



NATO PARLIAMENTARY ASSEMBLY

SUMMARY

OF THE MEETING OF THE

ECONOMICS AND SECURITY COMMITTEE (ESC)

Thursday 2 July 2020

By video conference

ATTENDANCE LIST

OFFICERS OF THE ECONOMICS AND SECURITY COMMITTEE

Chairperson Ivans KLEMENTJEVS (Latvia)
 General Rapporteur Christian TYBRING-GJEDDE (Norway)

NATO PA BUREAU MEMBERS

Vice-President Osman Askin BAK (Turkey)

MEMBER DELEGATIONS

Bulgaria	Tasko ERMENKOV
Canada	Cheryl GALLANT
Estonia	Jevgeni OSSINOVSKI
France	Philippe FOLLIOU Jean-Marie BOCKEL <i>(Rapporteur of the Sub-Committee on Transatlantic Economic Relations)</i> Françoise DUMAS
Greece	Marios SALMAS
Hungary	Laszlo György LUKACS
Italy	Cristiano ANASTASI <i>(Vice-Chairperson of the Sub-Committee on Transatlantic Economic Relations)</i> Matteo Luigi BIANCHI <i>(Vice-Chairperson of the Sub-Committee on Transition and Development)</i>
Lithuania	Ausrine ARMONAITE <i>(Rapporteur of the Sub-Committee on Transition and Development)</i>
Netherlands	Tom Van Den NIEUWENHUIJZEN
Norway	Kari Elisabeth KASKI
Poland	Michal Roch SZCZERBA <i>(Chairperson of the Sub-Committee on Transition and Development)</i>
Portugal	Maria Da Luz ROSINHA
Romania	Corneliu STEFAN
Slovakia	Peter KMEC
Turkey	Matus SUTAJ ESTOK Mevlut KARAKAYA Faik OZTRAK <i>(Chairperson of the Sub-Committee on Transatlantic Economic Relations)</i> Zehra TASKESENLIOGLU
United Kingdom	Harriett BALDWIN Douglas CHAPMAN Lord JOPLING John SPELLAR <i>(Vice-Chairperson of the Sub-Committee on Transatlantic Economic Relations)</i>
United States	Neal DUNN Rick LARSEN Gregory Weldon MEEKS <i>(Vice-Chairperson of the Sub-Committee on Transatlantic Economic Relations)</i> Linda SANCHEZ Filemon VELA

ASSOCIATE DELEGATIONS

Ukraine Mariana BEZUHLA

EUROPEAN PARLIAMENT

European Parliament Rasa JUKNEVICIENE
Sandor RONAI

I. Opening remarks by Ivans KLEMENTJEVS (Latvia), Chairperson

1. The Chair welcomed the Committee to the first virtual meeting of the Economics and Security Committee (ESC). He provided the attendees with information on the structure of the meeting and reminded members of the tight schedule.

II. Adoption of the draft Agenda [113 ESC 20 E]

2. The draft agenda [113 ESC 20 E] was adopted.

III. Consideration of the draft General Report on *China's Belt and Road Initiative: A Strategic and Economic Assessment* [033 ESC 20 E] by Christian TYBRING-GJEDDE (Norway), General Rapporteur

3. **Christian Tybring-Gjedde** (NO) presented his draft report on [China's Belt and Road Initiative: A Strategic and Economic Assessment](#) to the Members of the Committee and then, opened the floor for comments and questions.

4. **Ivans Klementjevs** (LT) asked the Rapporteur about Norwegian thinking on Chinese activity in the Arctic. He was also interested in what a European Response to the BRI might look like.

5. Christian Tybring-Gjedde replied that Chinese activity in the Arctic was a new phenomenon for Norway, but he said that it would be important to take a balanced approach towards China. He also noted that the EU, rather than a small nation like Norway, might be better placed to engage with China.

6. **Harriett Baldwin** (UK) thanked the Rapporteur for a very good report. She asked if it would be possible to elaborate more on the digital element of the BRI and also on the naval activity in the Atlantic Ocean, particularly submarines?

7. Christian Tybring-Gjedde suggested that the 5G issue is most problematic because what might be the best approach in the short-term could undermine transatlantic interests over the long-term. Mr Tybring-Gjedde took note of the issue of growing naval activity in the Atlantic.

8. **Douglas Chapman** (UK) enquired if NATO has any particular concerns about currently ongoing Sino-Russian collaboration. Mr Chapman was also interested in what kind of discussions NATO should have with the Arctic countries.

9. Christian Tybring-Gjedde argued in favour of a measured approach, otherwise NATO countries risk pushing Russia and China closer together. He conceded that balancing economic and security interests will be difficult but maintained that currently there are few reasons to think of China as a military threat to NATO.

10. **John Spellar** (UK) noted that China has been following a twin-track approach undermining international institutions, but also trying to gain control over them. Mr Spellar also stressed the need for a common transatlantic policy to ensure that China abides by its international commitments. He also noted that it would be important to consider China's weaknesses as well as its strength.

11. Christian Tybring-Gjedde warned that zero-sum logic could be misleading. He underlined the importance of continuing commercial relations with China, while also engaging China on things that are important to NATO countries.

12. **Rick Larsen** (US) pointed out that the US House of Representatives House Armed Services Committee has recently reiterated its strong support for NATO. He also asked whether the

United States, Europe, Japan, and other like-minded powers should address the BRI collectively or separately.

13. Christian Tybring-Gjedde thanked Mr Larsen for US support for NATO. He reiterated the need for a careful approach towards China but promised that the matter of greater Allied cooperation on matters pertaining to China would be explored in the next version of the report.

14. **Philippe Folliot** (FR) pointed out that the BRI could create an opportunity for China to increase its dominance in space, particularly on matters pertaining to satellites. Therefore, he urged the Committee to consider this space aspect in the next report.

15. Christian Tybring-Gjedde assured Mr Folliot that he would address these matters in the next version of the report.

IV. Consideration of the Special Report, *The Economic Consequences of the Covid-19 Pandemic* [094 ESC 20 E] by Christian TYBRING-GJEDDE (Norway), General Rapporteur

16. **Christian Tybring-Gjedde** (NO) presented his other draft report on [The Economic consequences of the COVID-19 Pandemic](#) to the Members of the Committee and then, opened the floor for comments and questions.

17. Ivans Klementjevs asked whether there should be more information about good government responses in the report.

18. Philippe Folliot drew attention to the parallels between COVID-19 and chemical/biological warfare. He added that China's failure to reveal the nature of the Covid-19 problem when it first emerged had delayed the Euro-Atlantic response.

19. Christian Tybring-Gjedde answered that the first response of governments had been to close down borders, and this triggered a beggar thy neighbour type of scenario. In the future, he said, the international community will require agreed and clear procedures, and international solutions will have to be part of the response.

20. **Neal Dunn** (US) contended that a collective strategy is needed to ensure that NATO nations can provide a rational alternative to Chinese investment offers, both within NATO members as well as in other countries.

21. Christian Tybring-Gjedde agreed that governments may need to rethink how they conduct trade and structure economies. He concluded by thanking members for their suggestions which will be incorporated into the final version of the report.

V. Any other business

22. No other business was raised by the members.

VI. Date and place of the next meeting

23. The Chair reminded the members of the upcoming meeting of the Committee in September.

VII. Closing remarks

24. The Chair thanked the interpreters, NATO PA staff, the Rapporteur, support staff and Committee members for their hard work and constructive participation in these difficult times.