

Foreign Affairs Committee

Oral evidence: [China and the international rules-based system, HC 612](#)

Tuesday 15 January 2019

Ordered by the House of Commons to be published on 15 January 2019.

[Watch the meeting](#)

Members present: Tom Tugendhat (Chair); Ann Clwyd; Mike Gapes; Ian Murray; Andrew Rosindell; Mr Bob Seely; Royston Smith.

Questions 153 - 223

Witnesses

I: Rt Hon. Mark Field MP, Minister of State, Kate White, Asia Pacific Director, Foreign and Commonwealth Office, and James Kariuki, Multilateral Policy Director, Foreign and Commonwealth Office.

Written evidence from witnesses:

- [Foreign and Commonwealth Office](#)

Examination of witnesses

Witnesses: Mark Field MP, Kate White and James Kariuki.

Chair: Welcome to this afternoon's session of the Foreign Affairs Committee. Minister, thank you very much for joining us, and we thank both of your officials very much for being here as well. Before we start, can I quickly do some declarations of interest specifically related to this hearing? Mike?

Mike Gapes: I have visited Taiwan on two occasions, paid for by the Government of Taiwan at that time. It is on the register anyway, but I ought to say so.

Ian Murray: Likewise, I visited Taiwan last year at the expense of the Taiwanese Government.

Andrew Rosindell: I have visited Taiwan on several occasions, and the support from the Taiwanese Government appears in the Register of Members' Financial Interests. I am also chairman of the parliamentary support group for the Hong Kong Ex-Servicemen's Association, and vice-chairman of the Taiwan group.

Chair: Anything else? No? Okay, Mike.

Q153 **Mike Gapes:** Minister, welcome to you and your colleagues. I would like to begin by asking some questions about Myanmar and Rakhine State. Could you give us an update, and your assessment of the current conditions, the position as regards the refugees who are in Bangladesh and elsewhere, and whether the conditions are suitable for them to go back to their homes?

Mark Field: Thank you, Mike, for that. You will appreciate that addressing the situation in Rakhine State remains one of the Government's most pressing foreign policy priorities. The conditions are deeply concerning. I spoke with the two Foreign Ministers for both Bangladesh and Burma on 15 November, at a time when it looked as though returns were going to be imminent, and made the case, as we have repeatedly done, that this needs to be not just voluntary, but also dignified, safe and secure. Clearly there was a view from the international community—both UN agencies and our own people on the ground—that that was not the case at that time.

As you will know, Mike, there was a general election in Bangladesh on 30 December. In part, the thought process was that this move towards trying to get some returns was driven partly by that political imperative. We were very pleased that, along with others in the international community, we were able to make a case that was listened to by both sides.

I have spoken in the course of this year with the new high commissioner for Bangladesh here in London, and expressed our ongoing concerns that any returns will need to be voluntary. Clearly the international community would like to see returns—not at breakneck speed, but with the conditions



HOUSE OF COMMONS

being satisfactory to do so and, as I say, with voluntariness being at the heart of it. Clearly we have not reached that stage yet.

Q154 Mike Gapes: You said that you have spoken with the Bangladeshi authorities. Have you made recent representations to the Burmese/Myanmar authorities?

Mark Field: I haven't personally. As you may know, the Foreign Secretary was there in September. Assuming that we can ever get out of this place, with all the Brexit votes that may be upon us in the months to come, certainly Burma is one of the countries that I wish to visit as a priority on another visit to Asia. Obviously I hope at that stage to be able to speak to counterparts to discuss this and other bilateral issues.

Q155 Mike Gapes: What have we done internationally to put pressure on those authorities to enable the Rohingya to go home, for example within the Security Council?

Mark Field: I think it is worth pointing out that we had to overcome strong opposition from certain other permanent Security Council members to secure the nine votes that we needed for the fact-finding mission to brief the Security Council in October. I spoke on the Floor of the House in a debate that you attended on 21 December. This work continues apace, but we are realistic about the likelihood of getting a Security Council resolution, given what I have just said about the fact-finding mission.

As you know, we have encouraged China to continue to play a leadership role within the international community to help to resolve the Rohingya crisis, and we have welcomed their work on the Security Council presidential statement in November 2017. Not all is entirely bleak in that regard, but clearly this is something that we are addressing very firmly.

Q156 Mike Gapes: Can I press you on the Security Council? A presidential statement is all very well, but what we really need is a resolution. It has been reported that the UK Government prepared a draft resolution to be adopted within the Security Council. That obviously has a potential problem with China and Russia. I do not know whether other countries, non-permanent members also, would be problematic. Could you give us your assessment of what the position is as regards the likelihood of getting any meaningful resolution, rather than a simple presidential statement?

Mark Field: The presidential statement, as I said, was a little over a year ago. Obviously a lot of discussions are under way. I should perhaps say that the Foreign Secretary spoke with his counterpart, Wang Yi, the Foreign Minister of China, only at the weekend. I have seen the print-out of that conversation, and the main subject that was brought up was that relation to Burma. These are issues that we are discussing. I think you will appreciate it is at a slightly sensitive stage. We do not want to go into any great specific detail here, but it is very much a priority.

I guess the one thing that is always worth pointing out in relation to these issues is that, as you will appreciate—we will probably discuss it somewhat in a range of other areas during the course of this afternoon—there is a



HOUSE OF COMMONS

very strong sense from the Chinese that what goes on within one's territory is a matter for internal affairs. Therefore there is an ongoing concern that the Chinese authorities have, not least given the strong economic and other equities that they have with Burma, about formally criticising.

Equally, I think there is little doubt that the Chinese authorities are aware of the deep global concern about the plight of the Rohingya and the sense in which the Burmese authorities need to rise to the challenge of dealing with a whole range of issues in the Annan report, in particular the issue of citizenship, going forward.

Q157 Mike Gapes: But the Annan report has not been implemented and there are still 700,000—if that is the correct figure now—Rohingya outside their traditional homes in a pretty bad place. Even if we can't get Security Council agreement because of permanent members—you mentioned China and Russia—blocking that, isn't it time we thought of other ways to put pressure on the authorities?

Can I specifically ask about sanctions? There were sanctions in the past. Sanctions were lifted because the so-called democratic change was taking place. Is it time to think again about whether those sanctions are internationally agreed, or done by democratic countries that are concerned about the situation and believe that some pressure needs to be exerted? Would those sanctions have any chance of changing the behaviour of the authorities in Myanmar?

Mark Field: I think you can be reassured that we will keep as much pressure on as we can, and we will look at as many ways as we can to try to resolve the situation. In the EU, the UK has been instrumental in delivering very targeted sanctions on 14 named individuals responsible for human rights violations—very specific violations in the aftermath of 25 August 2017.

Q158 Mike Gapes: Were they all in the military?

Mark Field: They are all within the military or police—all are part of the law enforcement regime there. We are discussing further listings. There are ongoing listings and ongoing evidence is being brought together that we will discuss with EU partners.

I made a slight mistake. I read at the weekend that the conversations between Wang Yi and the Foreign Secretary took place last Thursday.

Q159 Ann Clwyd: Before we finish on this one, from what you have said, it is still unclear to me what the actual situation is on the ground. We heard that floods were coming, and there was great concern about the impact on the makeshift camps. What is the physical condition right now, and who is monitoring that?

Mark Field: I was there at the beginning of July. I went to Cox's Bazar and saw the camps that had already been built. There was a huge amount going on. Just as a slight aside, all in all, there were just over 700,000 Rohingya who have come across the border in the last 15 or 16 months.



HOUSE OF COMMONS

The overall total number of refugees is 1 million in and around Cox's Bazar.

Mercifully, last year the monsoon season and the hurricane season were not as bad as they can sometimes be and therefore the conditions held up pretty well. An immense amount of work went in, not just from the UN agencies but from the Rohingya themselves, to help build fairly robust villages. But I am under no illusions; a major monsoon would obviously cause some very major humanitarian issues in that region.

The solution can only be a temporary one in these camps. One hopes, if we have some mercifully relatively mild weather, they can hold together for a reasonable period of time. But we want to move ahead at an appropriate time to try to ensure that people are returned to Rakhine State.

Q160 Ann Clwyd: I understand you have seen Aung San Suu Kyi at various times. Has she taken any responsibility for those events?

Mark Field: I last saw Aung San Suu Kyi back in September 2017. As you say, it was more recently—last September—that the Foreign Secretary was able to see her. Our various ambassadors in Rangoon, Andrew Patrick and now Dan Chugg, have spent time in Naypyidaw and had a chance to meet her.

It has been one of our disappointments that she has not made a public statement either taking on responsibility or expressing regret; one understands that privately she does express more concern. I understand, Ann, that you of all people invested a huge amount of goodwill, going back decades, in Aung San Suu Kyi and her personal struggle. The disappointment is very profound for many in that boat.

By the same token, I don't think that we should get away from the fact that what happened in August 2017 and beyond was the responsibility of the Burmese military and the Burmese law enforcement. One of the risks in focusing a lot of the attention on Aung San Suu Kyi—I am not blaming you for that; I do understand what lies at the heart of it—is that we take blame away from those who are directly responsible. The Burmese military were responsible for these horrific events, not just against Rohingya in Rakhine, but against the smaller minorities of the Shan in the part of Burma adjacent to Thailand. There are ongoing issues prevalent among those minorities, too.

Q161 Ann Clwyd: Can we move on to Asia Bibi? Can you tell us what steps the FCO has taken in the past two months, since we spoke to the Permanent Under-Secretary, to ensure the safety of Asia Bibi?

Mark Field: As you will know, it has been a well-documented case. Asia Bibi was accused of insulting the Prophet Mohammed. Following a disagreement with neighbours, in 2010—almost a decade ago now—she was convicted of blasphemy by a district court and sentenced to death.



HOUSE OF COMMONS

A number of countries are in discussions about a possible alternative destination for Asia Bibi once the legal process is complete. As Prime Minister May has said, the UK's primary concern remains the safety and the wellbeing of both Asia Bibi and her immediate family. I hope colleagues will understand that I am unable to comment any further on the specific details, as we worry that that will compromise Asia Bibi's long-term safety—something that I am sure no colleagues would wish to happen.

Q162 Ann Clwyd: Have not the Canadians offered her asylum now? Or is it still under discussion there as well?

Mark Field: You will appreciate, Ann, that I would rather not comment any further in relation to the direct situation with Asia Bibi. Obviously we are hoping to see a resolution of this legal case at the earliest possible opportunity, but really the focus of our attention is on her safety and wellbeing.

Q163 Ann Clwyd: Well, we don't want to see it dragging on, because that would compromise her safety.

Mark Field: I do understand that. Again, I speak regularly with our own folk on the ground. As it happens, our high commissioner from Islamabad is in town; I spoke with him only yesterday and had quite strong reassurances that we are making representations to ensure that that safety and wellbeing is there. I think he is confident not only that we are making strong representations, but that in the context of the Pakistani authorities, that is being protected. Obviously I think it is in everyone's interest to have a rapid resolution of this situation.

Chair: We are not going to dwell further on this case, but suffice it to say that it has generated an awful lot of interest on the Committee. We are very, very seized with the freedom of religion, freedom of expression and individual rights questions that it raises, as well as the potential harm to one individual and her family.

Q164 Mr Seely: Minister, before we get to the heart of things, do you mind if I ask for a quick update on the Canada-China dispute over Huawei's chief financial officer? The Foreign Secretary has expressed concern at the detention of two Canadian citizens, apparently in retaliation for Canada's arrest of the CFO of Huawei for extradition to the United States. It has now been reported that the Chinese authorities have sentenced to death a Canadian citizen held on drugs charges, despite him originally having been given a 15-year prison sentence. Has the FCO been in touch with our Canadian counterparts on this? What are we doing to support our allies in this matter?

Mark Field: I, like you, have seen reports of this case, and it is very disturbing. On the Huawei point alone—this may be something we come back to later—in the 2010-15 Parliament I was on the Intelligence and Security Committee, which, as you know, raised concerns about Huawei's involvement, not least because of a joint venture between Huawei and BT that seemed to have been signed without ministerial approval back in

2004. As a consequence of that report, we ensure that a senior figure from GCHQ is embedded in Huawei's HQ. There is a back-door process; we have tried to protect our critical national infrastructure as a result.

As you know, that is in contrast to the situation in many of our fellow Five Eyes nations. A much more hardline view was taken at that juncture by Australia and the US, and of course we have seen this issue with Canada. We are obviously in contact with the Canadian authorities regarding what is a fast-developing situation, but I think you will appreciate that because it is fluid, it would probably not be appropriate for me to comment in any greater detail at this stage.¹

Q165 Mr Seely: There is a wider point here. We could take a very cynical approach and think, "Can we pick up extra business on this?" I am not sure that would be a very attractive approach. Alternatively, especially with our Five Eyes colleagues in the English-speaking world—the Australians, the New Zealanders and the Canadians—we could think about how we can support them more so that the four of us collectively, potentially with the United States, have a stronger unified position on how we deal with these sorts of threats and the intimidation, gentle or not, we see from authoritarian and potentially adversarial states like China and Russia. Do you agree?

Mark Field: I agree that working together on national security issues clearly is something we would want to hold together firmly as a Five Eyes community. It is also worth pointing out—you half alluded to this—that the Huawei issue is now permeating Poland, a European Union neighbour. I hope to see the Polish Foreign Minister in Warsaw next week. His view is that we need to hold together within the west, in a broad sense—not just the Five Eyes area but the EU as well—on these related issues.

Q166 Chair: Can I start the main body of the questioning? How has China changed under President Xi Jinping, and how has the UK's policy towards China changed in response?

Mark Field: If I may give a little background, I have been a Member of Parliament for 18 years and, as you know, Chinatown, the heart of the Chinese community here in the UK, is in Soho in my constituency, so I have a long-standing interest in Chinese matters. I have actually visited the country twice as a Minister, and I visited four times before that. The first time was back in 2004, when I was in Beijing, in Qingdao on the coast, and up in the north-west, in Xi'an, so I got to see a fair bit of the country at that stage. I have seen certain developments. Obviously, because of the constituency connection, I have known the ambassador, who is now in his 10th year here, fairly well, so I was able to discuss ongoing Chinese developments even before becoming a Minister.

Obviously, President Xi reflects a change in the relationship between China and much of the rest of the world. Certainly, we are now in a different

¹ Note from witness: 'The annual [reports](#) of the Huawei Cyber Security Evaluation Centre Oversight Board set out in full the nature of the UK's risk mitigation arrangements with Huawei.'



mode from Deng Xiaoping's famous approach, from 1978 onwards, of "hide our light under the bushel and get on and do work". That has been particularly true since President Xi's re-election for a second term at the 19th Congress. So, yes, I think there has been a sense of China being more assertive in international affairs and recognising itself not just as an economic superpower but potentially as a diplomatic and military superpower in its own right. Fundamentally, one of the most fascinating aspects that I have in this brief is watching and examining that rise of China. In his evidence session here, Jeremy Hunt made it very clear that we are moving from a monopolar world with this great superpower in the US, to having China emerging. It will not be an entirely straightforward rise but none the less that rise is something that the world will have to get used to. Clearly, Xi's approach towards that is more assertive than his predecessors.

Q167 **Chair:** To come back to the specific question, how has President Xi changed Chinese policies? How have we changed our policies in response?

Mark Field: One must remember that on coming to power in 2012, Xi Jinping and the Communist party faced a number of challenges, including economic performance, corruption and integrity, which he dealt with straightaway—he talked about consolidating his power by being seen as someone who was able to tackle those problems. In particular, the anti-corruption campaign instilled a climate of discipline and obedience among Communist party members. I think some of his closest political allies were appointed to the most influential positions in the party. Here we are, seven years on, and that situation has been reinforced—there is the fact that two-term limits have been removed, and there is the emergence of Xi Jinping's thought. During his time as President, he has overseen great growth in patriotism and nationalism in China, and has overseen a more assertive foreign policy.

It is also worth recognising that one of the great strengths of the Chinese system is that they have a keen understanding of history. They look back with that sense of perspective and they learn or try to learn from the rise and fall of the British empire of the 19th century, and from the American empire and its rise and its setting, if not necessarily its fall at this stage. Fundamentally, it is important to remember the importance of the centrality of the Communist party. That has been the underlying thesis of Xi Jinping's rule over the past seven years.

In particular, the lesson they have learned from more recent history is in relation to what happened to the Soviet Union. I first went there 15 years ago and was there with fellow Conservative parliamentarians. The view of a number of my colleagues was, "Of course, the only way it is going to fulfil its economic potential is in a headlong rush towards an open democracy in the way that we would understand in the west." The one thing that has been very evident is that going down the route of perestroika or glasnost, in terms of reform and opening up, is something that is absolutely not on the cards as far as modern-day China is concerned.

Q168 **Chair:** And so how is the UK's policy changing towards that?

Mark Field: As with everything, one has to adapt and to recognise. Obviously, we are on the UN Security Council as a permanent member with China. One of the other challenges is that it is a changing world beyond Chinese borders. The way that we adapt is to recognise that an important part of any sort of diplomacy is that you try to build the body of work where you work as closely as you can. For example, in relation to important global issues like climate change, healthcare and medicine, anti-corruption and money laundering, there is actually a lot of common ground that we have and will continue to have with China. The important thing is to try to build as much of a body of trust as we can. I accept there are areas where we fundamentally disagree.

I read with great interest your evidence session with Kevin Rudd, the former Australian Prime Minister. He is very much a Chinese expert, going back 35 years or so. He took a pretty stark view, that on the one hand, the Chinese respect strength and despise weakness, and that they respect certainty and despise wavering. That is a pretty hardline view, but we have to recognise that, in working together with China, there will be some common ground as well as some fundamental areas on which we will disagree and will continue to disagree. Elements of that will be fundamentally related to the rules-based international system. We will come on to the specifics of that later.

Equally, there are some positive aspects of the relationship, and it is about trying to build on those. Climate change is one example of many. Dealing with that problem is fundamental to the legitimacy of the Communist party in China. Dare I say it, but whenever I go to that region I note the stark contrast between the efforts being made by the Chinese authorities and those of many other Asian countries is very profound.

Q169 **Chair:** Can I ask a specific question? We claim to have a whole-of-Government approach to China. Would you say that the FCO leads that? If so, can you give an example of something that the FCO has led?

Mark Field: We do lead on these matters. We will perhaps come on to the resourcing of the strength of our Chinese operations. We lead in a number of areas, as I have alluded to, not least because we have control over aspects of Prosperity Fund work. That work provides some strong people-to-people connections in education and funds anti-corruption work, a lot of healthcare initiatives and a lot of research.

Fundamentally, at the heart of the relationship is, obviously, the relationship as members of the Security Council of the United Nations. Again, another development over the past seven years under Xi Jinping has been a sense of the Chinese taking more seriously their importance as a permanent member of that Security Council and trying to have an impact on global affairs. That certainly applies to the personnel they bring to New York and to Geneva.

Q170 **Chair:** Clearly the FCO's capacity to work in China is limited by various things, not least language but also elements within China such as air



HOUSE OF COMMONS

pollution and surveillance. When we visited as a Committee, we felt that surveillance keenly. Are you finding it difficult to encourage FCO officers to apply for China postings? What are you doing to encourage that?

Mark Field: No, it is rather to the contrary, to put it mildly. About 132 FCO officers are currently registered as having a skill in Mandarin. We have trained about 70 officers up to around C1 level in Mandarin²—I am not quite sure what that means, either—over the past five years. In addition, some FCO officers participate in developmental classes in London on an ongoing basis.

My own view is that an expertise in Chinese affairs will be almost essential in the next 20 years for someone who wants to be a leading light in the Foreign and Commonwealth Office. We will increasingly appoint ambassadors and high commissioners in Africa and South America, and their having an understanding of the Chinese system—whether through having spent time out there or being good at Mandarin—will be an important part of that process, as will the need for leading figures in New York and Geneva who can understand the Chinese mindset when it comes to dealing in multilateral forums.

Kate White: I can add a tiny bit more on that. As well as the expertise in the FCO, we are very conscious that more and more people in other parts of Whitehall have expertise on China issues, and that a number of different Government Departments' work is embedded in the embassy effort in Beijing. Our interest, speaking from the FCO in London, is to encourage a cadre of expertise, which is obviously at the heart and centre of the FCO, but also beyond that, so that people continue to return on future postings.

Q171 **Mr Seely:** I have a couple of quick questions on that point. You said that Kevin Rudd was very forthright, but you did not say whether you thought he was right or wrong.

Mark Field: I didn't agree with everything he said. However, I also respect that he has forgotten more about Chinese affairs than I probably know.

Q172 **Mr Seely:** Do you think the Chinese despise weakness and respect strength? This goes to the heart of our dealings with them. One criticism of us is that we are a bit woolly, because we are scared of damage to our trade, whereas actually if we told people what we think of them, in a transactional relationship—which is what trade is about, after all—we would not necessarily do ourselves any harm and may actually do ourselves some favours. What do you think of that argument?

Mark Field: It is a case that is often made, not only in relation to China, but a sense that we are being soft on things because of the prosperity agenda and trade, which may become even more profound as we go

² Note from witness: 'The British Council defines C1 level as corresponding to proficient use of the language, "i.e. those able to perform complex tasks related to work and study"'



HOUSE OF COMMONS

through the Brexit process. I take a slightly different view. My own view is that we make very clear our concerns about issues of human rights and we will call countries out. There are ways in which one does that; I know that, from our own perspective, we tend to do that quietly behind closed doors, not necessarily through megaphone diplomacy. One of the dangers of going very public in that regard—although sometimes we do it, for good reason, maybe because of international forums—is that in many ways our expression of strong views on human rights undermines not so much trade, but the space with which we are able to deal with other human rights-related issues, which were perhaps alluded to in relation to Burma just now.

From my own perspective, whether it is dealing with China or with a range of other countries in south-east Asia, where we have concerns about human rights we will raise those unashamedly, often in a range of strategic dialogues. Certainly it is not in my mind to think, “Gosh, am I screwing a trade deal that is being negotiated by doing that?” We are doing the right thing in being able to express that, and I think most of our counterparts respect that. Equally, there are ways in which one expresses some of those concerns. I think it is fair to say that culturally the Chinese are very averse to megaphone diplomacy, but when we have robust conversations in both directions, these things are brought up.

Q173 Mr Seely: You talk about values, and that raises a fascinating question, doesn't it? Arguably, in the political sphere we share very few values with the Chinese, such as a one-party state, no rule of law and so on, but we share quite a lot of interests in an international rules-based system as well. A lot of the people we share values with—the European Union more or less, and Five Eyes a lot—we also share interests with, but here is a country that we do not have many values in common with at the level of Government or political philosophy, but we do have a lot of interests.

Mark Field: You are right—it is a large country, and in so far as you have countries where you do not share values but you can, if not happily ignore them, then at least happily not have to engage, that is not an option with China. There are inevitably too many interests at stake that must be dealt with. It goes back to the point I make about trying to find common ground. There are a whole range of very modern issues, and it is about building that relationship of trust in a broad range of areas, recognising that it will not be the full spectrum of issues. We can talk openly about the risks of money laundering; we hosted a conference here in October on the illegal wildlife trade, with recognition from China of the importance of dealing with illegal wildlife trading because it was bringing money into what seems like a Cinderella area of criminality, but which is linked into other criminality, from money laundering to people trafficking to the narcotics trade. Therefore, while you argue, fairly, that our values do not coincide, if you scratch beneath the surface, you can suddenly begin to develop a body of trust and good will where you can work together, where values and interests begin to coincide.

Q174 Ian Murray: You talk about climate change, human rights, trade and issues of common interest, and we have talked a lot about how the



HOUSE OF COMMONS

Foreign Office views the relationship with China and its importance to the Government. From a Foreign Office perspective, how do you think China feels about the UK? Do they listen to and respect the UK's views? Do they find the UK an irrelevance, or as something they want to seriously listen to? Do they see the UK as a player on the international stage? How do they view us, do you think?

Mark Field: Clearly, we are a major player in the UN, where they have a lot of other equities, and indeed in other multilateral organisations. It is interesting; we have been supportive of the idea that China, as part of the engagement, gets a bigger stake in the World Bank, for example. We have been a leading light in ensuring that their voice has more weight, in the literal sense of their having more voting rights, within that sort of organisation. Again, we feel we have very strong equities on the OECD. They are not a member of the OECD but they are a key partner. Given the importance of the OECD often being seen, as was quoted today in *The Times*, as a rich man's club of 36 mainly European and American countries—with Japan and South Korea from Asia, as well as Australia and New Zealand as members—it would be good to get more ASEAN nations engaged, as well as China. It is a key partner that we work with. There are a range of areas where we will work closely.

As I say, from China's perspective, the UK, with our history and our institutions, is a country that is admired, not least because of the co-operation we have at student level, within our universities, academics and academic research. There are important ways that we work closely together. One of the reasons why we at the Foreign Office are keen to invest so much, not just in the Chinese relationship but in Mandarin and other teaching, is to try and ensure that we understand more about the mindset of China and the Chinese. Clearly, a huge amount of work goes into that, to bring a new cadre of our diplomats and others in other parts of the civil service, to understand China. That is going to be essential given its importance. It won't be a linear rise, but we all know that with the energy, the enthusiasm and the hard work of its 1.4 billion people, it is going to be a key player in the lives of our children and grandchildren.

Q175 **Andrew Rosindell:** What would you say are the main success stories in the relationship between the UK and China in recent years?

Mark Field: Fundamentally, the biggest success story has got to be people-to-people connections—I always say that. It is also the most lasting success story. Whether through a range of scholarships or through other ways, we have huge numbers of students studying here at UK universities. In many ways, I think the big success in the longer-term future will be to try and replicate that. I would like to get more British students going out, not just to China but to other parts of Asia. Again, given the importance of that continent economically and geopolitically in the decades to come, it would be great to see our young students doing that.

The universities relationship is important but the co-operation, which I referred to earlier on, I think threads through from those people-to-people



HOUSE OF COMMONS

connections, particularly in the scientific area. Obviously, we were able to welcome a significant inward investment into our universities. Not only do international students make a vital contribution, but we feel that it allows, at the most obvious level, strong co-operation to take place.

Representing the City of London as I do, I know there is huge Chinese investment across the UK. It is a strong, enduring and fast-developing trading relationship. As you probably know, China is currently our third largest trading partner. That is underpinning it, as well as the student relationship, with 170,000 Chinese students currently studying in the UK, and there is big tourism. Even in my time as an MP the number of Chinese tourists—I know Victoria Prentis gets a lot of them up in Bicester Village, in her constituency, but also a fair few come to central London. What has changed profoundly is that many perhaps used to come and spend a lot of money in Selfridges or Harrods, but increasingly a number are now staying in our top universities, spending time here in the UK and having a real thirst for our history and tradition.

Q176 Andrew Rosindell: That is fantastic news, because that is people-to-people interaction. But in terms of the political tensions that we are seeing, particularly between China and the United States but also between China and Britain over what is going on in Hong Kong, how do we preserve and strengthen the British-Chinese relationship, with all the additional issues that we are now facing?

Mark Field: There will always be ebbs and flows—I don't know whether you want me to talk specifically about Hong Kong in a moment or two. Our fundamental aim is to maintain a strong partnership, supporting economic growth and addressing global challenges for both our countries. Clearly, China is an important partner and is rising to the stage of wanting to play a part in a whole range of global issues. Going back to the issue of human rights, the stronger one's relationship is, the more space you have to discuss human rights-related issues. Do you want me to touch briefly on the specifics of Hong Kong?

Q177 Andrew Rosindell: I think we are coming to Hong Kong a bit later.

Mark Field: Very good. Fine. You touched on Hong Kong, and obviously—

Q178 Andrew Rosindell: The relationship is very important, and there has to be mutual respect between both countries, but this Committee was banned from going to Hong Kong in 2014. The entire Committee was refused entry. We were told that if we went, we would be immediately sent back to London. What representations did the Foreign Office make—strong, I hope—to defend the right of this Committee to go to Hong Kong? How can we build that strong political relationship when things like that happen?

Mark Field: In terms of the specifics, Kate will recall exactly what the FCO did. I recall at the time that Richard Graham, I believe, was refused a visa.

Kate White: Yes, it will have been one of your predecessors—I think it was at the time when Hugo Swire was the Minister. At that time, when he



HOUSE OF COMMONS

and his officials gave evidence, I think they set out the various steps that were taken at that time, but we can certainly write to follow up. More recently, there have been cases where British nationals have been refused entry to Hong Kong. For example, the Chinese ambassador—³

Mike Gapes: What we found remarkable at that time was that, although you don't need a visa to go to Hong Kong, contrary to "One country, two systems" and the agreements that we have from before 1997, the Chinese embassy in London decided to tell us that we were not going to be allowed off the plane in Hong Kong. We took the evidence via video conference link to Hong Kong and did our inquiry anyway, but, personally, I don't think the Government at that time were very robust at all in their representations. I think they thought it was very embarrassing, rather than a matter of democratic outrage. Neither of you were responsible.

Mark Field: No, so I don't want to pass the buck—

Mike Gapes: No, I am just placing that on the record.

Q179 **Chair:** May I ask a question relating to Andrew's questions? Can you give us a specific example of where we have changed China's mind on something?

Mark Field: Off hand, I can't directly, but the development of policy that has taken place on climate change reflects, I think, a lot of our priorities in this area. As you know it is the 10th anniversary of our own groundbreaking Climate Change Act. Jacinda Ardern from New Zealand will be in town at the beginning of next week, and she said to me herself, when I was at the Pacific Islands Forum in Nauru in September—I was flown out of Auckland in the New Zealand Royal Air Force jet—that the legislation that they are putting in place is going to be virtually line for line what we have been able to do. That is a good example of an area where, five or 10 years ago, you would have thought that China would have no regard for climate change, but they recognise its importance, and its importance in that geopolitical area—south-east Asia and the Pacific islands area, where they clearly have important equities of their own.

Q180 **Royston Smith:** Minister, you mentioned in one of your answers earlier that there is a body of trust and good will between us and China. However, I think none of us is naïve enough not to think that there is Chinese interference in the UK. Is that a significant concern to the Government?

Mark Field: Yes, of course, if there is evidence of interference. Obviously, allegations are made in a range of different areas. We have touched on some of the benefits of Chinese university students, but we also expect, for example, students to conform to our laws and our society's norms. Clearly, concerns have been raised about Confucius Institutes and certain institutions. Again, going back to Bob's question in relation to Huawei,

³ Note from witness: 'Former FCO Minister of State, Rt Hon Hugo Swire MP, wrote to the Committee on 4 December 2014 detailing the measures that the UK government had taken in response to the decision to refuse the Committee's entry to Hong Kong. The [letter](#) is included in annex to the Committee's report on the incident.'



HOUSE OF COMMONS

China is investing very heavily in research and development in a range of emerging technologies such as AI, gene editing and of course telecoms, including 5G, where Huawei is positioning itself as a player.

One of the interesting things about the whole issue of internet governance—it quite apposite, as we are talking today about EU compliance, EU regulations and directives—is that in a lot of these new areas of the fourth industrial revolution, whether it is AI or robotics technology, a battle is being fought about who, where and how the regulations are all going to be made. I think that there will clearly be a demand in many of those areas for global protocols and, clearly, China has substantial equities on that and interests that it will wish to protect when it comes to drawing up those global protocols. If there is that slight interference, at least there is some Chinese influence within the UK. I think we want to have an ongoing conversation with China on how these norms develop, given the important role that it will be playing on that note.

Q181 Royston Smith: Do you think that it is influence that they are trying to buy or do you think that it is interference?

Mark Field: To step back in relation to the rules-based international system, which I think has been a great success over the past 70 years or so, let me say that I have some sympathy with the Chinese view, which says, "Listen, we want a rules-based system, and we recognise that a rules-based system is important for the maintenance of order." From the Chinese perspective, they would say, "But we had no say in this matter in the immediate aftermath of 1945, when that structure was put into play." I think the important thing is to recognise that these rules will develop and adapt, and that we try to engage with China as strongly as we possibly can, to be able to develop that. I do not think that that is being naïve or stepping away from our own responsibilities.

Q182 Royston Smith: That is not really my point. The rules-based order is what it is, and the Chinese would be right to say that we had no involvement in drawing that up. But what is the answer, then—that interference, which we accept is going on, would be acceptable in a new international order, as opposed to the current order, where it is not acceptable?

This is for you; my opinion is probably different. Because the rules were not written by the People's Republic of China, that does not give them the right to interfere in other people's countries, in the way that we think they may be doing, does it? A change in the rules-based order would not say, "Well, that would be acceptable, then," so those two things are not compatible.

Mark Field: What I am saying is that we need to engage. I think, for example—you've perhaps alluded to it; maybe I am putting words in your mouth—

Royston Smith: I don't want to put words in your mouth.



Mark Field: This is in relation to national security, for example. I think we have got pretty robust procedures in place in this country to protect national security interests, whether that is in relation overseas students conforming to interests or the more liberal relationship that we have with a big provider such as Huawei. The protections that have come into place by having security services from GCHQ folk based at its HQ having safeguards for that critical national infrastructure.

Q183 **Royston Smith:** Are you comfortable with those safeguards? Should Huawei be allowed to be involved in our 5G infrastructure, for example?

Mark Field: As you know, there is going to be a major report on that whole issue, led by DCMS. Clearly, the FCO will hopefully have an important role to put some information into that. I would not want to prejudge that, but I think that is going to be a live issue that will clearly involve engaging with our partners, particularly our Five Eyes partners, to try to come to some common view on those issues.

Q184 **Royston Smith:** Will that be cross cutting between DCMS and the Foreign Office?

Mark Field: DCMS are leading on it; it is a DCMS-led initiative. It is a review of supply chain arrangements for all of the UK's telecoms arrangements, and that sort of future telecoms infrastructure review is designed, I think, to take a long-term view on the Government's approach to this. Our own view is that we want a strategic framework for the provision of world-class digital connectivity, and we feel that we can play a relatively leading role in this, but one has to recognise that China also has a strong passion for technology and the digital economy. The DCMS process is designed to secure supply arrangements to ensure that our digital connectivity and its ambitions are properly fulfilled.

Q185 **Mr Seely:** On this point, you are perfectly happy that every other Five Eyes country has basically said no to Huawei except this one, and you are happy that Huawei is involved in this country as it is, despite the fact that either the former or current—forgive me—FBI director said that Americans should not buy Huawei kit.

Mark Field: Huawei have had long-standing interests in the USA. They are regarded as a very good employer and have a number of bases there. Clearly, it has come to a head in recent days in relation to Canada, because they do have an operation in Canada, so it is not as though they have been blocked out of all other Five Eyes countries at all. The Australian situation, as I say, has been somewhat different for some years, so it is not as though we are entirely an outlier on this issue. The joint venture with BT goes back a decade and a half.

Q186 **Mr Seely:** Yes, but we are becoming an outlier, because basically you have the head of the FBI saying that people shouldn't use Huawei kit. The Americans are effectively blocking Huawei from any infrastructure projects and they are looking with great concern at their software, even their mobile phones—the head of the FBI was saying, "You shouldn't buy Huawei mobile phones." That was what he was saying. The Australians



HOUSE OF COMMONS

have had a major change of heart over Huawei; New Zealand likewise, in part because of broader Chinese infiltration and influence, and an unhealthy covert influence in those countries' political systems. We are beginning to look like an outlier here, and one has to ask, is that wise? Are we in the right?"

Mark Field: You have touched on the system. Both in relation to Australia and New Zealand, as you say, there was a direct influence on the political system, something that has—at least to my knowledge—not been an issue here in the UK. The issue with Huawei, which I suspect was not the only infrastructure company from China, was a reaction to what had happened with, essentially, espionage within the political system in those two countries.

I was asked a specific question in relation to what is going to be an urgent DCMS review looking at our longer-term digital supply chains. Clearly, the FCO will have a role to play to pass on both concerns and, one hopes, constructive suggestions in relation to that review, but that is going to be in the hands of another Government Department.

Q187 **Mr Seely:** Can we talk about human rights? Do you believe that China's treatment of the Uighur population in Xinjiang has received appropriate international scrutiny, and what more do you believe could be done?

Mark Field: We are concerned that human rights are deteriorating in China in many areas, especially in relation to civil and political freedoms. I want to take this opportunity to recognise the courage—as we have seen only today—of the human rights defender Huang Qi, the founder and director of 64 Tianwang Human Rights Centre, whose trial took place yesterday. We play an ongoing role in supporting and monitoring what is going on from within China.

In the context of the Uighur in Xinjiang state, it is worth pointing out that that is a minority that has been—as they would regard it—under oppression for a considerable time. It is also worth pointing out that violent outbursts in 2009, shootings and stabbings, led to the more recent, more high-profile clampdown. In our view, that was disproportionate and discriminatory, being particularly focused on the large Uighur minority of around 8 million in the Xinjiang state. As you may know, the new party secretary Chen was appointed in 2016, having won his spurs, as it were, in Tibet. He gave a clear sign of wanting to clamp down in the broadest way.

This has become a more high-profile issue; the international press have made a lot more of it. Our particular worry is for the implications of the surveillance and monitoring; presumably, if they are focused on 1 million dissidents, as the Chinese authorities might see it, they could be pushed out to a far larger number of people.

The situation is particularly concerning. We have expressed concerns; I certainly did when I was out in China as recently as July, and I know that the Foreign Secretary also has expressed concerns to counterparts about the reports that we hear.



HOUSE OF COMMONS

Q188 Chair: Minister, forgive me: could you keep your answers a little shorter and tighter? We will run out of time shortly and I know many people will want to get into the Chamber before the vote.

Mark Field: I am sorry. I am shocked that there might be any conflicting arrangements today.

Chair: I know you understand.

Mark Field: Obviously, the human rights issues are important simply because China was also a signatory to the 1948 universal declaration of human rights. That is why we hold them to account.

Q189 Mr Seely: How does the FCO plan to respond to Chinese attempts to deflect human rights criticisms at the United Nations? What are we doing at the UN to try to get this high up in the debate?

Mark Field: Annual reports take place in Geneva. We express concerns not just about China but about countries where there are human rights issues. We routinely raise concerns. Specifically on this issue, it may well be that we and others will bring this up.

Q190 Mr Seely: You say, "it may well be". Is it being brought up? What are we doing?

Mark Field: We are certainly expressing some deep concerns.

James Kariuki: In the Human Rights Council session this year, both in September and in the peer review session in October, we called out quite robustly and clearly our concerns about the situation in Xinjiang—probably more loudly and clearly than you would have seen in the past. It was not just the UK—we had European statements and other member states saying the same thing. We have been quite clear about our concerns in the right UN body.

Q191 Mr Seely: As well as being a country that is not living up to its international obligations, oppressing a very large number of its own people and building up a security surveillance state, which they are doing anyway and which we know about, is there also a risk that China's actions in Xinjiang could lead to an increase in indigenous terrorism, which has the potential to spread elsewhere?

Mark Field: That is speculative, of course. As I have alluded to, back in 2009 it was because of the terrorist risk. When I was out in Xinjiang back in 2004, less than three years after 9/11, we saw the first signs—I do not want to overstate it—of little bits of tension between what was a significant Muslim minority in mosques and the like.

We highlighted our serious concerns at the 39th session of the UN Human Rights Council in September, and called on China publicly to release those detained for peaceably and peacefully exercising their rights. Many of those detained we judge not to have been guilty of anything that could be regarded as terrorism.

Q192 Chair: We are already seeing comments on jihadi websites about the rise



HOUSE OF COMMONS

in jihadist focus on Xinjiang and the Uighur population. Clearly, there is a risk of greater radicalisation, which would affect us all, including here in the UK.

Mark Field: Obviously, that is not desirable but yes, that radicalisation is by no means isolated to the Uighur in Xinjiang—there are other parts as well.

Q193 **Mr Seely:** But Minister, that is not the point we are making.

Mark Field: I'm not in any way belittling your point—you are right.

Mr Seely: We are not criticising what China is doing in that province; we are saying that here is another potential lever for extremist jihadi groups throughout the world to manipulate. We have invested very considerable amounts of time and money in fighting those extremist jihadi groups in the Middle East. Clearly, if there is a sense of injustice that is being fuelled in other parts of the world, it will have a knock-on effect and drive extremist jihadis.

Mark Field: Yes, but one could argue that the Duterte Government in Mindanao did the same. They would argue that they were clamping down and trying to stop the terrorist action. While it is too early to say, and I'm not in any way being complacent about it all, the biggest concern that many of us had about the large number of Rohingya going from Burma to Bangladesh was the risk that they could be radicalised in the camps. Mercifully, nothing has happened to date, but we are not in any way complacent about that.

Q194 **Mr Seely:** What risks do you see in UK involvement in the Belt and Road Initiative?

Mark Field: Let me just touch on that. You will appreciate that, as the Member of Parliament for the Cities of London and Westminster, I have worked fairly closely with the City and with professional service companies that are active in this. There is no doubt that there is a huge need for good quality infrastructure not just in China, but in the whole of Asia. The BRI major launch, which took place in May 2017, identified some \$3.5 trillion that will be required to cater properly for the UN's sustainable development goals on electricity and water alone. All of us hope that the Belt and Road Initiative, along with other initiatives such as the Free and Open Indo-Pacific strategy promoted by Japan, the US and others will help fill that gap.

Q195 **Mr Seely:** Is there a danger that China is simply exporting its debt? I'm not saying this is right or wrong; I'm just asking for your opinion. There is an argument that rather than be involved in something that is slight job creation and slight debt export on the part of the Chinese, we should be more wary of it and distant from it. A lot of the countries that might now be saying yes to the Belt and Road Initiative might be very uncomfortable with some of the political and economic costs in the years and decades ahead.



HOUSE OF COMMONS

Mark Field: Obviously, we are interested in some of the potential commercial opportunities for UK companies that will arise from the Belt and Road Initiative, not least those that are well beyond the Chinese border in countries where we already have strong links. We are pretty clear-eyed and have made it plain that some risks are attached. You touched on it: some countries already have difficult experiences with BRI-branded projects. The debt for the Hambantota Port in Sri Lanka has been written off in a debt-for-equity deal. One of our concerns, and one of the reasons we have not signed the Belt and Road Initiative's memorandum, is that we feel that there should be transparency and that it should adhere to international standards on debt sustainability, which is not the case to date.

Q196 **Mr Seely:** What is the FCO's role in advising UK businesses on the risks and opportunities of taking part in BRI? If I come to you and say I'd like to be involved, are you very clear-eyed on the risks and opportunities that you are explaining to UK firms?

Mark Field: Obviously we have a Department for International Trade to do that. In Sir Douglas Flint, we have a Prime Minister's envoy on the BRI, so this is driven at the highest possible level. We feel that it offers significant commercial opportunities for the UK, particularly in some of its sustainable infrastructure, financial and legal services, and innovation and technology in areas where we already have quite substantial expertise. As I say, it is pretty close to my own heart, given that a lot of that comes out of the City of London.

Q197 **Mr Seely:** Briefly—I do not want to get dragged down a side issue—you have a PM's envoy on BRI, you have the Department for International Trade owning the project, and you yourselves are running the strategic relationship. I wonder if there is a diffusion of power, so actually we have become less than the sum of our parts because you have so many different ones. Just on this issue, you have No. 10, DIT and yourselves involved. How do you co-ordinate and integrate?

Mark Field: Sorry—Sir Douglas Flint is the Chancellor's, rather than the Prime Minister's, envoy. Having him running this thing, essentially with Treasury approval, gives the clearest indication. He spends a significant amount of time out in China working with his counterparts to talk through particular projects there.

The risk potentially of Government Departments holding firm I do not think leads to a diffusion. In many ways, I think it allows us to work quite strongly. From our own perspective, in the FCO we have the diplomatic overview and the range of connections with our embassies and high commissions in many of the relevant countries, but it is a Treasury and DIT responsibility to sort out these programmes.

Kate White: Can I add to that? I think that with something as all-encompassing as the Belt and Road Initiative you would probably hope and expect that there are a number of different parts of Government involved. We need DFID to advise on things like development standards.



HOUSE OF COMMONS

There will need to be involvement from the Treasury and from DIT on commercial aspects, but obviously from the FCO we also need to look at the strategic aspects as well.

Given that this initiative is also happening in many countries around the world, there will be all sorts of embassies that can help to advise businesses, for example, that want to engage in specific projects and so on. It is not a deficiency that many different parts of Government are involved, but a necessity.

Q198 Mr Seely: I think you have partly answered this, but are the Department for International Trade and the Treasury guided by FCO advice when they implement UK engagement with Belt and Road?

Mark Field: We are able to advise. As for whether they are guided by our advice alone, they have their own expertise and connections. I do not think it is the case that the FCO will guide other Departments, necessarily, but I hope that there is a lot of strong collaboration.

For example—this is something that we will hopefully reflect on in a future appearance that I might be lucky enough to make before you—tomorrow I am going to have a cross-departmental meeting about our ASEAN relationship, with Ministers from half a dozen different Departments. I will be co-ordinating that, but I would expect many of my fellow Ministers to take initiatives off their own bat without feeling that they have to second-guess what the FCO might be thinking in relation to it.

Q199 Mike Gapes: Minister, how does the British Government's support for the Belt and Road project, and particularly the China-Pakistan Economic Corridor, affect relations with other countries in the region, specifically India?

Kate White: That builds on what I just mentioned. Obviously, the Belt and Road is an initiative that is happening in many places in the CPEC. India has made clear its concerns about aspects of the Belt and Road. As part of the advice that we give to businesses as HM Government, we make it clear that if companies are making decisions, they need to make their own risk assessments, but our high commissions in relevant places where there are issues—for example, of disputed territories—will be able to give advice. I think that is quite pertinent in the case of India and Pakistan, where India has raised certain specific concerns.

Q200 Mike Gapes: You are talking about the Gilgit-Baltistan disputed area, and the fact that the "UK does not support commercial projects in disputed territories", to quote the note that was sent to us from the FCO relating to our India inquiry, which we are running in parallel to this one. That is what you mean specifically, is it?

Kate White: Yes. It is also a general point that that is exactly the sort of thing that embassies or high commissions are well placed to explain—regional sensitivities or potential reputational risks about things that, sitting at a headquarters, it may be tricky for a business to understand.

Q201 Mike Gapes: Getting away from British businesses, what about our



relationships at a state level with India and China? Are there trade-offs between those relationships? Do we have the right balance?

We have been told that the perception is that the UK prioritises relations with China rather than relations with India. It may not necessarily be an example that is correct, but people quote the discrepancy that the two-year multiple entry visa to the UK costs four times as much for Indian nationals as for Chinese nationals. That is perceived as a symbol of a priority that is given to China, but not to India.

Mark Field: Let me say that we have what we call an “All of Asia” policy that applies to the big three in economic terms—China, India and Japan—but also increasingly to ASEAN as well, and we look to work as closely as we can.

Specifically on whether the UK-China relationship impacts on the UK-India relationship, I don’t believe that is the case at all. We feel that we have very strong relations with both countries. They are not identical relations, but I don’t think that is a matter of playing one end off against another. We feel that we are active and have the right approach across the region.

With India, obviously our shared democratic values mean that, for example, we have a closer relationship and a very strong relationship on the technology side. In relation to cyber-security and the like, we have a very strong relationship with India. That often reflects on the strength of our diaspora. Likewise, there is a significant Chinese diaspora, as I am well aware, who trade in a range of different areas.

Although there may be the differences that you have highlighted with visa arrangements, it is certainly not the intention of the FCO to give preference to one over another. It reflects a particular decision that was made in relation to the UK-Chinese relationship on their visas, and an arrangement that probably is not going to be replicated anywhere else across the world.

Q202 Mike Gapes: Would you expect that to change if we left the European Union—that we would have to relax the visa regime on India?

Andrew Rosindell: When we leave.

Mark Field: I am watching Andrew Rosindell, who is concerned you are using the subjunctive in relation to the events of 29 March!

I think we will obviously look at things on a case-by-case basis. To answer your question very directly, there is no sense of there being a pecking order and a priority and preferences between India and China, or indeed between those countries and others in this regard.

Q203 Mike Gapes: You mentioned in an earlier answer the evidence session we had with the former Australian Prime Minister, Kevin Rudd. One of the issues that we touched on at that time was security and the so-called quadrilateral security dialogue that Australia, Japan, the US and India had established. There is a lot of history there that I won't go into, but in April, there was a joint declaration by our Government and India, in which we



HOUSE OF COMMONS

said that a “secure, free, open, inclusive and prosperous Indo-Pacific is in the interests of India, the UK and the international community”. What do we mean by a free and open Indo-Pacific, in practice?

Mark Field: You refer to that particular meeting early last year of the Quad. The notion and idea of the Quad is a partnership of countries with similar views on the rules-based international system. As such, we worked closely with those particular members. As you know, Prime Minister Abe was in town at the end of last week; I think at that point we emphasised our commitment with Japan to working together to strengthen the rules-based system through practical co-operation, connectivity and security in support of Japan’s free and open Indo-Pacific strategy, to which you referred. We see this as an important part of what we are trying to do broadly in the region.

Q204 **Mike Gapes:** Can you be more specific about what you mean by “free and open”? Does that mean freedom of navigation?

Mark Field: I suspect we may yet come on to the South China sea thing. Yes, we believe that the freedom of navigation is a vital safeguard. We want to see it maintained and will work closely with all countries, particularly with allies in that region, to ensure that there is free navigation.

Q205 **Mike Gapes:** Finally, do you think that we are interested as a country in strengthening our relationships with the Quad, following the visit of Prime Minister Abe?

Mark Field: I think we want to strengthen relations with all countries, and particularly with the Quad.

Q206 **Chair:** Very quickly: from the FCO’s perspective, what is the strategic aim of the UK freedom of navigation operations in the South China sea?

Mark Field: The top line, I would say, is that I think it is worth understanding the concerns that China feels—

Chair: I think we understand—

Mark Field: Well, I think we always think it is a matter of asserting military muscle or—

Chair: No, I think we understand—

Mark Field: There is a vital trade link. The trade routes available, not just in the South China sea but in the straits of Malacca, are vital for China’s continued economic success, whether that is through crude oil or the export of goods—generally the free passage of exports.

It is also worth saying that it is not that we take sides on these matters. We recognise that two thirds of global trade passes through the South China sea. We fully stand up for the UN laws of the sea, upholding existing arbitrations, freedom of navigation and overflight. We are therefore concerned by any moves towards militarisation of disputed features and



HOUSE OF COMMONS

by any limits that might be placed by any partners in the region on the freedom of navigation.

Q207 **Chair:** What effect do you think we have actually had?

Mark Field: As you know, we have had three ships out in the region during the course of the last year: Sutherland, Argyll and Albion. The message is coming loud and clear; I was in Vietnam the first week of this year, and I think many countries are pleased to see that the United Kingdom, along with others, is standing up to ensure that there is that free navigation.

Q208 **Chair:** So what effect do you think we have actually had? Good will—is that it?

Mark Field: Well, there is some substantial good will, but I think it is also making an important case for free movement and free navigation at a time when perhaps there is a concern about those issues, particularly in this region, given how important they are.

Q209 **Royston Smith:** Was the FCO consulted before the Defence Secretary publicly discussed plans for new military bases in the far east?

Mark Field: Obviously there are ongoing conversations that take place between the FCO and the Ministry of Defence on a range of issues. I am sure, knowing the importance that the Foreign Secretary attaches to this part of the world—as you know, he is very keen on the Asia relationship—that there were full discussions that took place, but I wasn't party to those conversations directly.

Q210 **Royston Smith:** Ah—I was going to ask what you meant by saying that you were sure that it was discussed. There is probably no point in my asking you what advice you gave him, then. But you understand that those discussions took place?

Mark Field: As I understand it. As you know, and as I have alluded to, three significant ships have been in the region during the course of the past year. There have been ongoing discussions. I met up with Sutherland, both in Fremantle in Western Australia and in Tokyo during my visits there last year, in February and April respectively.

Q211 **Mike Gapes:** On the WTO, are we vocal enough about unfair Chinese trade practices, including on intellectual property and market access? Do you and the Government think that China provides a level playing field for foreign businesses to operate there?

Mark Field: Obviously the mechanism for that, other than bilateral consent, is through the WTO. We welcome China's support for the WTO, which is the centre of the rules-based multilateral trade system, and we welcome and would support its constructive participation.

As you know, there are some concerns at the moment about the current crisis facing the appellate body of the WTO. I think it is worth recognising, as we make pretty plain, that China itself has been a major beneficiary of the trade liberalisation and stability enabled by the WTO. We encourage

China, and indeed all other countries that are beneficiaries, to ensure their full compliance with all their commitments.

Q212 Mike Gapes: You didn't answer my question about the level playing field.

Mark Field: Okay. I apologise for not fully answering. We have expressed concerns about what we regard as, at times, burdensome and uneven conditions that too many companies—not least UK companies—face in their trade and investment in China. For example, as a condition to accessing its market, China requires foreign companies to build plants in China, to create joint ventures with local companies. There is no reciprocal restriction on Chinese companies entering the UK market.

We understand that China plans to phase out joint venture requirements in a number of sectors, including financial services and the aerospace and automotive industries. We would obviously like to see that happen with some speed. Such issues raise the costs for UK business in China. We would make the case that they disincentivise UK firms from entering that market.

These are live discussions that we continue to have with our Chinese counterparts. Couching them in terms of Chinese self-interest is a sensible way to put those arguments across.

Q213 Mike Gapes: When China joined the WTO, it was as a non-market economy. That was for a 15-year timespan, which expired in December 2016. As you know, there is an ongoing legal challenge about the whole question of market economy status. Some countries, including Singapore and Australia, have recognised China as a market economy. What is our view on that?

Kate White: As part of the European Union, we are still working with European partners on that issue. It is not something that we, in the FCO, have a distinct view on.

Q214 Mike Gapes: When you say “working with European partners”, do you mean that the European Union, along with the US, has refused to grant market economy status to China?

Mark Field: Resisted for now, at least.

Q215 Mike Gapes: Will that remain our position in the future, when the UK is outside the European Union?

Mark Field: Oh, we're leaving now, are we?

Mike Gapes: If we leave.

Andrew Rosindell: When we leave.

Royston Smith: When.

Chair: Let's not get into that.

Q216 Mike Gapes: I am being serious about the position of the UK Government

as regards a very important matter.

Mark Field: I know. It is an important matter. Mike, you will appreciate that it is an issue that, because of our membership of the European Union, we have not had to take a direct position on.

Q217 **Mike Gapes:** Exactly. It is a collective position that we agreed to.

Mark Field: We have. You will obviously be well aware, with its 16+1 arrangements, that China is able to lobby, with other members of the EU, for its particular stance as well. It is not something that I am able to satisfy you on today.

Q218 **Mike Gapes:** Could you ask your colleagues, whether in the Department for International Trade or somewhere else, to give us some further information about the position the Government will take after 29 March?

Mark Field: It is something that we are not focusing too much attention on this side of 29 March, but we will do so as a matter of urgency afterwards.

Q219 **Chair:** In that case, can I move us on? Briefly, if I may, there are clearly some questions around the quorum of the appellate body of the WTO. Have you spoken to the Chinese Government about any reforms of the WTO, and have you had any support?

Mark Field: In fairness, that is broadly an issue that would be addressed by my counterparts in DIT.

Chair: Fine. Let's move on then.

Q220 **Andrew Rosindell:** If I could briefly return to Hong Kong, Minister, how do you respond to some suggestions coming from China that the Sino-British Joint Declaration is no longer relevant? Could you also tell the Committee what the FCO is doing to ensure that Hong Kong's autonomy and freedoms are protected?

Mark Field: I had a second visit, as a Minister, to Hong Kong as recently as mid-November. As you know, we have a legally binding treaty with China on Hong Kong—the Sino-British Joint Declaration of 1984, which is registered within the UN. We take very seriously our duty to uphold the faithful implementation of that deal. As I saw for myself on my most recent visit, it remains a very vibrant, thriving city, and there are huge commercial opportunities there.

Most provisions of the Joint Declaration are being implemented faithfully. We will continue to publish a sixth-monthly report to Parliament—the Foreign Secretary publishes it. We judge, and we will continue to, as much as there is some criticism of this matter, that "One country, two systems" does generally function well, although I accept it is under pressure, especially in relation to free speech—

Q221 **Andrew Rosindell:** Are the Chinese keeping their side of bargain, in your opinion?



HOUSE OF COMMONS

Mark Field: There is pressure on this, with the banning of the *FT* journalist, Victor Mallet, about whom I made very firm representations. It came to head, actually, while I was out there.

I guess, to be honest, our concern is that, in relation to visas for journalists and the outlawing of the Hong Kong National party, they have breached the spirit rather than the letter of the Joint Declaration. Again, we will make representations. Our analysis is that the letter of that Joint Declaration has not been breached by those actions, but we are very concerned about the encroachment on what we would regard as free speech, which we feel is an important part of "One country, two systems".

Q222 **Andrew Rosindell:** Do you feel, as I do, that the rule of law in Hong Kong is being undermined—that it is actually now seriously under threat if this trend is allowed to continue? Given the UK's provision of judges to the Hong Kong Court of Final Appeal, do you see a potential reputational risk to the UK if the rule of law in Hong Kong continues to be undermined in that way?

Mark Field: I raised all these issues with the Hong Kong Chief Secretary Matthew Cheung during the visit I made in November, and I know that the Foreign Secretary has also raised those concerns. Specifically on the rule of law and its functioning, I do not think there is any doubt that confidence in the rule of law is absolutely essential for "One country, two systems" to properly operate. Despite the recent challenges, I believe that the rule of law remains robust.

When I was there in November, I raised the issue of the rule of law with the Deputy Chief Justice, as well as with representatives of the legal, political and business communities. They all staunchly defended the independence of the judiciary. You will be aware that a number of leading judges and retired judges, such as Lord Hoffmann and Brenda Hale from the Supreme Court, are going out there as visiting judges. They would not undermine their reputation if they felt for one minute that there was a concern about the independence of the judiciary out in Hong Kong. That aspect I am confident about.

As I say, we are concerned that there are breaches to the spirit of "One country, two systems", not on the commercial side at all, but in terms of the freedom of expression and personal rights. But I do not think that that reflects on the independence of the Hong Kong judiciary, which I think remains very robust.

The irony is, going back to the Belt and Road Initiative, that for that to succeed, it is very evident that it needs the reassurance of the international capital markets of a financial centre such as Hong Kong. The case that we make—it is a concern—is that an encroachment on individual rights can't be entirely ring-fenced from commercial rights. All the lawyers, bankers and others I spoke to felt that that was being upheld very well under one country, two systems. There is a concern that, once you have started encroaching on individual rights, that will begin to impact on the sentiment, as much as anything else, for the success of Hong Kong.



HOUSE OF COMMONS

Its commercial success is an important part of the overall success of the Chinese economy.

Q223 Andrew Rosindell: Thank you for that comprehensive reply. One final question, Minister, before we have to finish. Do you think that China—there is evidence of this—is becoming more assertive in challenging Taiwan’s participation in international institutions and in its contacts with countries such as the UK? What is the UK doing about that to assist and support Taiwan, which is a very close friend and ally to the UK and an important trading partner?

Mark Field: As you know, our long-standing policy on Taiwan is that we don’t recognise it as a state, and that hasn’t changed. Our position that this issue should be resolved through dialogue, in line with the views of the people on both sides of the Taiwan strait, is also unchanged. What that means in practical terms is that, although we deal, through Government, with Taiwan and the Taiwan authorities, for the purposes of the Foreign Office, Defence Ministers will not meet figures from the Taiwan institutions.

Obviously, one has recognised the sense in which the space for Taiwan is being crowded out on the international stage. In the course of 2018, three countries no longer recognise Taiwan, but do the PRC—the Dominican Republic, El Salvador and Burkina Faso. I saw for myself when I was in Nauru at the Pacific Islands Forum that six of the 16 Pacific islands still recognise Taiwan, but there is a lot of pressure from the Chinese. In fairness, Taiwan themselves also provide money for infrastructure projects in the countries that recognise them. There is a tit-for-tat battle that is being maintained.

Yes, there is a strength of feeling. Obviously, the change of Government in Taiwan in the last 18 months or so has had an impact on relations between the two countries⁴, so we step back. We want dialogue to ensure that those relations remain as cordial as possible.

Chair: Thank you very much, Minister, Ms White and Mr Kariuki, for your time. I end the session there.

⁴ Note from witness, should read as: ‘...has had an impact on relations between the two sides...’