



By: *Harvey Morris*

# Signs to watch for as UK Labour addresses the China question



The new Labour government is taking the first tentative steps towards defining a future UK relationship with China after a decade of policy shifts.

In a call between Prime Minister Keir Starmer and President Xi Jinping at the end of last week, the two leaders discussed areas of 'shared collaboration' and potential cooperation, **according** a statement from Starmer's office.

Relations with Beijing are high on Labour's foreign policy agenda after its foreign affairs spokesman, David Lammy, promised an early overhaul of bilateral ties even before the July election.

Lammy, since appointed foreign secretary, **wrote** in April that the UK's approach to China had "oscillated wildly over the past 14 years" of Conservative government and promised to "adopt a more consistent strategy".

The rethink comes as the government is also seeking to redefine the UK's post-Brexit relationship with the European Union. The EU is currently involved in a dispute with China over electrical vehicle tariffs from which the UK has so far remained aloof.

In his call with Xi, Starmer proposed frank discussions between the two sides on areas of disagreement, citing Hong Kong, Russia's war in Ukraine and human rights.

Those are topics that stymied the various efforts of his Conservative predecessors to define relations with Beijing since a now defunct 'golden era' of bilateral ties was proclaimed by the David Cameron government in 2015.

## Inconclusive 'reset'

The Starmer-Xi exchange came ahead of a visit foreign secretary Lammy is due to make to China next month. It will come just a year after Lammy's Conservative predecessor, James Cleverly, travelled to China to promote the latest of a series of UK 'resets' in its ties with

Beijing.

The change of government in the UK is not likely to bring a marked shift in the fundamentals of the China relationship.

The areas of disagreement listed by Starmer chime with those expressed by the former Conservative foreign secretary when he was in Beijing. So too, do the positive hopes expressed for future cooperation on issues such as global security and climate change.

**Does the Labour initiative represent just one more inconclusive 'reset', or will it fulfill the need for a 'stable and consistent' relationship on which Starmer's office said he and Xi were agreed?**

So, does the Labour initiative represent just one more inconclusive 'reset', or will it fulfill the need for a 'stable and consistent' relationship on which Starmer's office said he and Xi were agreed?

China's Global Times **said** that in the call with Starmer, Xi emphasised that bilateral relations should be viewed from a long-term and strategic perspective.

The newspaper, which reflects the views of the ruling Communist Party, reported elsewhere that unnamed 'Chinese experts' noted a renewed focus by the Labour government on China-UK relations and expressed the hope that Starmer would steer the 'bruised' ties back on track.

## The China tariff issue

Previous Conservative governments were widely criticised for flip-flopping on China, torn between the economic opportunities and the security threats it represents.

Cleverly's 2023 visit, after a period when relations had hit a new low, coincided with

publication of a parliamentary committee report that found the then government's stance on China lacked coherence.

The Global Times' 'Chinese experts' expressed caution that "tangible actions are crucial in demonstrating sincerity in improving bilateral relations". Perhaps, among other things, they had in mind where the UK stands on the current EU-China tariff spat.



*Amid the rising trade tensions between Brussels and Beijing, Chinese carmakers are expected to direct e-vehicle sales towards non-EU countries in Europe, including the UK*

The European Commission has announced it plans to impose tariffs of up to 38 per cent on Chinese-made electric cars produced by manufacturers that receive state subsidies, viewed by the EU as an unfair trade practice.

China has taken the dispute to the World Trade Organisation as well as launching its own anti-subsidy investigation into dairy imports from the EU.

Amid the rising trade tensions between Brussels and Beijing, Chinese carmakers are expected to direct e-vehicle sales towards non-EU countries in Europe, including the UK. The UK trade secretary Jonathan Reynolds indicated last month that he was not contemplating matching the EU's tough new tariffs, although he would keep the matter under review.

Despite Starmer's intention to establish improved post-Brexit relations with Europe, the China tariff issue is one area in which UK and EU interests do not necessarily overlap.

The government's stance on tariffs almost certainly has more to do with economic pragmatism than a desire to please Beijing. It is one less problem looming, however, as Starmer embarks on his own China reset.

## The 'super embassy'

Meanwhile, those looking for at least symbolic progress might follow the course of China's renewed plans to establish a new 'super embassy' in London.

Beijing's original application to relocate its embassy to a much larger site near the Tower of London was rejected in 2022 by the local Tower Hamlets Council. It cited local concerns over the impact on resident safety, heritage, police resources and the congested nature of the area.

Beijing declined to appeal the decision, in which the UK government played no role.

### The future of the potential symbol of UK-China relations is once again in the hands of the local council

Then, on July 15 and just a week after Labour's victory, China resubmitted its application to develop the site, insisting that the earlier rejection had no merit.

China hawks immediately seized on the timing of the new bid. A former Conservative leader, Iain Duncan Smith, **said**: "China doesn't do anything by coincidence. China are now going to try it on with the Labour government, to see if it can be persuaded into giving them the embassy it wants."

The future of this potential symbol of UK-China relations is once again in the hands of the local council. If plans for the development, on the site of the former Royal Mint, are again rejected, Beijing could opt this time to have the UK government intervene.