductor firms, to gain access to advanced technology”.⁶⁰ The House of Lords International Relations and Defence Committee ‘Strategic Void’ report states that the initiative “has a substantial element of international intellectual property theft”.⁶¹

A 2023 analysis of MIC2025 by the Centre for Economic Policy Research states however that it sees “little statistical evidence of productivity improvement or increases in patenting and profitability measures” in companies that are part of the industrial strategy. The research also suggests that the initiative could cost Chinese firms overall because of retaliatory measures such as tariffs, restrictions and export taken by other countries, to counter what they see as unfair subsidies.⁶² Both this paper and other research into MIC2025 is hindered by the fact that “the Chinese government has never publicly

⁵⁶ Foreign Affairs Committee, [China and the Rules-Based International System](#) (PDF), HC 612, 4 April 2019, Para 29, p17.

⁵⁷ Foreign Affairs Committee, [China and the Rules-Based International System](#) (PDF), HC 612, 4 April 2019, Para 35, p19.

⁵⁸ Merics, [Made in China 2025: The making of a high-tech superpower and consequences for industrial countries](#), 12 August 2016.

⁵⁹ Congressional Research Service, [“Made in China 2025” Industrial Policies: Issues for Congress](#) (PDF), 10 March 2023.

⁶⁰ Council on Foreign Relations, [Is ‘Made in China 2025’ a Threat to Global Trade?](#), 13 May 2019.

⁶¹ House of Lords International Relations and Defence Committee, [The UK and China’s security and trade relationship: A strategic void?](#) (PDF), HL Paper 62, 10 September 2021, Para 80 p25.

⁶² Centre for Economic Policy Research, [The actual effect of China’s “Made in China 2025” initiative may have been overestimated](#), 11 August 2023.

identified the firms that were designated to receive support under this programme”.⁶³

Perspectives on China’s view of the UK

As part of its 2023 report on China, Parliament’s Intelligence and Security Committee (ISC) took evidence from Simon Gass the Chair of the [Joint Intelligence Committee](#). He told the ISC that China sees the UK primarily through the frame of its contested relationship with the US:

China sees almost all of its global activity in the context of what it sees as the struggle between the United States and China, and therefore it sees the United Kingdom fundamentally through that optic.

China aspires to split off from the United States countries which it thinks might be detachable, and they sometimes have a sunnily optimistic view about which countries might be susceptible to that treatment. I would say that that was their single biggest issue with the United Kingdom.⁶⁴

This view was echoed by the evidence taken by the House of Lords International Relations and Defence Committee ‘Strategic Void’ report:

Professor Breslin and Professor Morton agreed that the UK’s prominence in China’s thinking was greatest at times when London followed an independent line from the United States or the European Union. Dr Mohan noted that in general, China’s perception of other countries is influenced by their partnership with the United States.⁶⁵

Asked about the place of the UK in China’s foreign and economic policy under Xi Jinping, Professor Shaun Breslin of the University of Warwick, told the Committee that he did not think that: “when representatives of the Chinese Foreign Ministry wake up in the morning, the United Kingdom is the first place that they think about”, and that China did not consider the UK a great power.⁶⁶

That is not to say the UK is not seen by China as having significance. The JIC Chair also told the ISC that because of the UK’s membership of various significant international bodies “it sees us as a global player, not of course of the same stature as the United States but nevertheless a country still of considerable influence”.⁶⁷

Professor Kerry Brown of King’s College London told the House of Lords Committee similarly that “the UK is significant because of being on the permanent five UN Security Council. It is significant in being seen as a key ally

⁶³ As above.

⁶⁴ Intelligence and Security Committee of Parliament, [China](#) (PDF), HC1605, 13 July 2023, Para 30 p15.

⁶⁵ House of Lords International Relations and Defence Committee, [The UK and China’s security and trade relationship: A strategic void?](#) (PDF), HL Paper 62, 10 September 2021, Para 113, p34.

⁶⁶ Select Committee on International Relations and Defence, [Corrected oral evidence: The UK’s security and trade relationship with China](#), Wednesday 21 April 2021, Q71.

⁶⁷ Intelligence and Security Committee of Parliament, [China](#) (PDF), HC1605, 13 July 2023, Para 31 p15.

of the United States. The Chinese do not regard us as negligible”. He added “we are not big enough to threaten China, but we are not small enough to cease irritating them”.⁶⁸

An analysis by Dr Yu Jie of Chatham House in June 2024 said of more recent events that “China remains perplexed by the UK’s Brexit vote and the succession of short-lived prime ministers since the country left the European Union”, and that “Beijing will therefore re-evaluate its relationship with London and possibly the longevity and real authority of the next British prime minister, largely depending on the parliamentary majority that emerges from this election”.⁶⁹

Views of Chinese academics

A 2021 analysis by the think tank ‘UK In a Changing Europe’ of how Chinese think tanks and academics view UK-China relations stated that they had remained “on the whole, relatively optimistic about the future of Sino-British relations”.⁷⁰

They viewed the UK’s “anti-China” posture as “borne of a need to build new alliances with like-minded partners, with criticism of China understood by Chinese analysts as helping position the UK as a convener of liberal-minded democracies and staunch defender of human rights”.⁷¹

They view the UK’s moves to strengthen its relations with the US post-Brexit through the same lens, but also thought Washington is “seeking to exploit Britain’s current weaknesses”, and saw the UK “as much as a victim of US interference as an actual aggressor of China on issues such as Huawei, Xinjiang, the South China Sea and even Hong Kong”.⁷²

UK’s relationship with Taiwan

A source of tension between the UK and China is the UK’s relationship with Taiwan.

The UK Government says the dispute between Taiwan and the People’s Republic of China should be resolved “through dialogue, in line with the views of the people on both sides of the Taiwan Strait”.⁷³ It has no plans to recognise Taiwan as a state.

⁶⁸ Select Committee on International Relations and Defence, [Corrected oral evidence: The UK’s security and trade relationship with China](#), Wednesday 10 March 2021, Q16.

⁶⁹ Chatham House, Dr Yu Jie, [The UK’s next government must redefine its confused relationship with China](#), 14 June 2024.

⁷⁰ UK In a Changing Europe, [Sino-British relations: Chinese think-tanks and academics](#), 29 June 2021.

⁷¹ As above.

⁷² UK In a Changing Europe, [Sino-British relations: Chinese think-tanks and academics](#), 29 June 2021.

⁷³ Petitions Committee, [Petition: Recognise Taiwan as a country: Government response](#), 4 February 2016.

However, the UK does support Taiwan's participation in international organisations as an observer, something that China has strongly resisted.⁷⁴ Relations between the UK and Taiwan have also strengthened over the last few years. Part of the reason is the UK's "tilt to the Indo-Pacific" as mentioned previously.

The UK has in recent years sent its warships on operations in the waters around Taiwan, which has angered China. For example at the end of September 2021, the UK sent a warship, HMS Richmond, through the Taiwan strait for the first time since 2008. The Chinese navy followed the vessel and were reported to have warned it away. The People's Liberation Army condemned the move saying it was behaviour that "harboured evil intentions".⁷⁵

The UK has though ruled out providing military assistance to Taiwan.⁷⁶

The issue on which the Taiwan and UK most regularly engage is trade, and the two sides have held annual ministerial trade talks since 1991. In July 2023, the UK and Taiwan announced they would start "official-level talks on Enhanced Trade Partnership (ETP)", which would deepen their trade relationship, stating that the ETP "will be underpinned by non-legally binding Memoranda of Understanding in key areas such as two-way investment, digital trade, and energy & net-zero".⁷⁷

China regularly issues statements through its Embassy in London condemning trade talks between Taiwan and the UK.⁷⁸ It released a longer statement when the UK announced the Enhance Trade Partnership talks, which they said: "sent a seriously wrong signal to the "Taiwan independence" separatist forces, and grossly interfered in China's internal affairs". The statement also "urged[d] the UK to stop upgrading substantive relations with Taiwan in the name of strengthening trade relationship, and stop any move that violates the one-China principle", adding "any actions that harm China's interests will be met with resolute countermeasures".⁷⁹

For more on UK-Taiwan relations see Commons Library briefing [Taiwan: History, politics and UK relations](#).

⁷⁴ See section 2.2 'Taiwan's membership of international organisations' of Commons Library briefing [Taiwan: History, politics and UK relations](#), 28 March 2024.

⁷⁵ "[China accuses British navy of 'evil intentions' as UK warship sails through Taiwan Strait](#)", Sky News, 28 September 2021.

⁷⁶ See for example, [HL Deb 17 September 2020 \[Taiwan\]](#), and [PQ 139489 \[Taiwan: Military Alliances\]](#), 9 May 2018

⁷⁷ Department for Business & Trade, [UK to host 26th annual Taiwan talks to continue to strengthen trade relationship](#), 26 July 2023.

⁷⁸ See, for example, PRC Embassy to the UK, [Embassy Spokesperson on the 26th Annual UK-Taiwan Trade Talks](#), 9 November 2023.

⁷⁹ PRC Embassy to the UK, [Embassy Spokesperson on an "Enhanced Trade Partnership" Between the UK and Taiwan](#), 26 July 2023.

1.6

Calls for a UK Government China strategy

Calls for a UK Government China strategy

The House of Lords International Relations Committee, in a 2021 report looking at UK-China relations, said there was a ‘strategic void’ at the heart of the UK’s China policy, and the evidence they took from Ministers “failed to convince us that the Government has a strategy for balancing its ambition for increased economic engagement with China with the need to protect the UK’s wider interests and values”.⁸⁰

Both that Committee and the House of Commons Foreign Affairs Committee have called for the UK to articulate a clear strategy towards China and to publish it.

The 2023 Foreign Affairs Committee report ‘Tilting horizons: the Integrated Review and the Indo-Pacific’ states that the FCDO confirmed in its evidence to the Committee it had, “in consultation with other departments, developed a China strategy that the then Foreign Secretary Liz Truss (...) said was not publicly available”.⁸¹

The Committee argued that the publication of this strategy, at least in part, [would benefit the Government and organisations across the UK:](#)

While it is understandable that the Government does not publish a complete policy towards the PRC [People’s Republic of China] because awareness by the CCP [Chinese Communist Party] of some of its military or trade competitor strategies would undermine the effectiveness of the strategy, the failure to outline clear foreign policy, let alone a cross-Government stance towards China, makes it difficult for that strategy to be complied with by both state and non-state actors, including civil servants, academics and businesses.⁸²

The Government in its [response to the report stated](#) that it had clearly set out its policy towards China and it did not intend to produce an additional China strategy:

HMG clearly set out its approach to China in the Integrated Review Refresh: protecting our national security, aligning with our allies and partners and engaging with China where it is in UK interests to do so. The former Foreign Secretary’s Mansion House Speech in April built on this, making clear that we will always put British national interests and British national security first in our engagement with China. As such, the Government does not intend to publish an additional China Strategy and we have not committed to do so. We will continue to maintain as much transparency as possible and keep

⁸⁰ House of Lords International Relations and Defence Committee, [The UK and China’s security and trade relationship: A strategic void](#) (PDF), HL Paper 62, September 2021, P3.

⁸¹ Foreign Affairs Committee, [Tilting horizons: the Integrated Review and the Indo-Pacific](#) (PDF), 18 July 2023, HC 172 2021–22, para 52.

⁸² As above, para 53.

Parliament informed of our approach towards China, while recognising it is not in UK interests to make every element of the strategy public.⁸³

It is not clear yet whether the new Labour Government will publish the results of its audit of the UK-China relationship.

1 Recent commentary on UK policy towards China

For more analysis on UK policy towards China and calls for the development of a strategy see:

- RUSI, [Six Principles for a More Dynamic and Effective UK–China Strategy](#), Andrew Cainey, 8 November 2023.
- Chatham House, [The UK’s next government must redefine its confused relationship with China](#), Dr Yu Jie, 14 June 2024.
- Council on Geostrategy, [The panda in the room – the UK’s China strategy](#), Charles Parton, 1 June 2023.
- UK In a Changing Europe, [ANALYSIS: The Intelligence and Security Committee report on China](#), Professor Kerry Brown, 20 July 2023.
- British Foreign Policy Group, [Where Next on UK-China Engagement?](#), Sophia Gaston and Rana Mitter, 13 September 2021.

1.7

International context: US and EU relations with China

United States

Relations between China and the US have been strained for much of the Biden administration. President Biden has continued with President Trump’s policy of a more confrontational approach to China, particularly on economic

⁸³ [Tilting horizons: the Integrated Review and the Indo-Pacific – Government Response to the Committee’s Eighth Report of Session 2022–23](#), 22 March 2024, para 51.

issues. President Biden said in his election campaign there is “no going back to business as usual on trade”.⁸⁴

In October 2021, US Trade Representative Katherine Tai said that the US would keep in place the tariffs the Trump administration placed on more than \$350 billion worth of Chinese goods, and that while it would enter into talks with China on resolving trade issues, if US concerns were not addressed more duties or other trade restrictions could be imposed.⁸⁵

In October 2022 the US imposed export controls to prevent advanced semiconductors from reaching China. The controls are not just focused on the US but seek to “cut China off from certain semiconductor chips made anywhere in the world with US equipment”.⁸⁶

In June 2023, the US was reported to be contemplating strengthening the export controls, targeting chips used for artificial intelligence.⁸⁷

The [shooting down of an alleged Chinese spy-balloon that flew over the United States](#) in February 2023, worsened relations further.

However, the Biden administration has over the last year tried to smooth relations with China through a series of high-level meetings with senior officials.

In June 2023, US Secretary of State Antony Blinken travelled to Beijing, the first trip by a Secretary of State since 2018, and met with President Xi of China. The two sides reportedly agreed “to stabilize their intense rivalry so it does not veer into conflict”, but the meeting “failed to produce any major breakthrough”. President Xi was said to have welcomed “progress” in their relations.⁸⁸

In July 2023, US Treasury Secretary Janet Yellen, went on a four-day trip to China, which she said put US-China ties on a “surer footing”.⁸⁹

In November 2023, Presidents Biden and Xi met face to face in San Francisco, their first such meeting for a year. Mr Biden described the talks as “some of the most constructive and productive discussions we’ve had”.⁹⁰ The talks included a “substantial” exchange on the issue of Taiwan. It was reported

⁸⁴ [“The Power of America’s Example: The Biden Plan for leading the democratic world to meet the challenges of The 21st Century”](#), Joe Biden campaign website, accessed 7 February 2022.

⁸⁵ [“China tariffs stay in place as Biden trade chief looks to new talks”](#), Politico, 4 October 2021.

⁸⁶ [“U.S. aims to hobble China’s chip industry with sweeping new export rules”](#), Reuters, 10 October 2022.

⁸⁷ [“US weighs tougher restrictions on AI chip exports to China”](#), Financial Times, 28 June 2023.

⁸⁸ [“Xi, Blinken agree to stabilize US-China relations in Beijing talks”](#), Reuters, 19 June 2023.

⁸⁹ [“Janet Yellen tells China the world is ‘big enough for both our countries to thrive’”](#), The Guardian, 9 July 2023.

⁹⁰ [“Biden hails productive talks with Xi as agreements reached on fentanyl and military communication”](#), CNN, 16 November 2023.

that President Xi “made clear that concerns over the island were the biggest and most dangerous issue in US-China relations”.⁹¹

For more on Chinese-US tensions over Taiwan see Commons Library briefing ‘[Taiwan: Relations with the United States](#)’.

European Union

The European Union has also begun to take a more assertive stance on China over the last several years, motivated in particular by concerns from member states over their economic relationship, with Ben Bland of Chatham House, saying most European governments have moved “from naive optimism regarding Beijing’s economic attraction to broad concern about the multifaceted threats it poses”.⁹²

The EU is still keen to partner China in global initiatives such as tackling climate change. This is captured by the European Commission’s [2019 strategic outlook](#) (PDF), which designated China as “a partner, economic competitor, and systemic rival”.⁹³ In March 2023, European Commission President Ursula von der Leyen, gave [a speech on the EU’s relationship with China](#), in which she cautioned that “escalatory actions point to a China that is becoming more repressive at home and more assertive abroad”, and of China’s deepening relationship with Russia, stating that “how China continues to interact with Putin’s war will be a determining factor for EU-China relations going forward”.⁹⁴ However von der Leyen said that “it is neither viable or in Europe’s interest to de-couple from China”, and it should rather “de-risk” its relationship.⁹⁵

The Commission and the EU’s High Representative for Foreign Affairs published a [de-risking strategy in June 2023](#). Adopting a formal policy position at the end of June 2023, the European Council stated that the EU “will continue to reduce critical dependencies and vulnerabilities, including in its supply chains, and will de-risk and diversify where necessary and appropriate”, but that “The European Union does not intend to decouple or to turn inwards”.⁹⁶ In September 2023, the Commission announced it was launching [an investigation in China’s subsidies for electric vehicles](#). The still developing outcome of the June 2024 European Parliament elections, including who will take the post of Commission President will determine how the EU’s China policy will continue to evolve.⁹⁷

⁹¹ As above.

⁹² Politico, [Europe needs an endgame for its China policy](#), 19 March 2024.

⁹³ German Marshall Fund, [What’s at Stake in the EU Elections: China Policy](#), 14 December 2023.

⁹⁴ DW, [Von der Leyen outlines EU’s position on China](#), 30 March 2023.

⁹⁵ As above.

⁹⁶ European Council, [Press Release, European Council conclusions on China](#), 30 June 2023.

⁹⁷ German Marshall Fund, [What’s at Stake in the EU Elections: China Policy](#), 14 December 2023.

2 Hong Kong, Uyghurs, Tibet and other human rights concerns

2.1 Overview and China's approach to human rights

Overview of China's human rights record

China is one of the UK's 32 'human rights priority countries' as identified by the Foreign, Commonwealth and Development Office (FCDO). These are countries "which either have particular human rights or democracy challenges, or are on a negative or positive trajectory, and where the FCDO considers that it can make a real difference".⁹⁸

The FCDO's annual human rights and democracy report published in July 2023, looking back at 2022, said [there continued to be "widespread restrictions and violations of human rights and fundamental freedoms" in China](#) in 2022. This included "systematic human rights violations in Xinjiang".⁹⁹ In its [2023 refresh of the 2021 Integrated Review](#), the Government also argued that China is "challenging the centrality of human rights and freedoms in the UN system".¹⁰⁰

Further reading

For more see the Lords Library briefing, [China: Allegations of human rights abuses](#), November 2022; and Commons Library debate briefings, [The Uyghur tribunal](#), January 2022; and [Persecution of Buddhists in Tibet](#), December 2023.

China's approach to human rights

China rejects criticisms of its human rights record; in part this aligns with its often-stated policy of [not interfering in the internal affairs of other countries](#),¹⁰¹ but it also regularly dismisses accusations of abuses as 'smears'. For example, in June 2024 in response to then Foreign Secretary Lord

⁹⁸ FCDO, [Human rights priority countries: ministerial statement, January to June 2023](#), 20 March 2024.

⁹⁹ FCDO, [Human Rights and Democracy Report 2022](#), 13 July 2023,

¹⁰⁰ Cabinet Office, [Integrated Review Refresh 2023 Responding to a more contested and volatile world \(PDF\)](#), 13 March 2023, p30.

¹⁰¹ For more see Council on Foreign Relations, [How Beijing Squares Its Noninterference Circle](#), 7 March 2022.

Cameron's [remarks on the anniversary of the Tiananmen Square massacre](#), a spokesperson for the Chinese Embassy in London responded:

We advise the UK side to take a hard look at its own appalling human rights problems and stop its violations of the human rights of its own citizens and those of other countries. The UK must stop smearing China and end interfering in China's internal affairs.¹⁰²

China also points to its own progress in raising the economic standards of its population, and says it has “found a path of human rights development that meets the trend of the times and suits its national conditions”. In remarks made to the United Nation’s Human Rights Council in February 2023, China’s Foreign Secretary, emphasised China’s record on alleviating poverty, growing prosperity and providing security to its population, saying:

For us, the biggest human right is the happiness of the 1.4 billion Chinese people. Meeting their immediate interests is what all our endeavours are about. The 1.4 billion people have been deeply involved in the development of human rights, and have benefited the most in this process. They now have a growing sense of fulfilment, happiness and security.

In China, we have ended absolute poverty once and for all, completed the building of a moderately prosperous society in all respects across the country, and put in place the world’s largest education, social security, and healthcare systems. Guided by the new development philosophy, we are pursuing high-quality development by fostering a new development paradigm, to promote common prosperity for all.¹⁰³

China has in recent years become activist in institutions such as the United Nations to defend its human rights record and stifle criticism of its approach. According to a 2020 report by Human Rights Watch, the Chinese government “does not merely seek to neutralize U.N. human rights mechanisms’ scrutiny of China, it also aspires to neutralize the ability of that system to hold any government accountable for serious human rights violations”.¹⁰⁴

According to Parliament’s Intelligence and Security Committee 2023 report on China, the CCP regime’s perceived domestic threats to its rule are known as ‘the Five Poisons’ and are identified as “Taiwanese independence, Tibetan independence, Xinjiang separatists, the Chinese democracy movement and the Falun Gong”.¹⁰⁵

Further reading

¹⁰² Embassy of the People’s Republic of China to the UK, [Embassy Spokesperson on the wrongful remarks related to China by the UK Foreign Secretary](#), 4 June 2024.

¹⁰³ PRC Ministry of Foreign Affairs: [Following a Chinese Path of Human Rights Development and Contributing China’s Strength to Global Human Rights Governance: Remarks by H.E. Qin Gang, Foreign Minister of the People’s Republic of China at the High-level Segment of the 52nd Session of The United Nations Human Rights Council](#); February 27, 2023.

¹⁰⁴ Human Rights Watch, [China’s Influence on the Global Human Rights System](#), 14 September 2020.

¹⁰⁵ P15

For more see:

- VOA, [Analysts: UN Rights Review Shows Limits of China's Global Influence Campaign](#), 29 January 2024.
- The Conversation, [China's concerning new strategy on human rights: unite the world behind a 'selective' approach](#), 7 September 2023.
- Council on Foreign Relations, [How Beijing Squares Its Noninterference Circle](#), 7 March 2022.
- Human Rights Watch, [China's Influence on the Global Human Rights System](#), 14 September 2020.
- Stimson Center, [Conflict Mediation with Chinese Characteristics: How China Justifies Its Non-Interference Policy](#), 27 August 2019.

2.2

Hong Kong

Background

Hong Kong was a British colony from 1842 until the UK transferred sovereignty over Hong Kong to the People's Republic of China in 1997, after which it became a Special Administrative Region of China. In preparation of the handover, in 1984 Great Britain and China agreed the [Joint Declaration on the Question of Hong Kong \(Joint Declaration\)](#).

Joint Declaration

The Joint Declaration states that the Hong Kong Special Administrative Region (SAR) will be directly under the authority of the People's Republic of China but will enjoy a "high degree of autonomy" and its social and economic systems and lifestyle will remain unchanged for fifty years.

However, over the last several years there has been growing concern that the 'One Country, Two Systems' principle, in which Hong Kong is part of China but has separate legal and economic systems, is being steadily eroded, and concerns accelerated with the imposition by Beijing of a National Security law in 2020. The UK Government has catalogued its concerns in its [six-monthly reports on the implementation of the Joint Declaration in Hong Kong](#).¹⁰⁶

The Joint Declaration is a legally binding treaty, but it contains no enforcement provisions.

¹⁰⁶ FCDO, [Six-monthly reports on Hong Kong](#), last updated 15 April 2024.

2020 National Security Law and overview

Since June 2020 when the People's Republic of China's parliament passed a [National Security Law for Hong Kong](#), most observers have stated there has been a serious deterioration in human rights in Hong Kong.¹⁰⁷

The Hong Kong Government claim that human rights are better protected since the legislation was passed.

The National Security Law criminalises any act of:

- secession – breaking away from the country;
- subversion – undermining the power or authority of the central government;
- terrorism – using violence or intimidation against people; and
- collusion with foreign or external forces.

The law established a new Beijing-led security office in Hong Kong, with its own law enforcement personnel – neither of which come under the local authority's jurisdiction. Hong Kong's political leader, called the Chief Executive, now has the power to appoint judges to hear national security cases. Beijing also oversees how the law should be interpreted, rather than any Hong Kong judicial or policy body. If the law conflicts with any Hong Kong law, the Beijing law takes priority.

The National Security Law is also extraterritorial, that is it states it applies to anyone regardless of where they live in the world or if they are a citizen and/or resident of Hong Kong.

UK response to the 2020 National Security Law

The UK Government have said that the National Security Law is a “clear and serious violation” of the Joint Declaration.¹⁰⁸

It has responded with three main actions since the National Security Law was passed in Hong Kong:

- It suspended the UK's extradition treaty with Hong Kong.
- It extended the [embargo on certain military items](#) already imposed on mainland China (in response to the 1989 Tiananmen Square repression),

¹⁰⁷ “[Hong Kong's freedoms 'better protected' under national security law, government tells UN ahead of human rights review](#)”, Hong Kong Free Press, 27 December 2023.

¹⁰⁸ FCDO, [Hong Kong and China: Foreign Secretary's statement in Parliament, 20 July 2020](#), 20 July 2020.

to Hong Kong. It had already in June 2019 restricted the sale of crowd control equipment to Hong Kong.

- It announced it would open a new visa route to people from Hong Kong who have British National (Overseas) – ‘BN(O)’ – status and their close family members. The [Hong Kong British National \(Overseas\) visa](#) launched on 31 January 2021.¹⁰⁹

For more see Commons Library briefing [Hong Kong: National Security Law and recent events](#), September 2021.

Hong Kong authorities target those abroad including British citizens

The Hong Kong authorities have used the extra-territorial nature of the law to target individuals abroad. In March 2022, Benedict Rogers a British national living in the UK who runs the Hong Kong Watch, a charity which campaigns for human rights in the territory, [said the Hong Kong Police had written to him](#) stating he faced charges of “collusion with foreign forces”, should he return there.¹¹⁰

In July 2023, police in Hong Kong [issued arrest warrants for eight exiled Hong-Kongers](#), including former members of the Legislative Council, for reportedly committing offences under the National Security Law. A HK\$1 million bounty was also offered for those offering information that leads to the arrest of those individuals. Three of the individuals were said to reside in the UK, and in response [the Foreign, Commonwealth and Development Office \(FCDO\) stated](#) that a senior official conducted a formal diplomatic démarche (official protest) of the Chinese Ambassador at the instruction of the Foreign Secretary.

In December 2023 [another five arrest warrants were issued](#) against activists including some based in the UK and the US, again with bounties offered.

The then Foreign Secretary, Lord Cameron, [issued a statement in response](#) stating:

I have instructed officials in Hong Kong, Beijing and London to raise this issue as a matter of urgency with the Hong Kong and Chinese authorities.

We will not tolerate any attempt by any foreign power to intimidate, harass or harm individuals or communities in the UK. This is a threat to our democracy and fundamental human rights.¹¹¹

¹⁰⁹ FCDO, [Hong Kong and China: Foreign Secretary's statement in Parliament, 20 July 2020](#), 20 July 2020.

¹¹⁰ “[Hong Kong: Briton accused of jeopardising China's security](#)”, BBC News, 14 March 2022.

¹¹¹ FCDO, Press release: [Hong Kong National Security Law arrest warrants: Foreign Secretary's statement](#), 14 December 2023.

The Commons Library debate pack: [Future of human rights in Hong Kong](#), 22 January 2024, has further details.

Trial of Jimmy Lai

In December 2023 the trial began of Jimmy Lai, a pro-democracy advocate and media tycoon who owned the pro-democracy Apple Daily newspaper which was shut down in 2021.¹¹² He is charged with two charges of conspiracy to collude with foreign forces, and one of conspiracy to publish seditious material. The charges of collusion carry a sentence of up to life in prison. Mr Lai is a British citizen, however according to the FCDO “the Chinese government considers anyone of Chinese heritage born in China to be a Chinese national”.¹¹³ Mr Lai was born in China’s southern Guangdong province.¹¹⁴

The UK Government have said that China does not recognise dual citizenship and are treating him solely as a Chinese citizen.¹¹⁵ The FCDO have said they have requested consular access to Mr Lai, and have sent diplomats from the UK’s consulate in Hong Kong to attend his trial, as well as calling on the Hong Kong authorities to end his prosecution and release him.¹¹⁶

2024 new National Security Law

In March 2024 a new National Security Law, known as Article 23, came into force in Hong Kong, expanding upon the one passed by Beijing in 2020.¹¹⁷ The 2024 law creates new offences, or expands existing ones, including:

- Theft of state secrets and espionage;
- Sabotage endangering national security;
- External interference;
- Insurrection; and
- Treason.¹¹⁸

¹¹² “[National security trial of Hong Kong media tycoon Jimmy Lai: what’s happened so far](#)”, Reuters, 2 February 2024.

¹¹³ FCDO, [Jimmy Lai’s national security trial: Foreign Secretary’s statement](#), 17 December 2023.

¹¹⁴ “[Jimmy Lai, the testy tycoon defying Beijing](#)”, Financial Times, 14 August 2020.

¹¹⁵ FCDO, [Jimmy Lai’s national security trial: Foreign Secretary’s statement](#), 17 December 2023.

¹¹⁶ [HC Deb 18 December 2023](#) [Trial of Jimmy Lai].

¹¹⁷ Human Rights Watch, [Hong Kong: New Security Law Full-Scale Assault on Rights](#), 19 March 2024.

¹¹⁸ “[Article 23: What is Hong Kong’s tough new security law?](#)”, BBC News, 25 March 2024.

Article 23, according to BBC News also “allows for closed-door trials, external and gives the police rights to detain suspects for up to 16 days without charge”.¹¹⁹

Then Foreign Secretary David Cameron, in a statement said the law “will entrench the culture of self-censorship which now dominates Hong Kong’s social and political landscape, and enable the continuing erosion of freedoms of speech, of assembly, and of the media”, and that it “undermines Hong Kong’s implementation of binding international obligations including the Sino-British Joint Declaration and the International Covenant on Civil and Political Rights”.¹²⁰

Three men charged under UK National Security Act

On 13 May 2024, the Metropolitan Police announced it had [charged three men under the National Security Act](#) with “assisting the Hong Kong intelligence service and foreign interference”.¹²¹

One of those charged, a UK national and former Royal Marine, was found dead on 19 May. The police said they were not treating his death as suspicious.¹²² The two remaining men are expected to face trial in February 2025.

Statistics on the UK’s Hong Kong population

The deterioration of human rights and the rule of law in Hong Kong have seen large numbers leave the territory, with a significant number coming to the UK.¹²³

Hong Kong-born population in the UK

The 2021 census in England, Wales and Northern Ireland and the 2022 census in Scotland identified a total of around 135,000 usual residents who were born in Hong Kong.¹²⁴ Of these, 121,000 were living in England and Wales, 12,000 in Scotland, and 2,000 in Northern Ireland.

Considering the census took place in March 2021 in England, Wales, and Northern Ireland, these figures are from before the large, recent wave of migration from Hong Kong via the British National (Overseas) visa route which opened in 2021. That route is estimated to have brought a further 130,000

¹¹⁹ As above.

¹²⁰ FCDO, [Press release: Hong Kong national security legislation: UK statement](#), 19 March 2024.

¹²¹ “[Three charged with aiding Hong Kong intelligence service](#)”, BBC News, 13 May 2024.

¹²² “[Hong Kong spy suspect death not suspicious – police](#)”, BBC News, 24 May 2024.

¹²³ “[Outflow of Hongkongers to continue as poll shows more residents likely to emigrate overseas or to the mainland](#)”, South China Morning Post, 15 December 2023.

¹²⁴ Office for National Statistics (ONS), [2021 Census – custom table builder](#), ‘country of birth (extended)’; National Records of Scotland, [2022 Census, ‘Country of birth \(UV204\)’](#); Northern Ireland Research and Statistics Agency (NISRA), [Census 2021, country of birth – intermediate detail](#).

people from Hong Kong to the UK, meaning the overall Hong Kong-born population in the UK in 2024 may be closer to **265,000**.

Data from the census suggests that the majority of Hong Kong-born people living in the UK in 2021 were British nationals. In response to the census question on national identity, around three quarters (73%) of Hong Kong-born residents of England and Wales described themselves as having some form of British identity.¹²⁵ Around one in five (19%) described their national identity as Hong Kong Chinese.¹²⁶

The roughly 130,000 people who have arrived via the BN(O) route since 2021 will either have British nationality as BN(O)s or another nationality (likely Hong Kong Chinese in most cases) if they are the children or family members of BN(O)s.

Recent immigration from Hong Kong

Of those Hong Kong-born residents recorded in the 2021 census of England and Wales, around half had migrated to the UK before the year 2000, which largely captures migration from Hong Kong before the 1997 handover. Another quarter of these people had arrived within the last five years were likely in the UK temporarily for study.

Visa statistics suggest that higher education study was the main reason for Hong Kong Chinese nationals migrating to the UK in every year between 2005 and 2020. On average, around 6,000 study visas were issued per year to Hong Kong Chinese nationals between 2005 and 2010, and then around 9,000 on average per year between 2011 and 2020. The number of work visas issued to Hong Kong Chinese nationals also rose from an average of around 600 per year until 2014 to around 1,800 in each year after that. Immigration from Hong Kong increased substantially in 2021 with the opening of the BN(O) route.

The British National (Overseas) (BN(O)) visa route

Before the sovereignty of Hong Kong was returned to China on 1 July 1997, British Overseas Territories citizens living there could register to retain the status of a BN(O). It was estimated, as of 2021, that there were around 2.9 million holders of this status.¹²⁷

On 31 January 2021, the UK opened an immigration route for BN(O) status holders and their family members from Hong Kong. BN(O) status holders must apply for an entry clearance visa in order to use the route.

¹²⁵ Office for National Statistics, [2021 Census – custom table builder](#), variables ‘country of birth (extended)’ and ‘national identity (extended)’.

¹²⁶ Detailed national identity figures are not available for Scotland or Northern Ireland.

¹²⁷ Migration Observatory, [‘The migration intentions of British National \(Overseas\) status holders in Hong Kong’](#), 2 December 2021

As of the end of March 2024, there had been 174,000 applications and 165,000 visas issued under the BN(O) route.¹²⁸ There is no precise, published data on how many have arrived in the UK but the Office for National Statistics estimated it at around 130,000 at the end of December 2023.¹²⁹

2.3 Uyghurs and Xinjiang

Overview

Xinjiang is China's largest administrative region and has been an Autonomous Region since 1955. The largest ethnic group is the Muslim, Turkic-speaking Uyghurs. There are about 12 million Uyghurs, making up just under half of the 25-million population of Xinjiang.¹³⁰

A number of NGOs and UN bodies have chronicled restrictive and oppressive measures employed by the Chinese authorities against the Uyghurs in Xinjiang province.¹³¹

The Chinese state has repeatedly rejected such reports.¹³² Then Chinese Ambassador to the UK, Liu Xiaoming, appeared on the Andrew Marr show in July 2020 to reject claims about detention camps, describing them as “fake”.¹³³

There are some separatist groups in Xinjiang that want to break away from Chinese rule and have used violent tactics.¹³⁴ China has pointed to such incidents to justify its approach in the region saying it is tackling “terrorism”, and is trying to “de-radicalise” the population.¹³⁵

¹²⁸ Home Office, [Immigration system statistics quarterly: year ending March 2024](#), tables Vis_D01 and Vis_D02

¹²⁹ ONS, [Long-term international immigration, emigration and net migration flows, provisional: year ending December 2023](#), table 4

¹³⁰ Commons Library, [China and the Xinjiang Uyghur Autonomous Region](#), 20 April 2021.

¹³¹ See for example, UN Committee on the Elimination of Racial Discrimination, [Concluding observations on the combined fourteenth to seventeenth periodic reports of China \(including Hong Kong, China and Macao, China\)](#), 19 September 2018; OHCHR [Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China](#) (PDF), 31 August 2022; Adrian Zenz, Jamestown Foundation, [Coercive Labor and Forced Displacement in Xinjiang's Cross-Regional Labor Transfer Program](#), March 2021; and Adrian Zenz, Jamestown Foundation, [Sterilizations, IUDs, and Mandatory Birth Control: The CCP's Campaign to Suppress Uyghur Birthrates in Xinjiang](#), June 2020.

¹³² See, for example, [“China rejects allegations of detaining million Uighurs in camps in Xinjiang”](#), Reuters, 13 August 2018; and [China rejects report Uighur children being separated from parents](#), News 24, 17 October 2020.

¹³³ [“UK accuses China of 'gross' human rights abuses against Uighurs”](#), BBC News, 19 July 2020.

¹³⁴ [“Why is there tension between China and the Uighurs?”](#), BBC News, 26 September 2014.

¹³⁵ [“Xinjiang: Has China's crackdown on 'terrorism' worked?”](#), BBC News, 2 January 2015; and [“China says 13,000 'terrorists' arrested in Xinjiang since 2014”](#), Reuters, 18 March 2019.

Uyghur Tribunal

The [Uyghur Tribunal](#) was an unofficial body that examined claims of human rights abuses and crimes against humanity reportedly committed against the Uyghur people by China in Xinjiang province. The Tribunal had no legal powers. Its hearings were held in London.

The Tribunal was chaired by Sir Geoffrey Nice QC, a barrister who has served as a part-time judge and worked at the International Criminal Tribunal for the Former Yugoslavia between 1998 and 2006 and led the prosecution of Slobodan Milošević, former President of Serbia.

Members of what the Tribunal styled as a jury, included several academics specialising in fields like medicine, law and anthropology, and board members of charitable organisations.¹³⁶

The Tribunal started its work in September 2020, and published a judgment in December 2021.

For more on the Tribunal's judgment and China's reaction see Commons Library briefing: [The Uyghur Tribunal](#), January 2022.

2 UK government policy on investigating genocide

In November 2020, as part of its [inquiry into Xinjiang detention camps](#), the Foreign Affairs Select Committee wrote to the then Foreign Secretary, Dominic Raab, to ask if the Foreign Office would refer the issue of possible genocide against the Uyghurs to the International Criminal Court or alternatively give its own opinion of whether genocide has been committed.¹³⁷

Mr Raab responded that the Government would leave assessments of genocide up to “competent courts”:

[I]t has been the Government's long-standing policy that any determination of genocide should only be made by competent courts, rather than by governments or non-judicial bodies. Competent courts include international courts, such as the International Criminal Court and the International Court of Justice, and national criminal courts that meet international standards of due process.¹³⁸

¹³⁶ Uyghur Tribunal, [Who We Are](#), accessed 12 July 2024.

¹³⁷ Foreign Affairs Committee, Xinjiang detention camps: Correspondence: [Letter to the Foreign Secretary on determining whether the treatment of Uyghurs in Xinjiang constitutes genocide](#) (PDF), 24 November 2020.

¹³⁸ Foreign Affairs Committee, Xinjiang detention camps: Correspondence: [Correspondence with the Foreign Secretary relating to determination of genocide in Xinjiang, dated 08/12/2020 and 24/11/2020](#) (PDF), 8 December 2020.

UK government actions

Ministerial statements/comments

In 2020 during a debate on the Uyghurs, Nigel Adams, then Minister for Asia, outlined the Government's views. He said the observations of UK diplomats, having visited Xinjiang twice in 2019, supported much of the recent open-source reporting on the region. He stated the Government has also seen "credible evidence to suggest that Uighurs are being used as a source of forced labour in Xinjiang and across China, and that if individuals refuse to participate, they and their families are threatened with extra-judicial detention". Regarding the Chinese Government's actions in the province, Mr Adams said that "we believe, based on all available evidence, that its actions are disproportionate, systematic and counterproductive".¹³⁹

The UK Government said the former Foreign Secretary, James Cleverly, [raised violations in Xinjiang directly with the Chinese Government](#) when he visited Beijing in 2023.¹⁴⁰

UK places sanctions on Chinese officials March 2021

On 22 March 2021 the UK Government announced it was placing sanctions on four Chinese officials and an official body, in concert with the EU, Canada and the US. It labelled those it sanctioned as "perpetrators of gross human rights violations taking place against Uyghurs and other minorities in Xinjiang".¹⁴¹

Announcing the sanctions then Foreign Secretary, Dominic Raab, told the House of Commons "this is one of the worst human rights crises of our time and I believe the evidence is clear, as it is sobering".¹⁴² Mr Raab went onto say:

I'm sure the whole House will join with me in condemning such appalling violations of the most basic human rights. In terms of scale, it is the largest mass detention of an ethnic or religious group since the Second World War.¹⁴³

China responds with sanctions on UK MPs and peers

On 26 March 2021 China announced it was imposing its own sanctions in response on nine UK citizens, including five MPs and two peers.

These were Conservative MPs Sir Iain Duncan Smith, Nusrat Ghani, Tim Loughton, Tom Tugendhat and Neil O'Brien. Labour peer Baroness Kennedy and crossbench peer Lord Alton. Also included were Sir Geoffrey Nice QC,

¹³⁹ [HC Deb \[China's Policy on its Uighur Population\]](#), Vol 673, C 150WH-151WH, Wednesday 11 March 2020

¹⁴⁰ FCDO, [Foreign Secretary's meetings with China's Foreign Minister and Vice President](#), 30 August 2023.

¹⁴¹ FCDO, [Press Release: UK sanctions perpetrators of gross human rights violations in Xinjiang, alongside EU, Canada and US](#), 22 March 2021.

¹⁴² [HC Deb \[Human Rights Update\]](#), Vol 691, 22 March 2021.

¹⁴³ [HC Deb \[Human Rights Update\]](#), Vol 691, 22 March 2021.

chair of the Uyghur Tribunal, and Newcastle University academic Jo Smith Finley, whose research focuses on the Uyghurs.¹⁴⁴

The BBC quoted a Chinese foreign ministry spokesman as saying the UK's decision to impose sanctions “flagrantly breaches international law and basic norms governing international relations, grossly interferes in China's internal affairs, and severely undermines China-UK relations”.¹⁴⁵

The spokesman added that the Chinese foreign ministry had summoned the British Ambassador to China to “lodge solemn representations, expressing firm opposition and strong condemnation”.¹⁴⁶

For more see the Library briefings:

- [China and the Xinjiang Uighur Autonomous Region](#) (Debate Pack, April 2021)
- [The Uyghur Tribunal](#) (Debate Pack, January 2022)

2.4

Tibet

Tibet is an autonomous region of the People's Republic of China. For information on Tibet's historical relationship with China see the 2009 Commons Library briefing: [Tibet](#).

The [FCDO's 2023 human rights report](#) states that in Tibet there are “severe constraints on media freedom, freedom of religion or belief, and the rule of law, [and] continued repression of culture and language”, and that “There remained tight restrictions on freedom of religion or belief, including through policies designed to ‘sinicise’ religions” (meaning in this context [to make a faith or belief group, more culturally Chinese and reflect Chinese socialist values](#)).¹⁴⁷

The report states that the FCDO has been “supporting the rights of Tibetans”.¹⁴⁸

Meetings between UK prime ministers and the Dalai Lama, the Tibetan spiritual leader, have always been sensitive issues for China. David Cameron

¹⁴⁴ “[Uighurs: China bans UK MPs after abuse sanctions](#)”, BBC News, 26 March 2021.

¹⁴⁵ “[Uighurs: China bans UK MPs after abuse sanctions](#)”, BBC News, 26 March 2021.

¹⁴⁶ “[Uighurs: China bans UK MPs after abuse sanctions](#)”, BBC News, 26 March 2021.

¹⁴⁷ FCDO, [Human Rights and Democracy: the 2022 Foreign, Commonwealth & Development Office report](#), 13 July 2023.

¹⁴⁸ As above.

was the last to do so, meeting the Dalai Lama in London in 2012, prompting China to cancel an official meeting with the UK.¹⁴⁹

For more see Commons Library briefings:

- [Persecution of Buddhists in Tibet](#) (Debate Pack, December 2023)
- [China's rapid expansion of the labour programme in Tibet](#) (Debate Pack, October 2020).

¹⁴⁹ [“David Cameron to distance Britain from Dalai Lama during China visit”](#), The Guardian, 30 November 2013.

3 National security and interference concerns

3.1 Overview

The UK's intelligence and security agencies have described a rising threat from China, mentioning in particular its desire to gain commercial secrets, and its willingness to use cyber and other espionage tactics to gain this information.

The UK Government has also introduced several pieces of legislation since 2021 to counter the threats from states such as China.

3.2 Recent UK legislation and government initiatives

Key pieces of legislation and other government initiatives relating to national and economic security are mentioned below. The National Security and Investment Act 2021 is explored in section 4.2.

National Security Act 2023

The UK Government passed a National Security Act in 2023. One of its main purposes is to create an extensive framework for countering state threats modelled on the counter-terrorism framework established under the Terrorism Act 2000 ("TACT") and numerous subsequent pieces of counter-terrorism legislation.

Measures in the Act as part of this framework include:

- New offences relating to espionage, sabotage and entering prohibited places;
- Foreign interference offences;
- Preparatory conduct relating to state threat activity;
- Powers to take state threat activity into account as an aggravating factor in sentencing;

- Powers to arrest and detain without a warrant;
- Powers to impose civil prevention and investigation measures on individuals suspected of involvement in such activity where prosecution is not possible;
- The creation of an independent reviewer to report on the use of the powers.¹⁵⁰

During the Act's passage in parliament the Public Bill Committee examining the legislation took evidence from experts who raised the issue of state actors such as China, posing a threat to the UK's national security. Giving evidence to the Committee Professor Ciaran Martin talked about the risk of "the large-scale extraction of and interference with data" and "the willingness of nation states—principally Russia and China [...] to do that has been a very significant feature of the national security landscape over the past decade".¹⁵¹

Foreign Influence Registration Scheme

The National Security Act 2023 gave the government powers to introduce a Foreign Influence Registration Scheme (FIRS), though it has not started operating yet. It is expected to come into operation in 2024, secondary legislation would be required to bring it into force.¹⁵²

The Government ran a consultation on the scheme between September and December 2023, and issued [draft guidance](#).

Under FIRS those acting (both individuals and organisations) for a foreign power or entity must declare political influencing activity and it is a criminal offence to not register and carry out activities unregistered.

The scheme is two-tiered.

Under the less restrictive "political influence tier", an individual/entity having entered into a formal or informal arrangement made with a "foreign power" where they are "directed" by the foreign power to arrange for, or carry out, political influence activities in the UK, must register within 23 days.¹⁵³

The enhanced tier would allow the secretary of state to specify a foreign power or foreign power-controlled entity where necessary to protect the safety or interests of the UK. It would then make it an offence for anyone to carry out any activity in the UK at their direction without it being registered.¹⁵⁴

¹⁵⁰ Commons Library, [National Security Bill 2022-2023](#), 15 November 2022.

¹⁵¹ [National Security Bill \(Second sitting\)](#), 7 July 2022, c45-46.

¹⁵² "[Rishi Sunak promises 'careful' crackdown in wake of China cyber attacks](#)", Financial Times, 26 March 2024.

¹⁵³ Simmons & Simmons, [The UK's Foreign Influence Registration Scheme](#), 22 May 2024.

¹⁵⁴ Simmons & Simmons, [The UK's Foreign Influence Registration Scheme](#), 22 May 2024.

There has been speculation that China is likely to be specified as a foreign power in the enhanced tier. In March 2024, the spokesperson for then Prime Minister Rishi Sunak was asked if China would be put in the enhanced tier, he responded the scheme was “in the process of being finalised and no countries have been specified yet”.¹⁵⁵ However, then Deputy Prime Minister Oliver Dowden, when asked in the House of Commons by Suella Braverman MP “is there not a compelling case for China to be listed on that register”, responded “there is a strong case”, but that it had to be “be agreed through a collective Government agreement”.¹⁵⁶

Procurement Act 2023

National security concerns

The Procurement Act 2023 contains enhanced provisions related to national security.¹⁵⁷ It allows the government to bar certain suppliers from procurement of sensitive contracts including defence and national security. However, these suppliers may still be able to bid for public contracts in non-sensitive areas. The act also permits the termination of existing contracts on national security grounds.

A new National Security Unit for Procurement within the Cabinet Office has powers to proactively investigate suppliers who may pose risks to national security. The government may place a supplier on the debarment list for certain contracts, identified by the type of goods, services or works or by reference to certain public authorities or locations.¹⁵⁸

This move has been significantly motivated by increasing national security risks posed by companies which maintain close links to foreign governments and are suspected of state-sponsored (industrial) espionage.¹⁵⁹ Chinese technology companies are often mentioned in this context (see section 3.4).

Human rights issues

During the passage of the Procurement Bill, there were extensive debates about procurement bans on companies associated with human rights violations. Members of the House of Lords and MPs proposed to bar companies linked to modern slavery, forced labour, organ trafficking, crimes against humanity or genocide anywhere in the world, but notably in Xinjiang, China. The government acknowledged that the existing rules were too

¹⁵⁵ “[UK approach to China is 'robust', Rishi Sunak says](#)”, BBC News, 26 March 2024.

¹⁵⁶ [HC Deb \[Cyber-security and UK Democracy\]](#), Vol 747, 25 March 2024.

¹⁵⁷ [Procurement Act 2023](#); The act will come fully into force on 29 October 2024.

¹⁵⁸ Cabinet Office, [Procurement Bill strengthened to protect national security](#), 7 June 2023

¹⁵⁹ Cabinet Office, [New procurement rules will strengthen our national security](#), an Op-Ed by Ministers Jeremy Quin and Alex Burghart, originally published in *The Telegraph*, 30 October 2023

restrictive requiring, for example, a supplier's conviction to bar them from government contracts.¹⁶⁰

In the Commons committee Alex Burghart, the then Parliamentary Secretary (Cabinet Office) outlined the Government's approach, which has now been enacted in the Procurement Act 2023. Suppliers may now be excluded where there is sufficient evidence that they are responsible for human rights abuses anywhere in the world:

Excluding suppliers based on where they are located would be disproportionate and in some cases would be contrary to the UK's international obligations. The Bill already contains a robust regime for the exclusion of suppliers that are unfit to hold public contracts. Schedules 6 and 7 set out a wide range of exclusion grounds that target the most serious risks to public procurement, including modern slavery and human trafficking. We have taken action to strengthen the way in which those terms are defined, so that suppliers may be excluded where there is sufficient evidence that they are responsible for human rights abuses anywhere in the world, whether or not they have been convicted of an offence.¹⁶¹

Defending Democracy Taskforce

In November 2022 then Security Minister, Tom Tugendhat, announced the government was setting up a [Defending Democracy Taskforce](#), whose primary focus is to “protect the democratic integrity of the UK from threats of foreign interference”.¹⁶²

In February 2024 Mr Tugendhat, asked about transnational repression by hostile foreign states in the House of Commons, and the issue of “China's secret police stations” (see next section), responded that “the Government are continually assessing the potential threats to individual rights and freedoms and to safety across the United Kingdom”, and “whenever we identify such threats, we will always use every measure at our disposal, including our intelligence services, to mitigate any threat to individuals”. He also stated that the [Defending Democracy Taskforce](#) was currently “reviewing the UK's response to develop our understanding of the issue and ensure a system-wide response”.¹⁶³

¹⁶⁰ [HL Deb Procurement Bill May 2022 c926](#)

¹⁶¹ [Procurement Bill \[Lords\] PBC Deb 2 February 2023 c291](#) (PDF)

¹⁶² Home Office & Cabinet Office, [Press release: Ministerial Taskforce meets to tackle state threats to UK democracy](#), 28 November 2022.

¹⁶³ [HC Deb 26 February 2024 c8](#).

3.3

Cyber-attacks and spying concerns

Overview of concerns over China's cyber and spying capabilities

In September 2021, The House of Lord's International Relations and Defence Committee [released a report on the UK and China's security and trade relationship](#) (pdf).

The security of cyber-space was one of the areas of particular concern mentioned by witnesses contributing to the report. The Oxford Programme on International Peace and Security told the committee that there are “growing concerns around China's ability to gain access to critical and sensitive information through cyber-espionage, putting UK national security interests at risk”. They added that there is “substantial evidence of Chinese cyberespionage, including commercial cyber-espionage, both within the Asia Pacific region and the UK”, as well as “potential evidence of China's willingness to employ malicious cyber-attacks as retaliation”.¹⁶⁴

In November 2021, Richard Moore, Chief of the Secret Intelligence Service (MI6) said in a speech that the Chinese Intelligence Services are “highly capable and continue to conduct large scale espionage operations against the UK and our allies”. Targets include “those working in government, industries, or on research of particular interest to the Chinese state”. They also “monitor and attempt to exercise undue influence over the Chinese diaspora”.¹⁶⁵

Mr Moore further warned of China's attempts to “distort public discourse and political decision making” across the globe, and the use of social media to facilitate such operations. He said that “adapting to a world affected by the rise of China is the single greatest priority for MI6”.¹⁶⁶

More recent interventions

In July 2022, the heads of both the FBI and the UK Security Service (MI5) made a joint appearance to warn of the threat from China, the first time such an intervention had taken place.

FBI director Christopher Wray said China was the “biggest long-term threat to our economic and national security” and told business leaders in the

¹⁶⁴ House of Lord's International Relations and Defence Committee, [The UK and China's security and trade relationship: A strategic void](#) (pdf), September 2021. Paras 203-205.

¹⁶⁵ Secret Intelligence Service, [Speech by SIS Chief Richard Moore: Human Intelligence in the Digital Age](#), 30 November 2021.

¹⁶⁶ As above.

audience that the Chinese government was “set on stealing your technology” using a range of tools.¹⁶⁷

MI5 head Ken McCallum according to the BBC, told the audience of a “British aviation expert who had received an approach online and had been offered an attractive employment opportunity”, he then “travelled to China twice to be “wined and dined” before being asked for technical information on military aircraft by a company which was actually a front for Chinese intelligence officers”.¹⁶⁸

In October 2023 Mr McCallum warned that China was trying to gain commercial secrets from companies saying: “We have seen a sustained campaign on a pretty epic scale”. He said MI5 had now “seen suspected Chinese agents approach over 20,000 people in the UK over professional networking sites like LinkedIn”.¹⁶⁹

In May 2024, Anne Keast-Butler, Director of GCHQ, said “we now devote more resource to China than any other single mission”, and that “China poses a genuine and increasing cyber risk to the UK”. She added that “the PRC is looking to shape global technology standards in its own favour, seeking to assert its dominance within the next 10 to 15 years”.¹⁷⁰

2023 Intelligence and Security Committee report

In July 2023, Parliament’s Intelligence and Security Committee (ISC), which oversees the work of the UK’s intelligence and security agencies published a report on China.

The ISC said that “the UK may not be the top priority for China when it comes to espionage and interference, but it is nevertheless of significant interest, mainly given our close relationship with the United States”.¹⁷¹

The report stated that “China almost certainly maintains the largest state intelligence apparatus in the world– dwarfing the UK’s Intelligence Community and presenting a challenge for our Agencies to cover”. However, it warned that the threat was not just from these agencies, rather China’s ‘whole-of-state’ approach meant it came from all sorts of interactions with Chinese individuals and entities:

In practice, this means that Chinese state-owned and non-state-owned companies, as well as academic and cultural establishments and ordinary Chinese citizens, are liable to be (willingly or unwillingly) co-opted into espionage and interference operations overseas: much of the impact that China has on national security is overt – through its economic might, its

¹⁶⁷ “[China: MI5 and FBI heads warn of ‘immense’ threat](#)”, BBC News, 7 July 2022.

¹⁶⁸ “[China: MI5 and FBI heads warn of ‘immense’ threat](#)”, BBC News, 7 July 2022.

¹⁶⁹ [MI5 head warns of ‘epic scale’ of Chinese espionage](#) BBC News, 18 October 2023.

¹⁷⁰ National Cyber Security Centre, [CYBERUK 2024: Anne Keast-Butler keynote speech](#), 14 May 2024.

¹⁷¹ Intelligence and Security Committee of Parliament, [China](#) (PDF), HC1605, 13 July 2023, p1.

takeovers and mergers, its interaction with Academia and Industry – as opposed to covert activity carried out by its intelligence officers.¹⁷²

The ISC stated that “China’s ruthless targeting is not just economic: it is similarly aggressive in its interference activities, which it operates to advance its own interests, values and narrative at the expense of those of the West”.

The Government which gave evidence to the ISC, told the Committee that in terms of cultivating influence, the Chinese Intelligence Services use the following methods:

- covert support for foreign political parties;
- covert funding and support of groups favourable to the CCP;
- using trade negotiations or investment activities as a platform to influence key decision-makers through bribery and corruption;
- co-opting academics, think-tank employees, former officials and former military figures;
- using cultural and friendship institutions to access key thinkers and decisionmakers;
- obtaining and releasing materials to discredit individuals opposed to China’s views;
- funding of universities, both to influence research direction towards Chinese priorities and to gain access to prominent individuals through philanthropy; and
- covert media manipulation to undermine support for policies and views deemed harmful to China.¹⁷³

Alleged spying at Parliament

Christine Lee incident

In January 2022, MI5 took the unusual step of issuing an “interference alert” to warn MPs and Peers of an alleged Chinese agent’s attempt to infiltrate Parliament to interfere in UK politics. The alert identified Christine Ching Kui Lee as having “established links” with the Chinese Communist Party, and said that she had cultivated relationships with current and aspiring MPs from different political parties.¹⁷⁴

¹⁷² Intelligence and Security Committee of Parliament, [China](#) (PDF), HC1605, 13 July 2023, p2.

¹⁷³ Intelligence and Security Committee of Parliament, [China](#) (PDF), HC1605, 13 July 2023, p20.

¹⁷⁴ “[MI5 warning shows tone has changed when it comes to China](#)”, The Guardian, 13 January 2022.

Two men charged with spying for China

In September 2023, two men were arrested accused of allegedly spying for China, one of whom was a parliamentary pass-holder.¹⁷⁵ In April 2024 both were charged under the Official Secrets Act.¹⁷⁶

A spokesperson for the Chinese Embassy in London stated in response to the charges that “the claim that China is suspected of 'stealing British intelligence' is completely fabricated and nothing but malicious slander”.¹⁷⁷

March 2024: UK imposes sanctions after Electoral Commission and MP hack

In March 2024 the US and UK attributed a “prolific global hacking operation” to a Chinese state-affiliated group referred to as Advanced Persistent Threat Group 31 (APT31).¹⁷⁸ The US Department of Justice alleged that APT31 had sent over 10,000 malicious emails targeting “journalists, political officials, and companies to repress critics of the Chinese regime, compromise government institutions, and steal trade secrets”.¹⁷⁹

The UK said that it was “highly likely” that APT31 was responsible for hacking the Electoral Commission’s voter registration system between 2021 and 2022.¹⁸⁰ The attack gave the group access to the personal information of 40 million people registered to vote between 2014 and 2022. The government also said that APT31 was “almost certain” to have “conducted reconnaissance activity against UK parliamentarians”, primarily targeting politicians “prominent in calling out the malign activity of China”.

In response, the then foreign secretary Lord Cameron announced sanctions on two individuals and one “front company” associated with APT31.¹⁸¹

Definitively attributing a cyber attack to a particular group is challenging because attackers have various techniques to obscure their identity.¹⁸² Linking hacking groups to nation states is also difficult. The Chinese foreign ministry said in response to allegations about APT31 that the evidence provided by the

¹⁷⁵ “[China spy claims as Parliament researcher arrested](#)”, BBC News, 10 September 2023.

¹⁷⁶ “[Two men charged with spying for China under Official Secrets Act](#)”, BBC News, 22 April 2024.

¹⁷⁷ As above.

¹⁷⁸ FCDO, [UK holds China state-affiliated organisations and individuals responsible for malicious cyber activity](#), 25 March 2024

¹⁷⁹ US DoJ, [Seven hackers associated with Chinese Government charged with computer intrusions targeting perceived critics of China and US businesses and politicians](#), 25 March 2024

¹⁸⁰ FCDO, [UK holds China state-affiliated organisations and individuals responsible for malicious cyber activity](#), 25 March 2024

¹⁸¹ FCDO, [UK holds China state-affiliated organisations and individuals responsible for malicious cyber activity](#), 25 March 2024

¹⁸² William Banks, [Cyber attribution and state responsibility](#) [PDF], International Law Studies, Vol 97, 2021

UK was “inadequate”.¹⁸³ It has issued similar denials, citing lack of evidence, in response to previous accusations.¹⁸⁴

3.4

Chinese influence operations and monitoring of Chinese diaspora

CGTN banned in 2021

In February 2021, Ofcom, the communications regulator, announced it had revoked the broadcasting licence of the China Global Television Network (CGTN).

After launching an investigation in 2020 Ofcom found that Star China Media Limited, the Chinese private owned company that held CGTN’s broadcasting licence, did not actually have editorial control of the channel. Instead, it found that it was “controlled by a body which is ultimately controlled by the Chinese Communist party”.¹⁸⁵

In March 2021, Ofcom also issued CGTN with a £125,000 financial penalty, after its May 2020 decision that several of its broadcasts on the Hong Kong protests in 2019 had failed to maintain due impartiality.¹⁸⁶

In December 2023 the Press Gazette reported that CGTN was “distributing free professional video news packages that often advance the goals of the Chinese government”. CGTN’s content exchange, named the All Media Service Platform (AMSP), “hosts some 49,000 videos, with dozens more uploaded each day”.¹⁸⁷

October 2022 Manchester consulate incident

In October 2022, around 40 protestors gathered outside China’s consulate in Manchester. One protestor, Bob Chan from Hong Kong, was injured after being dragged onto the consulate grounds and beaten by men who appeared to work at the Consulate. Zheng Xiyuan, the consular general (the senior diplomat that heads the mission), was accused of being one of those involved in the attack after footage was surveyed.¹⁸⁸

¹⁸³ Bloomberg, [UK Minister says China sanctions tailored to avoid trade fight](#), 26 March 2024

¹⁸⁴ AP News, [China rejects hacking charges, accuses US of cyberspying](#), 20 July 2021

¹⁸⁵ “[Chinese state broadcaster loses UK licence after Ofcom ruling](#)”, The Guardian, 4 February 2021.

¹⁸⁶ Ofcom, [Decision – Star China Media Limited \(due impartiality\)](#), 8 March 2021.

¹⁸⁷ “[Banned in UK, China state broadcaster now running free video news agency](#)”, Press Gazette, 11 December 2023.

¹⁸⁸ “[Chinese diplomat involved in violence at Manchester consulate, MP says](#),” The Guardian, 18 October 2022.

Then Foreign Secretary, James Cleverly, summoned China's Acting Ambassador to the Foreign, Commonwealth and Development Office to "demand an explanation". The UK's ambassador to Beijing also sought an explanation from the Chinese Ministry of Foreign Affairs.¹⁸⁹

Making a statement on the incident to the House of Commons in December 2020, Mr Cleverly told MPs that following an investigation Greater Manchester Police informed the FCDO that they wanted to interview the Consul General and five of his staff, and asked the Department to request the Chinese Government waive the immunity of these individuals so the interview could take place.¹⁹⁰

Mr Cleverly stated that the FCDO made this request and gave them one week to comply. In response they were notified by the Chinese Embassy that "the functions of the Consul General in Manchester have come to an end and he has returned to China", and "that the other staff involved in the incident who the Police wish to interview have either left the United Kingdom or will shortly do so". Mr Cleverly described the behaviour as "completely unacceptable".¹⁹¹

Mr Cleverly added that he was "disappointed that these individuals will not be interviewed or face justice".¹⁹²

Chinese 'police stations' issue

In September 2022, a human rights NGO Safeguard Defenders, [published a report](#) (PDF) claiming Chinese authorities were running 54 unofficial police stations in 30 countries, including three in the UK.

The police service stations were set up to help deal with the growing issue of fraud and telecommunication fraud by Chinese nationals living abroad, and were being used to persuade suspects to return to China. But Safeguard Defenders said that they used "irregular methods" against the targeted individual or their family members in China in order to pressure them to go back to China. The NGO warned that they could be used to target political dissidents also.

Chinese authorities claimed that outposts in Canada, the US and the Netherlands identified in the report do little more than provide services to Chinese nationals, including the renewal of driving licenses, and physical

¹⁸⁹ [China HCWS445](#), 14 December 2022.

¹⁹⁰ As above.

¹⁹¹ [China HCWS445](#), 14 December 2022.

¹⁹² [China HCWS445](#), 14 December 2022.

exams, that they were unable to travel back to China for due to Covid-19 restrictions, and that they are not staffed by police.¹⁹³

UK Government response

Responding in October 2022 to the issue in the House of Commons, then Security Minister Tom Tugendhat, said such activities “must be stopped”, stressing it would be “unacceptable” for any foreign government to attempt to operate a security apparatus upon UK shores”.¹⁹⁴

In June 2023 Mr Tugendhat made a statement to the House of Commons, updating them on the issue. He told MPs that while police had not identified any laws that had been broken, these outlets had been established without the permission of the UK Government, and that this was “unacceptable”:

The Police have visited each of the locations identified by Safeguard Defenders, and carefully looked into these allegations to consider whether any laws have been broken and whether any further action should be taken. I can confirm that they have not, to date, identified any evidence of illegal activity on behalf of the Chinese state across these sites. We assess that police and public scrutiny have had a suppressive impact on any administrative functions these sites may have had.

However, these ‘police service stations’ were established without our permission and their presence, regardless of whatever low level administrative activity they were performing, will have worried and intimidated those who have left China and sought safety and freedom here in the UK. This is unacceptable.

The Chinese authorities regularly criticise others for what they see as interference in their internal affairs. Yet, they felt able to open unattributed sites without consulting the UK Government. It is alleged that this was a pattern repeated around the world.

The Foreign Commonwealth and Development Office have told the Chinese Embassy that any functions related to such ‘police service stations’ in the UK are unacceptable and that they must not operate in any form. The Chinese Embassy have subsequently responded that all such stations have closed permanently. Any further allegations will be swiftly investigated in line with UK law.¹⁹⁵

TikTok

TikTok, a popular social media platform, is owned by the Chinese company ByteDance. Concerns have been raised in the UK and other countries over the

¹⁹³ See Ministry of Foreign Affairs of the People’s Republic of China, [Foreign Ministry Spokesperson Wang Wenbin’s Regular Press Conference](#), 26 October 2022; Ministry of Foreign Affairs of the People’s Republic of China, [Foreign Ministry Spokesperson Zhao Lijian’s Regular Press Conference](#), 2 November 2022; and [FBI makes arrests over alleged secret Chinese ‘police stations’ in New York](#), BBC News, 17 April 2023.

¹⁹⁴ “[Secret Chinese ‘police stations’ to be investigated around Britain](#)”, Politico, 1 November 2022.

¹⁹⁵ [Update on Chinese ‘Overseas Police Service Stations’ HCWS822](#), 6 June 2023.

content shared on the platform, and in particular over how it utilises its users' data.¹⁹⁶

An analysis of TikTok's source code (that is, the programming instructions that define how the app operates) by cybersecurity company Internet 2.0 concluded that TikTok collects "excessive" amounts of data from devices.¹⁹⁷ The authors said that most of the data collected by TikTok is not necessary for the application to function, leading them to conclude that "the only reason this information has been gathered is for data harvesting" (p14). According to the analysis, TikTok collects data including location, contacts, and information about the device.

Further work by Internet 2.0 compared TikTok's data harvesting with that of 20 other social media apps. TikTok was ranked highest in terms of risk, with a score of 63.1 out of 100 compared to an industry average of 28.8.¹⁹⁸

By contrast, Canadian cybersecurity researchers Citizen Lab have concluded that TikTok is "not exceptional when compared to industry norms".¹⁹⁹

In December 2022 TikTok admitted that it had used the app to track the movements of reporters in the US. The Guardian reported that the company "looked at IP addresses of journalists who were using the TikTok app in an attempt to learn if they were in the same location as employees suspected of leaking confidential information".²⁰⁰ TikTok had previously denied that its app could monitor overseas users in that way.²⁰¹

TikTok subsequently updated its privacy policy to state that European user data can be accessed remotely by employees outside the continent, including in China.²⁰²

Alicia Kearns MP, then chair of the Foreign Affairs Committee, wrote to TikTok requesting information about the new privacy policy and what it might mean for UK user data. TikTok stated in response that:

[...] certain employees located outside of the UK and EEA, including in China, may access UK user personal data to do their jobs and provide certain important functions. This access is limited and subject to strict security controls and authorisation approval protocols. For example, if a user reports a problem with their videos not appearing on the platform, an employee in China may need to access their account to timely troubleshoot the problem. ... For the avoidance of doubt, we have not been asked for TikTok UK user data by the

¹⁹⁶ "[Is TikTok really a danger to the West?](#)" BBC News, 19 March 2024.

¹⁹⁷ Internet 2.0, [It's their word against their source code](#), July 2022.

¹⁹⁸ Malcore, [TikTok Scores 63.1 - Designed to Collect Data with highest Malcore score in Industry](#), 13 February 2023

¹⁹⁹ Citizen Lab, [TikTok vs Douyin](#), 22 March 2021

²⁰⁰ Guardian, [TikTok admits using its app to spy on reporters in effort to track leaks](#), 23 December 2022

²⁰¹ BBC News, [TikTok denies it could be used to track US citizens](#), 21 October 2022

²⁰² Hacker News, [New TikTok Privacy Policy Confirms Chinese Staff Can Access European Users' Data](#), 3 November 2022

Chinese government or the [Chinese Communist Party, CCP], we have not provided such data to the Chinese government or the CCP and we would not do so if asked.²⁰³

Oliver Dowden, then the Chancellor of the Duchy of Lancaster, announced in March 2023 that TikTok would be banned on official government devices.²⁰⁴ He argued that it was “both prudent and proportionate to restrict the use of certain apps, particularly when it comes to apps where a large amount of data can be stored and accessed”.

TikTok said in response that it had taken steps to protect user data and that the ban was “based on fundamental misconceptions and driven by wider geopolitics, in which TikTok, and our millions of users in the UK, play no part”.²⁰⁵

Chinese surveillance equipment removed from government sites

In 2022, due to concerns about potential data privacy breaches, cyber threats, and espionage, the government instructed departments to cease deploying equipment produced by certain Chinese companies on ‘sensitive sites’ and to disconnect it from departmental core networks.²⁰⁶

Notable examples are surveillance equipment (CCTV cameras) produced by Chinese technology companies Hikvision and Dahua. Both companies are partly owned by the Chinese Government and are bound by the National Intelligence Law of the People’s Republic of China, which may require sharing data with the Chinese Government upon request. They have also been associated with supplying surveillance systems to sustain human rights violations in Xinjiang.²⁰⁷

MPs have persistently urged the government to accelerate the removal process, expand the scope of ‘sensitive sites’ and publish a timeline. The minister stated on 29 April 2024 that the removal process is ahead of schedule, but completion is expected to take another year.²⁰⁸

²⁰³ FAC, [Correspondence with TikTok relating to data sharing](#), 8 and 22 November 2022

²⁰⁴ [HC Deb 16 March 2023 vol 729 c997](#)

²⁰⁵ Reuters, [UK bans TikTok on government phones over security concerns](#), 16 March 2023

²⁰⁶ HCWS386 [on [Security Update on Surveillance Equipment](#)], 24 November 2022

²⁰⁷ Foreign Affairs Committee, Report “[Never Again: The UK’s Responsibility to Act on Atrocities in Xinjiang and Beyond](#)”, 8 July 2021, HC 198; HC 800 (in session 2019–21), para 30; [HC Deb Procurement Bill \[Lords\]](#), 7 February 2023, para 187

²⁰⁸ “[Chinese spy cameras ‘in use at Government sites until 2025’](#)”, The Independent, 29 April 2024; [HCWS431 \[Update on Government Security\], 29 April 2024](#)

4 Chinese investment in the UK and higher education

4.1 Overview and investment statistics

Concerns over national security, and the view that China uses unfair practices and is an economic rival have seen recent UK Governments block Chinese investment in certain companies, and introduce legislation that, in the case of the civil nuclear industry, attempts to reduce the reliance on overseas investors such as China.

Higher education continues to be an area where UK-China links are strong, however there have also been concerns about the effect of Chinese funding in the sector has had on academic freedom and freedom of speech.

Chinese investment in the UK: Key statistics

While investment between UK and China has increased over the last ten years, overall levels of investment between the two countries remains small.

Foreign direct investment (FDI) measures cross-border company investments where the purpose is to have an 'effective voice' in the management of the enterprise, defined owning 10% or more of a company.

FDI can be either inward or outward:

- Inward FDI measures investments made in a country from another country – like investment from Chinese companies in UK companies.
- Outward FDI measures investments made by domestic companies in a foreign economy – like investment from British companies in Chinese companies.

FDI measures flows and stocks:

- Flows measure annual levels of investment on a net basis (meaning disinvestments will be included).
- Stocks measure the total book value of all existing FDI, inward or outward at the end of a given period (rather than being a sum of investment over time).

The table below shows UK-Chinese FDI in 2021 – China accounted for a very small proportion of UK inward and outward FDI, with inward investment flows of £0.1 billion. Outward investment flows were negative, meaning the value of disinvestments exceeded the value of new investments.

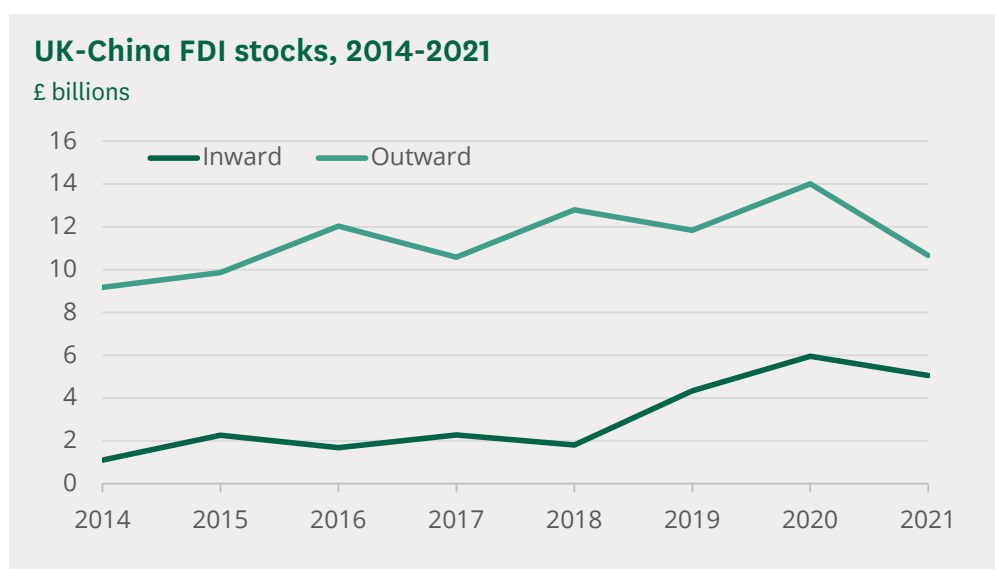
UK-China FDI, 2021		
£ billions		
	Flows	Stocks
Inward	0.1	5.0
Outward	-1.3	10.7

Source: ONS, [Foreign direct investment involving UK companies: 2021](#)

The UK's overall stock of inward investment from China and outward investment in China has generally grown in cash terms over the last ten years, though both figures remain small as a share of the UK's total stock of inward and outward FDI.

The value of the UK's stock of inward FDI from China has increased from £1.1 billion in 2014 to £5.0 billion in 2021, while the value of the UK's outward stock of FDI in China has increased from £9.9 billion in 2014 to £14.0 billion in 2020, before falling to £10.7 billion in 2021.

Despite this increase, in 2021, China accounted for 0.3% of the total stock of inward investment in the UK, while China accounted for 0.6% of the total stock of UK investment abroad.



Source: ONS, [Foreign direct investment involving UK companies: 2021](#)

4.2

National Security and Investment Act 2021

The [National Security and Investment Act 2021](#) introduced new powers for the Government to investigate and intervene in mergers, acquisitions and other deals that could threaten the UK's national security. These powers could only be applied to deals concluded after November 2020, when the legislation was first introduced.

The Act includes a mandatory notification scheme for proposed acquirers of significant stakes in sensitive entities and assets to seek authorisation and to obtain approval from the Secretary of State before completing their acquisition.²⁰⁹ The Government proposed that 17 “key sectors” of the economy would be subject to mandatory notification:

- Advanced Materials
- Advanced Robotics
- Artificial Intelligence
- Civil Nuclear
- Communications
- Computing Hardware
- Critical Suppliers to Government
- Cryptographic Authentication
- Data Infrastructure
- Defence
- Energy
- Military and Dual-Use
- Quantum Technologies
- Satellite and Space Technologies
- Suppliers to the Emergency Services
- Synthetic Biology

²⁰⁹ House of Commons Library, [National Security and Investment Bill 2019-21](#), 18 January 2021.

- Transport ²¹⁰

The Act further gave powers for the Secretary of State to ‘call-in’ notified acquisitions for scrutiny, if they believed they may create a risk for national security. If the Secretary of State believes on the balance of probabilities that a risk to national security has arisen or would arise as a result of a qualifying acquisition, they may make a final order. An order may “include measures such as imposing conditions on acquisitions, preventing them from completing, or, if the acquisition has already taken place, requiring parties to unwind the acquisition”.²¹¹

The Act also required the Secretary of State to [publish an annual report](#) after the end of each financial year to give details on the mandatory and voluntary notifications that were made, how many were ‘called-in’ by the Secretary of State, and the number of final orders made.

Use of Act on acquirers associated with China

In the [most recent report published in July 2023](#), looking at the financial year 2022-23, the Cabinet Office stated that during this reporting period there were 766 mandatory and voluntary notifications and retrospective validations reviewed, and of these 65 acquisitions were called in.²¹²

Forty two percent of call-ins were of acquisitions involving acquirers associated with China, compared to 32% with acquirers associated with the UK, and 20% with the USA (an acquisition can be associated with more than one country). However, acquirers associated with China also received the highest number of final notifications, which is when acquisitions are cleared to go ahead: 40% of the 57 final notifications issued involved acquirers associated with China (compared to 30% with acquirers associated with the UK, and 19% with the USA).²¹³

15 final orders were made, which are when the Secretary of State imposes “necessary and proportionate remedies that mitigate risks to national security arising from the acquisition”. Eight of the Final Orders involved acquirers associated with China, four were associated with the UK, and three with the USA.²¹⁴

²¹⁰ Cabinet Office, [Guidance: Check if you need to tell the government about an acquisition that could harm the UK's national security](#), 20 July 2021, last updated 21 May 2024.

²¹¹ Cabinet Office, [National Security and Investment Act 2021 Annual Report 2022-2023 1 April 2022 – 31 March 2023](#) (PDF), July 2023, p8.

²¹² Cabinet Office, [National Security and Investment Act 2021 Annual Report 2022-2023 1 April 2022 – 31 March 2023](#) (PDF), July 2023, p4.

²¹³ Cabinet Office, [National Security and Investment Act 2021 Annual Report 2022-2023 1 April 2022 – 31 March 2023](#) (PDF), July 2023, p6.

²¹⁴ Cabinet Office, [National Security and Investment Act 2021 Annual Report 2022-2023 1 April 2022 – 31 March 2023](#) (PDF), July 2023, p6.

Final orders can include the blocking of acquisitions by the Secretary of State or ordering acquisitions already made to be unwound (divestment). Five orders blocked acquisitions or required divestment in 2022-23.²¹⁵

An example of one of these blocked deals including a Chinese entity, was Beijing Infinite Vision Technology Company Ltd, who were prevented from licensing intellectual property related to vision-sensing technology from the University of Manchester. This was because the technology had “dual-use applications” (military, as well as civilian) and there was “potential that the technology could be used to build defence or technological capabilities which may present national security risk to the United Kingdom”.²¹⁶

Comments by Oliver Dowden

In July 2023, when the annual report on the use of the powers under National Security and Investment Act was published, then Secretary of State for the Cabinet Office, Oliver Dowden, commented that these decisions were “country agnostic” but he was “clear-eyed” about UK national security.²¹⁷ He told BBC News that “I’m very clear that I do not want us to decouple from China, I don’t think it’s in our interest”, but he added “at the same time, we have to be clear-eyed about protecting our national security, just in the same way that the Chinese are”. Mr Dowden also stated that China represents the “largest state-based threat” to Britain’s economic security.²¹⁸

4.3

Technology sector

Telecommunications

Telecommunications networks are part of the UK’s critical national infrastructure. As advanced networks such as 5G are adopted more widely, including in other critical sectors such as healthcare, utilities, and transport, the potential impact of a successful cyber attack will increase.

5G networks have technical characteristics that increase the risk of attacks. For example, networks are typically built using ‘off-the-shelf’ equipment supplied by third-party vendors, rather than the mobile network operator’s proprietary hardware. The government’s [Telecommunications Supply Chain Review](#), published in July 2019, assessed that this creates security risks,

²¹⁵ Cabinet Office, [National Security and Investment Act 2021 Annual Report 2022-2023 1 April 2022 – 31 March 2023](#) (PDF), July 2023, p34.

²¹⁶ Department for Business, Energy and Industrial Strategy, [NATIONAL SECURITY AND INVESTMENT ACT 2021: Publication of notice of final order](#), 20 July 2022.

²¹⁷ “[China top threat to UK economic security – Dowden](#)”, BBC News, 11 July 2023.

²¹⁸ As above.

including from vendors leaving ‘back doors’ in their equipment (deliberately or accidentally) that would allow hostile actors to access the network.²¹⁹

Restrictions on high-risk vendors

The government introduced powers to restrict the use of equipment produced by ‘high risk vendors’ in the [Telecommunications \(Security\) Act 2021](#). The 2021 Act added new sections 105Z1 to 105Z29 to the Communications Act 2003 allowing the Secretary of State to issue ‘designated vendor directions’.

The National Cyber Security Centre (NCSC) has published advice to telecoms companies that includes a list of non-exhaustive criteria for identifying vendors in their supply chains who may be high risk.²²⁰

Chinese company Huawei was the only vendor specifically mentioned in the NCSC’s guidance. The NCSC said that Huawei was ‘high risk’ because it “could, under China’s National Intelligence Law of 2017, be ordered to act in a way that is harmful to the UK” and because “our experience has shown that Huawei’s cyber security and engineering quality is low and its processes opaque”.

Huawei had been subject to a monitoring programme since it began supplying to the UK market. The Huawei Cyber Security Evaluation Centre, a facility in Oxfordshire owned by Huawei and operated under direction of the NCSC, was set up in 2010 to provide the government with a security analysis of Huawei products used in the UK.

Decision to ban Huawei from 5G networks

In 2018 and 2019, three of the UK’s Five Eyes intelligence partners (the US, Australia, and New Zealand) banned the use of Huawei equipment in their 5G networks.²²¹ The US reportedly lobbied the UK government to introduce similar restrictions.²²²

Various parliamentary committees considered whether the UK should introduce a ban in 2018 and 2019. The Intelligence and Security Committee and the Digital, Culture, Media and Sport Select Committee both heard evidence that, from a technical standpoint, banning Huawei would not be a proportionate response.²²³ This was in part due to the existence of the Huawei

²¹⁹ DCMS, [UK Telecoms Supply Chain Review Report](#), 22 July 2019, p24

²²⁰ NCSC, [NCSC advice on the use of equipment from high risk vendors in UK telecoms networks](#), updated 14 July 2020

²²¹ CNET, [Huawei says Trump's ban will hurt US 5G deployment](#), 16 May 2019; BBC News, [Huawei and ZTE handed 5G network ban in Australia](#), 23 August 2018; BBC News, [Huawei: NZ bars Chinese firm on national security fears](#), 28 November 2018. The remaining Five Eyes member, Canada, has since also banned Huawei: Guardian, [Canada to ban Huawei and ZTE from 5G network, risking China tensions](#), 19 May 2022

²²² BBC News, [Using Huawei in UK 5G network 'madness', says US](#), 14 January 2020

²²³ Intelligence and Security Committee of Parliament, [Statement on 5G suppliers](#) [pdf], 19 July 2019; [Letter from House of Commons Science and Technology Committee Chair](#) to Secretary of State for DCMS, dated 10 July 2019 [PDF]

Cyber Security Evaluation Centre. However, both committees noted that there were geopolitical and ethical reasons for excluding Huawei.

The government initially announced, in January 2020, that equipment from high-risk vendors (including Huawei) would be banned from “security-critical” parts of the 5G network. However, they would be allowed to supply equipment for 35% of other parts of the network.²²⁴

This position changed in July 2020 following a technical review by the NCSC of the impact of US sanctions on the security of Huawei products.²²⁵ The government subsequently said that it would require a complete, phased removal of Huawei equipment from the UK’s 5G network.²²⁶ In October 2022, following a consultation, the government issued a designated vendor direction to UK mobile and broadband operators which put the announcement on a legal footing.²²⁷ The direction restricted the use of Huawei equipment, including:

- A ban on installing new Huawei equipment.
- A restriction on Huawei equipment to 35% of the 5G network by 31 July 2023 (6 months later than previously announced).²²⁸
- A ban on the use of Huawei equipment in the ‘core’ 5G network from 31 December 2023 (11 months later than previously announced).²²⁹
- A ban on the use of Huawei equipment in any part of the 5G network from 31 December 2027.

The government estimated that removing Huawei equipment could cost £2 billion across the industry and add 2-3 years to the rollout of 5G.²³⁰ The cost will be borne by the telecoms industry: the government is not subsidising the removal of Huawei equipment.²³¹

²²⁴ [HC Deb 28 January 2020 vol 670 c709-711](#)

²²⁵ NCSC, [Summary of the NCSC analysis of May 2020 US sanction](#), 14 July 2020

²²⁶ [HC Deb 14 July 2020 vol 678 c1375-1378](#)

²²⁷ DCMS, [Huawei legal notices issued](#), 14 October 2022

²²⁸ IPSreview, [Gov Tightens Huawei 5G Mobile and FTTP Broadband Restrictions](#), 30 November 2022

²²⁹ BBC News, [Two Huawei 5G kit-removal deadlines put back](#), 13 October 2022

²³⁰ [HC Deb 14 July 2020 vol 678 c1375-1378](#)

²³¹ [PQ 103501 – Huawei: 5G](#), 20 October 2020

Microchips and UK government blocks Newport Wafer Fab acquisition

UK industry and national security concerns

In 2023 the Department for Science, Innovation and Technology (DSIT) identified semiconductors as one of the five critical technologies in its [Science & Technology Framework](#).²³²

The Sunak Government published a [national semiconductor strategy](#) in May 2023, in which it said it would take action on two particular areas of national security risk:

- the acquisition of sensitive UK semiconductor companies and technologies by hostile states which can then be used to build up the military capabilities of our adversaries
- an increased vector for cyber attacks if caused by vulnerabilities in semiconductor technologies, whether introduced deliberately or otherwise.²³³

Newport Wafer Fab and Imagination Technologies

In 2017, Imagination Technologies, a UK semiconductor design company, was acquired by Canyon Bridge, a US-based private equity firm, whose largest investor is China Reform Holdings Corporation, a Chinese state-owned investment company.²³⁴ A few weeks before the deal was announced the US Government blocked Canyon Bridge's from buying the US chipmaker Lattice Semiconductor.²³⁵

In 2020, China Reform Holdings sought to appoint four directors to the board of Imagination, as part of an attempted takeover, however after intervention from the UK Government, they reversed the decision.²³⁶

In July 2021, Nexperia, a Dutch company owned by a Chinese company Wingtech, acquired the UK's largest producer of semiconductors Newport Wafer Fab.²³⁷ In November 2022, using its powers under the National Security and Investment Act, the UK government ordered Nexperia to sell the majority of its stake in the company.²³⁸ The Final Order said there was a national security risk relating to "technology and know-how that could result from a

²³² POST, [Supply of semiconductor chips](#), 2 May 2024.

²³³ DSIT, [Policy paper: National semiconductor strategy](#), 19 May 2023

²³⁴ [UK chip maker Imagination bought for £550m by China-backed tech firm](#), The Guardian, 25 September 2017.

²³⁵ ["UK chip maker Imagination bought for £550m by China-backed tech firm"](#), The Guardian, 25 September 2017.

²³⁶ ["Chinese move to take control of Imagination Technologies stalls"](#), Financial Times, 7 April 2020.

²³⁷ ["Chinese-owned firm acquires UK's largest semiconductor manufacturer"](#), The Guardian, 5 July 2021

²³⁸ ["British government blocks takeover of Welsh semiconductor producer"](#), The Guardian, 16 November 2022.

potential reintroduction of compound semiconductor activities at the Newport site, and the potential for those activities to undermine UK capabilities”.²³⁹

4.4 Nuclear industry

The number of UK nuclear reactors has been reducing in recent years as older reactors close down. Several new reactors are planned, and one is under construction at Hinkley Point C in Somerset. Since the privatisation of the energy sector in the 1990s, overseas investment has often been involved in proposals for constructing new reactors.

The UK nuclear industry has had interest from overseas investors in recent years other than China. For large reactors this has largely been unsuccessful, for example In November 2018, the Japanese company Toshiba’s [announced it was cancelling plans](#) to build a nuclear power station at Moorside in Cumbria and in September 2020, the Japanese conglomerate Hitachi confirmed it was [abandoning plans](#) to build a nuclear power station at the Wylfa site on Anglesey. The French company EDF remains a key player in the UK nuclear industry, and other investors are involved in small modular reactor (SMR) designs and the wider nuclear supply chain.

In the last decade, the involvement of China in the UK’s nuclear industry has changed significantly. From 2013, there was cooperation with Chinese investment in several proposed civil nuclear reactors in the UK. However, in recent years, as the UK’s relationship with China has weakened, and the government has sought to reduce Chinese involvement in the UK nuclear industry.

Previous Chinese investment in UK civil nuclear industry

In October 2013, the UK and China signed a [memorandum of understanding \(MoU\) on civil nuclear collaboration](#) (PDF). The following week the then Chancellor of the Exchequer, George Osborne, announced that the Government was giving the go ahead for “Chinese companies taking a stake - including potential future majority stakes - in the development of the next generation of British nuclear power”.²⁴⁰

In October 2015, during the state visit of Chinese President Xi Jinping to the UK, the two Governments released a [Statement of Cooperation in the Field of Civil Nuclear Energy](#) (PDF). The Statement welcomed the Chinese minority investment in the Hinkley Point C nuclear project in Somerset, and its minority

²³⁹ Department for Business, Energy and Industrial Strategy, [NATIONAL SECURITY AND INVESTMENT ACT 2021: Publication of notice of Final Order](#) (PDF), 16 November 2022.

²⁴⁰ UK Government news story, [Government gives go ahead to Chinese companies taking a stake in British nuclear power](#), 17 October 2013.

investment in the Sizewell C project in Suffolk. It also welcomed the proposal for a “Chinese-led project” at Bradwell B in Essex, in partnership with EDF, as well as the possibility of a Chinese reactor design. However, both participants acknowledged that “any Chinese reactor design, which might be deployed in the UK, would need to be submitted to the UK’s independent nuclear regulators for Generic Design Assessment”.²⁴¹

Details on the state of Chinese investment in different nuclear reactor projects is set out below.

National Security and Investment Act 2021 and the Nuclear Financing Act 2022

As mentioned above the [National Security and Investment Act 2021](#), includes a mandatory notification scheme for proposed acquirers of significant stakes in sensitive entities and assets in 17 key sectors, to seek authorisation and to obtain approval from the Secretary of State before completing their acquisition.²⁴² The civil nuclear industry is one of those 17 sectors that is subject to mandatory notification.²⁴³

The government has also introduced a new model of funding nuclear power—the regulated asset base (RAB) model, this was established by [the Nuclear Energy \(Financing\) Act 2022](#). The Act does not directly address the issue of overseas investors. However, in a press release published alongside the Bill the then Business Secretary, Kwasi Kwarteng, said the RAB model “will reduce the UK’s reliance on overseas developers for financing new nuclear projects” and that “the existing financing scheme led to too many overseas nuclear developers walking away from projects, setting Britain back years.”²⁴⁴

The issue of China was raised several times during the debates as the Bill progressed. More information is available in the Library briefing paper on the [Nuclear Energy \(Financing bill\) 2022](#).

State of Chinese investment in UK nuclear projects

- **Hinkley Point C in Somerset:** The private company that will build and operate Hinkley Point C is owned 66.5% by EDF, the majority French state-owned utility company, and 33.5% by China General Nuclear Power Group, (CGN), a Chinese state-owned energy corporation.²⁴⁵ Shortly after taking office in July 2016, the former Prime Minister, Theresa May, called for a review of the Hinkley Point C project (it [was reported that](#) concerns

²⁴¹ The Department of Energy and Climate Change and the China National Energy Administration, [Statement of Cooperation in the Field of Civil Nuclear Energy](#) (PDF), 21 October 2015.

²⁴² House of Commons Library, [National Security and Investment Bill 2019-21](#), 18 January 2021.

²⁴³ BEIS, [National Security and Investment Act: prepare for new rules about acquisitions which could harm the UK’s national security](#), 20 July 2021.

²⁴⁴ BEIS, [New finance model to cut cost of new nuclear power stations](#), 26 October 2021.

²⁴⁵ National Audit Office, [Hinkley Point C](#), 21 June 2017.

over China's involvement in the project were partly behind the review²⁴⁶) but in September 2016, the government [announced it would go ahead with Hinkley](#). The government also announced it would introduce a new legal framework for future foreign investment in British critical national infrastructure. This would mean that after Hinkley, the “British Government will take a special share in all future nuclear new build projects. This would ensure that significant stakes cannot be sold without the Government’s knowledge or consent”.²⁴⁷ The new legal framework would have directed The Office for Nuclear Regulation to require developers or operators of nuclear sites to give notice of any change of ownership or part-ownership. While it doesn't appear that legislative proposals for such a scheme have been put forward, the National Security and Investment Act 2021 has introduced a new system of regulating foreign investment in sensitive UK industries, including civil nuclear power (see above).

- **Sizewell C in Suffolk:** The site will use the same EPR reactor design being built at Hinkley Point C. CGN originally owned a 20% stake in the Sizewell C Project, and EDF 80%. However in November 2022, the [Government announced](#) that it would take a £700 million stake in the Sizewell C project, and that “the investment also allows for CGN’s exit from the project, including buy-out costs, any tax due and commercial arrangements.” (The government later announced further funding of £511 million in 2023 and £1.3 billion in 2024).²⁴⁸ In September 2023, the [Government opened a process for private investors to express interest in Sizewell C](#), and it was reported that investors from the UAE, Australia, and Saudi Arabia had been approached.²⁴⁹ Government Ministers reiterated that they wanted to take a “final investment decision on Sizewell C before the end of this Parliament” in May 2024,²⁵⁰ just before the general election announcement and dissolution of Parliament.
- **Bradwell in Essex:** CGN owns 66.5% of the Bradwell B project, and EDF the rest. In February 2022, the Office for Nuclear Regulation and the Environment Agency completed the [Generic Design Assessment](#) for the CGN reactor proposed for use at Bradwell (the HPR1000) and approved that it was suitable for construction in the UK. There has been limited wider progress towards securing the right permission to construct the plant.

²⁴⁶ “[Hinkley Point: Theresa May's China calculus](#)”, BBC News, 31 July 2016

²⁴⁷ BEIS Press Release, [Government confirms Hinkley Point C project following new agreement in principle with EDF](#), 15 September 2016

²⁴⁸ DESNZ Press Release, [Further steps to prepare Sizewell C for construction](#), 22 January 2024

²⁴⁹ [Proposed Sizewell C nuclear plants seeks outside investment](#), The Guardian, September 2023

²⁵⁰ [Letter](#) to Angus Brendan MacNeil MP (Chair of the Energy Security and Net Zero Committee) from Rt Hon Claire Courtinho MP, Secretary of State, 22 May 2024 (PDF)

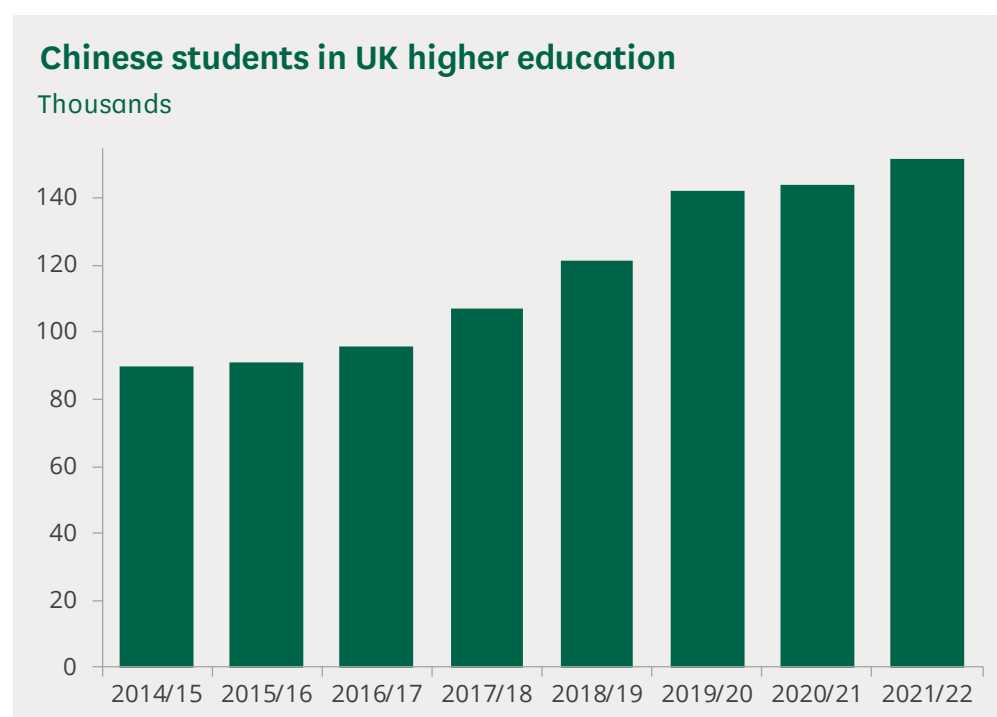
4.5 Higher education

Key statistics

The UK Government's International Education Strategy includes a commitment to hosting 600,000 international student each year by 2030.²⁵¹ This was first met in 2020/21 and international student numbers have continued to grow since then.²⁵²

Chinese students studying in the UK

There were just over 150,000 Chinese students²⁵³ at UK higher education providers in 2021/22, more than from any other overseas country.²⁵⁴ Their numbers have increased by 70% since the mid-2010s and even increased during the pandemic, as shown below.



Source: Higher education Statistics Agency, [Non-UK domiciled HE students by HE provider and country of domicile 2014/15 to 2021/22](#)

33 universities across the UK had more than 1,000 Chinese students in 2021/22. The three with the largest numbers were University College London

²⁵¹ HM Government, [International Education Strategy: Global potential, global growth](#), March 2019.

²⁵² For more information see the briefing paper [International students in UK higher education](#).

²⁵³ Includes those from mainland China only. There were a further 17,630 students from Hong Kong and 560 from Macao.

²⁵⁴ Higher education Statistics Agency, [Non-UK domiciled HE students by HE provider and country of domicile 2014/15 to 2021/22](#)

with 10,800, The University of Glasgow with 9,100, and The University of Manchester also with 9,100.²⁵⁵

In 2021/22, 41% of Chinese students were studying at undergraduate level, 52% were on taught postgraduate courses, and 7% on postgraduate research courses.²⁵⁶

Comprehensive student number data for 2022/23 has been delayed. Other information suggest that the number of Chinese students remained at or above the earlier levels in 2022 and 2023. The number accepted to undergraduate courses in the UK increased in 2022 by 9% to a new record total. Acceptances in 2023 were down by 1% in 2023, but still at their second highest level.²⁵⁷ The number of study visas issued to Chinese students in 2022 was up on annual numbers during the pandemic and increased by 6% in 2023. The latest total was still below the 2019 peak.²⁵⁸

UK students in China

935 UK students²⁵⁹ spent time in China in 2021/22 as part of their degree. This number has fallen from more than 2,300 in 2018/19. This was in large part due to travel restrictions during the pandemic. However, while the total numbers of students spending time abroad as part of their degree increased by around 90% in 2021/22, numbers going to China fell by 26%.²⁶⁰

Chinese academic staff at UK higher education providers

There were 7,160 Chinese nationals among academic staff at UK higher education providers in 2022/23. Their numbers have more than doubled since 2014/15. They made up 3% of all academic staff, but were the most important overseas academic staff nationality. Chinese staff were more prominent in engineering and technology departments where they made up 9% of all academics.²⁶¹

²⁵⁵ Higher education Statistics Agency, [Non-UK domiciled HE students by HE provider and country of domicile 2014/15 to 2021/22](#).

²⁵⁶ Higher education Statistics Agency, [Non-UK domiciled HE students by HE provider and country of domicile 2014/15 to 2021/22](#).

²⁵⁷ [UCAS undergraduate end of cycle data resources 2023](#).

²⁵⁸ Home Office, [Entry clearance visa applications and outcomes detailed datasets, year ending March 2024](#).

²⁵⁹ These are individual instances of student 'mobility' or periods overseas. It is possible that some students spent more than one period in China as part of their degree in 2021/22. In this case the number of students would be somewhat lower than the number of mobilities.

²⁶⁰ Universities UK International, [International facts and Figures 2023](#) (and earlier editions), 5 December 2023.

²⁶¹ Higher education Statistics Agency, [HE academic staff by nationality and cost centre 2014/15 to 2022/23](#).

Scholarship schemes

Chinese students are not eligible for publicly funded student finance in the UK, but they may be eligible for two of the UK's national scholarship schemes for master's students:

- [Chevening Scholarships](#) cover tuition fees, living cost support, and travel for any master's course at any UK university.
- [GREAT Scholarships](#) provide £10,000 towards tuition fees for one-year taught postgraduate courses at certain universities.

Freedom of speech and academic freedom

Concerns have been raised about the influence that funding from China has on freedom of speech and academic freedom in UK higher education.²⁶² In particular, there has been criticism of Confucius Institutes, which are Chinese language and culture centres that offer classes, sponsor educational exchanges, and hold public events and lectures.

The first Confucius Institute was established in 2004 in South Korea, and there are now 30 in the UK. They currently operate as joint ventures between a host university, a partner university in China, and the Chinese International Education Foundation (CIEF). This contrasts with other cultural outreach organisations, like the UK's British Council, Germany's Goethe-Institut, or France's Alliance Française, which function outside formal higher education structures.

Some Confucius Institutes have been accused of exerting undue influence on their host institutions. In 2019, Human Rights Watch, a human rights research and advocacy organisation, published a report on the threats the Chinese state posed to freedom of expression in universities in which it said hosting Confucius Institutes on campuses was “fundamentally incompatible with a robust commitment to academic freedom.”²⁶³

China's official state media reported in 2020 that oversight of Confucius Institutes was to be transferred away from the Ministry of Education to the Chinese International Education Foundation (CIEF), a “newly established non-governmental foundation”. This was apparently done to “disperse the Western misinterpretation” that Confucius Institutes “served as China's ideological marketing machine”.²⁶⁴ However, concerns remain about the

²⁶² Foreign Affairs Committee, [A cautious embrace: Defending democracy in an age of autocracies](#), 4 November 2019, HC 109 2019, para 4-16.

²⁶³ Human Rights Watch, [China: Government Threats to Academic Freedom Abroad](#), 21 March 2019.

²⁶⁴ [“New NGO to operate China's Confucius Institutes, 'disperse misinterpretation'”](#), Global Times, 5 July 2020.

autonomy of Confucius Institutes and their independence from the Chinese state.²⁶⁵

Higher Education (Freedom of Speech) Act 2023

Under [section 9 of the Higher Education \(Freedom of Speech\) Act 2023](#), the Office for Students (OfS, the higher education regulator in England) will, from 2025, have a duty to assess what risk overseas funding might have on freedom of speech and academic freedom for registered higher education providers, their constituent institutions, and students' unions in England.²⁶⁶ These three bodies will have to provide information to the OfS on funding received from a "relevant overseas person", if, in twelve months, it exceeds an amount that will be set in regulations.

The Office for Students are likely to consult on the amount, but, during the Act's passage through Parliament, the then-Minister for Higher and Further Education, Michelle Donelan, said the threshold would be set at £75,000.²⁶⁷ Funding would include an endowment, research grant, donation, or amounts related to educational/commercial partnerships, and Michelle Donelan confirmed this would cover Confucius Institutes.²⁶⁸

The OfS would have to assess if any such funding might place the university in breach of its duties to uphold freedom of speech and academic freedom. If that was the case, the regulator would be able to pursue its usual range of enforcement actions, which include imposing monetary penalties and suspending access to public funding.²⁶⁹

Public funding of Confucius Institutes

In July 2022, during his first – unsuccessful – bid for the leadership of the Conservative Party, Rishi Sunak said on X, formerly Twitter, that Confucius Institutes were a promotion of Chinese soft power and that he would close them in the UK.²⁷⁰

However, the BBC reported in May 2023 that rather than banning Confucius Institutes, Sunak's government would instead ensure they did not receive any direct or indirect government funding.²⁷¹ The Sunak government said while it recognised concerns about overseas interference in UK higher education through Confucius Institutes, it believed it would be "disproportionate" to ban

²⁶⁵ Nottingham Trent University Expert Blog, [CRG's campaign on Confucius Institutes in the UK](#), 19 July 2022; "German universities warned Xi is 'beyond discussion'", The Times, 31 October 2021.

²⁶⁶ [Higher Education \(Freedom of Speech\) Act 2023, section 9](#); Office for Students, [Freedom of speech. Changes to regulation](#).

²⁶⁷ [HC Deb 13 June 2022 \[Higher Education \(Freedom of Speech\) Bill\], c73](#).

²⁶⁸ [HC Deb 13 June 2022 \[Higher Education \(Freedom of Speech\) Bill\], c72](#).

²⁶⁹ OfS, [When and how we might take enforcement action](#), 8 July 2021.

²⁷⁰ @RishiSunak, [X \(Twitter\)](#), 25 July 2022, accessed 24 May 2024

²⁷¹ '[Rishi Sunak u-turns on proposed ban on Chinese institutes](#)', BBC News, 17 May 2023

them.²⁷² The then-Education Minister responsible for freedom of speech, Claire Coutinho, said in June 2023:

Like any international body operating in the UK, Confucius Institutes need to operate transparently and within the law, with a full commitment to our values of openness and freedom of expression. Universities also have a responsibility to ensure that any partnership with a Confucius Institute is managed appropriately, and that the right due diligence is in place.²⁷³

²⁷² [PQ 187873 \[on: Confucius Institutes\]](#), 19 June 2023

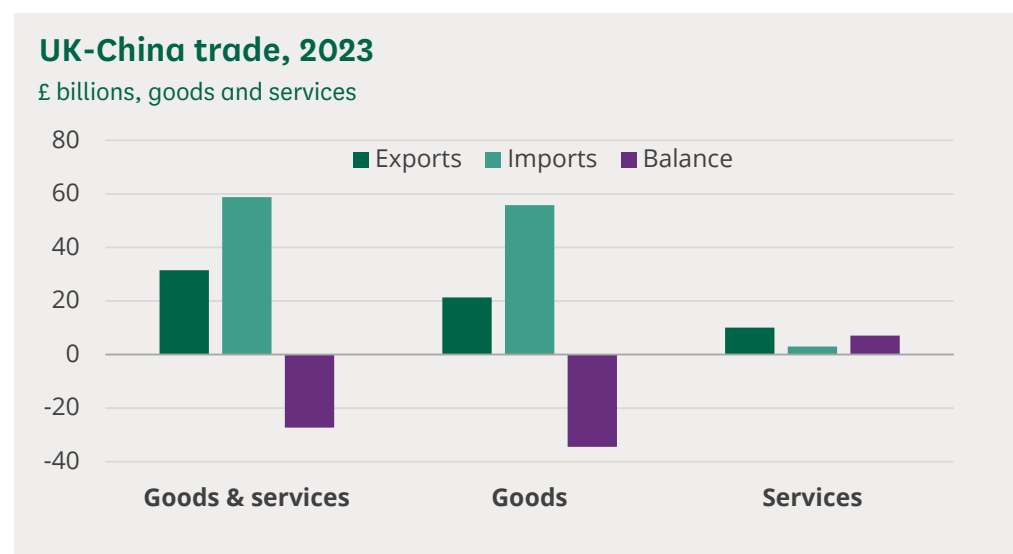
²⁷³ [PQ 187873 \[on: Confucius Institutes\]](#), 19 June 2023

5 UK-China Trade and international development aid

5.1 UK-China trade: Key statistics and recent trends

In 2023:

- The UK exported £31 billion of goods and services to China and imported £59 billion, resulting in a trade deficit of £29 billion.
- The UK recorded a deficit in goods with China of £34 billion, though a trade surplus in services of £7 billion.
- China was the UK's 6th largest export market, accounting for 4% of UK exports of goods and services, and 5th largest source of imports, accounting for 7% of UK imports.
- UK trade with China was more geared towards trade in goods than services – goods accounted for 68% of UK exports to China and 95% of UK imports from China.
- China was the UK's third largest source of imported goods, accounting for 10% of the UK's imported goods, though was the UK's largest source of imported goods in 2021 and 2022.

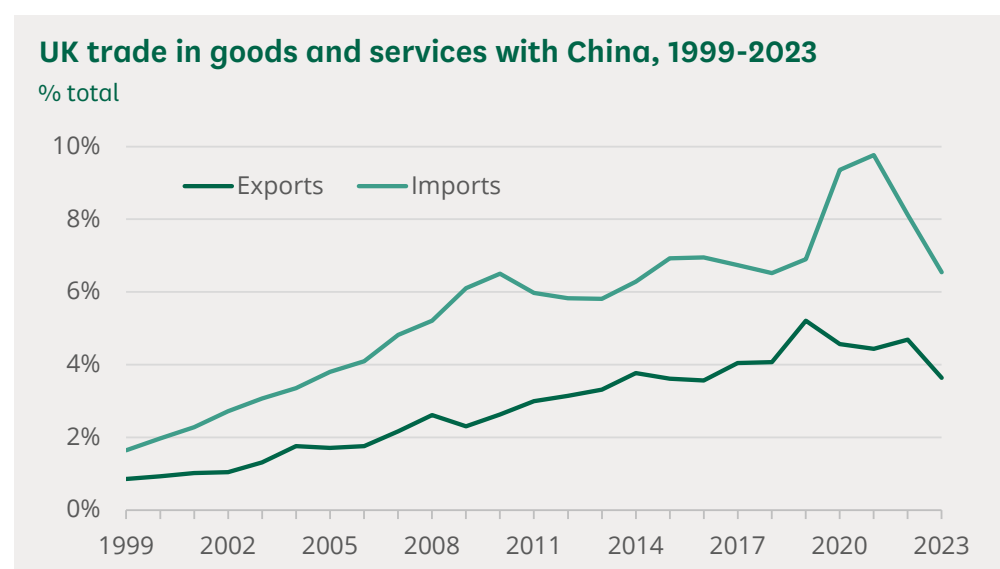


Source: ONS, [UK total trade: all countries, seasonally adjusted](#)

Recent trends

In general, UK trade with China has increased significantly over the last 25 years, both in cash terms and as a proportion of the UK's total trade.

Trade levels, in particular UK goods imports from China, increased significantly between 2020 and 2022, but also fell notably between 2022 and 2023.



Source: ONS, [UK total trade: all countries, seasonally adjusted](#)

China accounted for less than 1% of all UK exports in 1999, before reaching a high of 5% in 2022. This growth was driven by increased levels of UK goods exports to China – in 1999, China accounted for 0.5% of UK goods exports, before rising to a high of 7% in 2022.

In 1999, China accounted for just over 1% of all UK imports, before reaching a high of 10% in 2021. Again, this increase was driven by goods imports – in 1999 China accounted for just over 1% of UK goods imports, rising to 13% in 2021.

The growth in UK-China trade was particularly pronounced between 2020 and 2022.

In cash terms (i.e., unadjusted for inflation), the value of UK goods imports from China increased by 14% between 2019 and 2020 and by 16% between 2020 and 2021. The value of all UK goods imports fell by 14% in cash terms between 2019 and 2020, before increasing by 12% between 2020 and 2021.

The sharp rise in UK goods imports from China between 2020 and 2021 represents the “relatively limited impact” of the coronavirus pandemic on Chinese exports, combined with increased demand “for commodities

produced by China”, including electronic goods and textile fabrics used in the production of PPE.²⁷⁴

Between 2022 and 2023, the value of UK trade with China fell dramatically – in cash terms (i.e., unadjusted for inflation) the value of UK exports to and imports from China both fell by 20%.

Again, this was more pronounced in goods than in services – between 2022 and 2023, the value of goods exports to China fell by 26%, while the value of goods imports from China fell by 21%. Over the same period, the value of UK services exports to China fell by 3%, while the value of service imports from China increased by 12%.

This fall in the UK’s trade in goods with China was notable in a number of sectors.

The value of UK oil exports to China fell by 56% in cash terms between 2022 and 2023, from £3.7 billion to £1.6 billion. This is likely to be due in part to the fall in oil prices in 2023, following substantial increases in 2022, largely driven by the Russian invasion of Ukraine, which disrupted gas and oil trade.

The value of UK imports of electoral machinery from China fell by 41% in cash terms between 2022 and 2023, from £23.5 billion to £14.0 billion, while imports of chemicals fell by 31% from £4.3 billion to £3.0 billion.

The fall in UK trade with China is reflective of a general fall in Chinese trade between in 2023 – between 2022 and 2023, the value of Chinese goods exports fell by 5% in cash terms, while the value of Chinese goods imports fell by 6%.

This fall has been attributed to high global inflation and interest rates, which “damped demand” for Chinese goods, while falling levels of domestic consumption also led to a fall in imports.²⁷⁵ Fall in demand for Chinese exports also led to lower levels of imports of raw materials and components used to re-export in finished goods.²⁷⁶

Goods

In 2023, cars were the UK’s largest category of good export to China, accounting for just over a fifth of UK goods exports to China. Looking at individual countries (i.e., excluding trading blocs such as the EU), China was the UK’s second largest export market for cars in 2023, after the USA, accounting for 12% of UK car exports.

²⁷⁴ ONS, [The impacts of EU exit and the coronavirus on UK trade in goods](#), 25 May 2021

²⁷⁵ Thomas Hale, Andy Lin and Hudson Lockett, [Chinese exports suffer worst fall since start of pandemic](#), Financial Times, 8 August 2023

²⁷⁶ Joe Cash and Ellen Zhang, [China’s exports fall most in three years as global economy falters](#), Reuters, 13 July 2023

Top 5 UK goods exports to China, 2023

	£ billions	% total
Cars	4.6	21.3%
Crude oil	1.6	7.3%
Mechanical machinery (intermediate)	1.3	6.2%
Medicinal & pharmaceutical products	1.1	5.1%
Mechanical machinery (capital)	0.9	4.2%
All goods	21.4	100.0%

Source: ONS, [Trade in goods: country-by-commodity exports](#), accessed 11 July 2024

Electrical goods, in various forms, made up a large proportion of UK goods imports from China in 2023.

Electrical machinery (capital) accounted for 13% of UK goods imports from China - capital goods are goods used in the manufacturing of other goods, such as industrial machinery. Electrical machinery (intermediate) and miscellaneous electrical goods (intermediate) also accounted for a combined 14% of UK goods imports from China - intermediate goods are goods which are used within the production of finished manufactured goods, such as internal components of a finished electrical product.

Top 5 UK goods imports from China, 2023

	£ billions	% total
Electrical machinery (capital)	7.5	13.4%
Other misc manufactures (consumer)	7.1	12.8%
Cars	4.7	8.4%
Electrical machinery (intermediate)	4.0	7.2%
Misc electrical goods (intermediate)	3.7	6.7%
All goods	55.8	100.0%

Source: ONS, [Trade in goods: country-by-commodity imports](#), accessed 11 July 2024

Services

Travel services accounted for over half of UK service exports to China, with exports of £5.5 billion. Travel services include services provided by hotels and restaurants, travel agencies and tour operators and will include services consumed by a resident of one country in another - a Chinese tourist staying in a hotel in the UK will count as a British service export.

Top 5 UK service exports to China, 2023

	£ billions	% total
Travel	5.5	54.2%
Other Business Services	1.6	15.8%
Financial	0.7	6.6%
Transportation	0.7	6.6%
Intellectual property	0.6	5.7%
All services	10.1	100.0%

Source: ONS, [UK trade in services: service type by partner country, non-seasonally adjusted](#)

The UK also exported £1.6 billion of ‘other business services’ to China, accounting for 16% of UK service exports to China. This category includes legal, accounting, advertising, research and development, architectural, engineering and other professional and technical services.

Combined, travel services, other business services and financial services accounted for just over three quarters of UK service exports to China.

Other business services and financial services also accounted for a sizeable proportion of UK service imports from China – combined, these two categories accounted for 67% of UK service imports from China, with a combined value of just under £2 billion.

Top 5 UK service imports from China, 2023

	£ billions	% total
Other Business Services	1.6	54.2%
Financial	0.4	12.5%
Transportation	0.4	12.0%
Insurance and Pension	0.2	6.3%
Construction	0.2	5.5%
All services	3.0	100.0%

Source: ONS, [UK trade in services: service type by partner country, non-seasonally adjusted](#)

China was the UK’s 8th largest export market for services and 24th largest source of imported services.

5.2

International development aid

In 2010, the then Secretary of State for International Development, Andrew Mitchell, said that the UK Government would end direct aid to the Chinese

Government, and that greater emphasis would be placed on identifying shared interests such as climate change.²⁷⁷

However, while government-to-government aid has ended, some aid and technical assistance focused on China has continued. As set out in the Commons Library research briefing, [UK aid to China](#), from 2009 to 2022, UK bilateral aid to China totalled £537 million.²⁷⁸

UK aid has been primarily spent through civil society organisations and UK universities and diplomats. Aid related to research, universities and diplomatic engagement is mostly spent through UK-based institutions.²⁷⁹

The Government has committed to further reduce aid to China:

- In 2021, then Foreign Secretary, Dominic Raab, said aid programming in China from the FCDO would be reduced by 95%, to £900,000. Any continuing FCDO programmes would focus on promoting democracy and human rights.²⁸⁰ This statement on future spending refers only to FCDO programmes, which constituted around half of the UK's bilateral aid to China from 2015 to 2019.
- The Department for Business, Energy, and Industrial Strategy (BEIS) spent most of the remaining half of UK aid, and in 2022 said it would end all its bilateral aid to China in 2022/23, though some non-aid technical assistance on climate change would continue.²⁸¹

The Independent Commission for Aid Impact (ICAI), which monitors UK aid spending, confirmed in March 2024 that UK aid to China had fallen by up to 90% since 2019: from around £80 million in 2019 to £8.2 million in 2023/24.²⁸²

It said that remaining spending was primarily through the British Council, Chevening scholarships, and by the Department for Environment, Food and Rural Affairs (DEFRA) on forest and wildlife programmes.²⁸³

Under international aid rules agreed by the Development Assistance Committee of the Organisation for Economic Cooperation and Development, China's economic growth means that it will become ineligible to receive any aid from around 2026 to 2028 as it transitions from a low-income country.²⁸⁴

²⁷⁷ Department for International Development, [Aid budget to be refocused to deliver better results](#), 16 June 2010 and [UK aid: Changing lives, delivering results](#), 1 March 2011, p30

²⁷⁸ FCDO, [Final aid spending 2022](#), 10 May 2024, additional tables 'Asia'

²⁷⁹ See ICAI, [The UK's aid engagement with China](#), July 2021, 'Overview of UK aid spending engaging China' and 'Mapping UK bilateral aid by department and fund'

²⁸⁰ HCWS935 [[FCDO update](#)], 21 April 2021

²⁸¹ HCWS32 [[Ending BEIS ODA spending in China](#)], 17 May 2022

²⁸² ICAI, [UK aid to China falls by up to 90% since 2019 but still lacks transparency](#), 21 March 2024

²⁸³ As above

²⁸⁴ ICAI, [Update: The UK's aid engagement with China](#), July 2023, 'China as an aid recipient'

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on commonslibrary.parliament.uk.

Get our latest research delivered straight to your inbox. Subscribe at commonslibrary.parliament.uk/subscribe or scan the code below:



 commonslibrary.parliament.uk

 [@commonslibrary](https://twitter.com/commonslibrary)