

## **European independence of the People's Republic of China in the pharmaceutical and academic sector**

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### **Recognizing that:**

- The global order is changing rapidly and totalitarian regimes are using their economic instruments for political goals, and therefore the EU has to become more independent in sensitive sectors and rethink its partnerships.
- The COVID19-pandemic and the current Russian invasion of Ukraine have taught us how problematic it is to be strongly dependent on autocratic regimes like China or Russia.
- The People's Republic of China is following an aggressive and exploitative global strategy.
- The Chinese state's efforts to acquire technology and expand its influence in academia are a central part of its long-term strategy of influence and espionage operations. It is a global, organized and consistent campaign that is also taking place on European territory.<sup>[1]</sup>
- The People's Republic of China often exerts its influence also through its government-controlled Confucius institutes operating at local universities. Those institutes are China's main source of soft power on opinion making at European universities.<sup>[2]</sup>
- Receiving funding from China can influence European universities' abilities to make independent decisions.<sup>[3] [4]</sup>

### **Acknowledging that:**

- The EU relies on imports for many strategically important medicines, with more than 80% of the active pharmaceutical ingredients (APIs) coming from outside the bloc.<sup>[5]</sup>
- The Member States are importing 42,4 % of their antibiotics<sup>[6]</sup> and 70 % of the underlying ingredients of medications from the People's Republic of China.<sup>[7]</sup>
- In the winter of 2022/23, many member states ran out of important medication due to delays in delivery.<sup>[8]</sup>
- In March 2020, through the Industrial Strategy for Europe, the European Commission (EC) has proposed to promote domestic production of APIs and finished medicine.<sup>[9]</sup>
- Since November 2020, based on the Pharmaceutical Strategy for Europe, the EC has initiated a structured dialogue with relevant institutions to gain better understanding of potential supply chain vulnerabilities and to ensure the security of medicine supplies to the EU.<sup>[10]</sup>

### **YEPP calls on:**

- The EU member states to encourage their universities not to accept financial funding or other means of support from PRC's entities and implement stricter due diligence processes, risk & strategic alignment assessment and ethical guidelines when accepting external financial support.

- The EU member states to withdraw their financial support through EU funds for those European universities, which are co-financed directly and indirectly by PRC's state entities.
- The EU member states to raise awareness among their universities of the danger of entering into cooperation through contracts with the Chinese Confucius Institute which grants the Institute access to the decision-making processes of the universities, can lead to constraining academic freedoms and can have undue influence on the academic curriculum.
- The EU and its member states, while engaging in discussions with public and private manufacturers, should enhance the resilience of its supply chains through the concept of "friend shoring" when it comes to critical medical goods. This approach involves diversifying resource procurement within a network of like-minded countries that uphold democratic values and operate under free-market systems, developing joint contingency plans, increasing strategic stockpiles of crucial medications, and fostering collaborative partnerships to ensure a steady and dependable supply of critical medical goods.
- An allied 'circle of free-market democracies'<sup>1</sup>, reducing their dependence on authoritarian regimes.

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<sup>1</sup> Including crucially Taiwan.