EU-China 2030

European expert consultation on future relations with China

STUDY

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The EU’s relations with China are changing rapidly. What priorities, choices, challenges and opportunities might emerge for the EU in its dealings with China over the next decade? This study presents the results of an expert survey on the future of EU-China relations. 171 China observers took part, drawn from among European think tanks, EU institutions and a China-focused European youth network. A synthesis of the responses reflects the considerations, insights and advice of Europe’s China knowledge community on the EU’s approach to China looking ahead towards 2030.
Executive summary

In a digital survey, 171 China observers from among the EU institutions, European think tanks and a European China-focused youth network provided thousands of answers to questions on the future of EU-China relations. They shared their input on the priorities, strategic choices, strengths, weaknesses, opportunities and threats for Europe in its relations with China in the coming decade. This paper synthesises the considerations, insights and advice of Europe's China knowledge community on the EU's approach to China towards 2030 as gathered in this consultation exercise.

The priority areas for EU-China relations in the coming decade, based on how often they were flagged by respondents, are, firstly, cooperation for climate and sustainability, and secondly, reducing supply-chain dependencies and protecting intellectual property.

For strategic choices in eight key policy areas, the respondents prioritised the following options:

- Infrastructure: increased regulation and alternatives for Chinese-financed projects in the EU.
- Investment: renegotiate the Comprehensive Agreement on Investment.
- South China Sea: consider engaging in joint maritime patrolling of the area with partners.
- 5G networks: introduce regulations or additional security standards for Chinese suppliers.
- Technology: regulate research cooperation with Chinese actors more actively.
- Media: monitor and restrict Chinese ownership or financing of European media.

Respondents’ SWOT analyses of EU relations with China to 2030 stressed some common themes:

- Strengths:
  - A large economy and market access to be leveraged.
  - Advanced technological capabilities.
  - Europe's normative power.
  - International partnerships, hedging power and influence.
- Weaknesses:
  - Internal divisions and a weak common foreign and security policy (CFSP) mandate.
  - Economic and technological dependencies on China and the United States (US).
  - Hybrid threats from Chinese influencing activity through media and communications.
  - Lacking expertise on China.
- Opportunities:
  - Cooperation on climate and innovation.
  - European value promotion and standard setting.
  - Turn towards more realist and strategic policy-making on China.
  - Diversifying partnerships with third countries amid US-China rivalry.
- Threats:
  - European disunity and policy-making inertia.
  - Hybrid and systemic threats, including cyberattacks and disinformation.
  - US-China geopolitical tensions.
  - Supply dependencies, infrastructure vulnerabilities and falling behind in technology.

Looking ahead to 2030, European policy-making concerning China will likely gravitate further towards systemic rivalry through internal resilience building and external coalition formation against authoritarian interference. Economic competition will witness growing unilateral leveraging of European market access to improve economic reciprocity with China and international partnership diversification for improved supply security. But despite popular hopes, EU-China cooperation on climate and global issues risks stagnating further in the coming decade.
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Introduction

Building on the responses of 171 European China observers from among think tanks, EU institutions and a youth network, this expert consultation report presents the considerations, insights and advice offered by Europe’s China knowledge community for the EU’s approach to China to 2030. In an online survey, the participants shared their perspectives on several dimensions of Europe’s relations with China in the coming decade: priorities, strategic choices, strengths, weaknesses, opportunities and threats. The findings from this EU-China 2030 expert consultation exercise are reported and discussed below, but we first set the context by recapitulating important recent developments in EU-China relations and considering some previous anticipatory studies on this topic.

EU-China relations in recent years

In the past few years, EU-China relations have deteriorated rapidly, leading to a more critical and realist tendency in Europe’s approach towards China. Many in Europe believed that China’s modernisation, and its growing middle class, would make it converge politically with the West.1 The expectation was that China’s integration in the global economy would bring domestic reform and greater conformity to Western market and democratic principles. Progress in this regard long remained far behind expectations and long-standing European hopes were eventually thoroughly eroded by the increasing authoritarianism and market-distorting practices of Xi Jinping’s rule. As a result, the EU became more assertive in its perception on China, with its 2019 EU-China Strategic Outlook.2 Depending on the policy area, it simultaneously designated China as a ‘cooperation partner’ (on security, climate and multilateralism); ‘an economic competitor’ (on industrial policies, market access and innovation); and a ‘systemic rival’ (on the norms guiding international governance).3 This turn towards a more realist revaluation of Europe’s relations with China did not fit the Chinese narrative. Following the imposition of US tariffs in 2018, China shifted from refusing to compromise in negotiations with the EU to seeking an EU-China rapprochement. Officials, including China’s foreign affairs minister, identified global issues such as free trade, multilateralism and climate change as promising fields for cooperation.

While Chinese experts and diplomats often complained that the EU’s misinterpretation of Chinese intentions cause tensions between the two, there has also long been a divergence between China’s promises and its actions.4 Examples are a lack of reciprocity in market access, cyber security activities, and bypassing the EU during the pandemic despite expressing support for a unified Europe. China’s violations of human rights and democracy in Xinjiang and Hong Kong and the EU’s growing attention to these issues provide further barriers to mutual trust. More recently, China’s trade embargo against Lithuania in retaliation for the establishment of a ‘Taiwan Representative Office’ in Vilnius and Beijing’s unwavering support for Russia despite its invasion of Ukraine seem to have shattered whatever European trust remained.5 Over the past year, China has denounced the EU’s increasing exchanges with Taiwan, another growing point of contention in the relationship.

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Politically, EU-China relations have deteriorated, yet economic relations remain close. In 2020, China became the EU’s largest trading partner for goods for the first time, surpassing the US. But also here concerns abound: China is increasingly challenging European companies in technologically advanced sectors. Its reliance on intermediate (technologically less sophisticated) EU goods is also decreasing. On the contrary, the EU’s reliance on Chinese intermediate goods has continued to rise. Access to the Chinese market and cheaper inputs have furthermore come at the cost of forced technology transfers, distortion of fair competition through state-owned companies and subsidies, and the decline of European sectors such as the steel and solar panel industries. Since 2014, Chinese public investment funds have channelled 6 to 11 percent of China’s GDP into the development of strategically selected key technologies. The techno-industrial policy of China’s 14th five-year plan for 2021-2025 puts greater emphasis on self-sufficiency, the domestic market, and concerns over international dependencies in relation to national security. In its alarming 2021 position paper, the European Chamber of Commerce in China warned of mounting pressure on European corporations in China to decouple their data, cross-border supply chains and R&D from Europe and elsewhere. China’s mounting security requirements thereby force European firms in more and more sectors to move further external operations, facilities and resources into China, or leave the market altogether. Such policies effectively sacrifice growth for autonomy. China’s protectionist tendency of shielding its internal market, aggressively reshoring supply chains and favouring the consumption of domestic products, combined with its huge investments in high-tech self-reliance, could further aggravate the EU’s trade deficit and one-sided value chain dependency on China.

While Chinese investments in Europe have outgrown Chinese investments in the US, European investments in China remain severely restricted in many sectors that are considered sensitive. The help that Chinese companies receive from their government, including subsidies and simplified procedures, stands in stark contrast to burdens imposed on European companies looking to invest in China: joint venture requirements, market entry restrictions, obligations of technology transfer, as well as unjustifiable technical regulations, abound. The Comprehensive Agreement on Investment (CAI) to be ratified was agreed by the EU and China in principle on 20 December 2020, and included provisions for increased market access and a more level playing field. The CAI has been heavily criticised. Civil society criticised its lack of human rights and forced labour clauses. Think tanks emphasised its limited scope, vagueness and potential compliance issues in terms of market access, fair competition and sustainability. They also expressed concern about the deal causing damage to transatlantic relations, and leverage vis-à-vis China and European values. Since the exchange of sanctions in March 2021, by the EU on Chinese officials responsible for atrocities in Xinjiang and by China on European Parliament Members, among others, in retaliation, the CAI has remained frozen. There is no indication that this will change any time soon, and thus no near-term prospect of its ratification. Overall, a conundrum seems to be unfolding that is driving future uncertainty. While economic relations have become ‘too big to fail’, EU-China relations continue to deteriorate as the EU comes to terms with Beijing’s increasingly assertive foreign policy and direction towards economic decoupling in its internal policies.

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7 Mollet F., China’s grand industrial strategy and what it means for Europe, European Policy Centre, 2021.
Previous EU-China anticipatory work

The growing importance of China for EU interests in the world seems to have far outpaced the production of anticipatory analysis on the future of EU-China relations, but a small number of studies can be mentioned. For instance, a joint report by Bruegel, Chatham House, China Center for International Economic Exchanges and The Chinese University of Hong Kong titled ‘EU-China Economic Relations to 2025’, from September 2017, still concluded resolutely that the EU and China ‘are not strategic competitors’ and that the ‘strategic goal of the EU and China should be to move closer together in response to US uncertainty’. The study was partly funded by Chinese contributors, including Huawei. The report finished by proposing that the EU and China should coordinate on global governance issues such as trade, finance and climate change, and to strengthen multilateral bodies including the G20, the World Trade Organization (WTO), and the United Nations (UN).

In 2017, the European Union Institute for Security Studies (EUISS) published their ‘Chinese Futures: Horizon 2025’ study. The final section on ‘EU-China relations to 2025’ already observed that while China is opening up to the world through the Belt and Road Initiative and other external activities, internally it seemed to be closing itself off through increased restrictions on foreign investment, criticism of Western cultural influence, new security laws and shrinking space for civil society. It considered that during the next decade, China might finally introduce reforms and open up its market to foreign competition and investment following growing external pressure. However, the failure to do so would mean a stagnation the EU-China partnership. Since this report appeared, several factors have caused further stagnation: increasing Sino-scepticism in Europe following the exchange of sanctions and the freezing of the CAI, the harmful impact of Chinese security policies on European companies present in China, the trade embargo on Lithuania, and China’s tolerance of Russia’s invasion of Ukraine. At the time the EUISS cited the implementation of the Paris Climate Agreement, WTO reform, peacekeeping and development aid, as promising venues for deeper collaboration, while indicating cybersecurity and technological innovation as more sensitive domains. However, in her forecast for EU-China relations in the 2022 ‘EU & China Think-Tank Exchanges’ compendium, Françoise Nicolas pointed out that, while climate dialogue and WTO cooperation are traditionally mentioned as avenues for cooperation, actual progress on these fronts has remained uncertain and often elusive.

The Foundation for European Progressive Studies proposed in 2019 that the EU should use a three-pronged ‘defend, engage, maximise’ (DEM) approach in its relations with China for the next five years. The first component included defending European jobs, industrial competitiveness and technological sovereignty from China’s state-controlled economy and unfair trade practices, and EU fundamental values and principles from China’s authoritarian political system. The second was engaging with China to meet the targets of the Paris Agreement on climate change, strengthen the multilateral trading system and address global security challenges including in North-Korea and the South China Sea. Thirdly and lastly, it urged the EU to maximise EU-China relations to save the Iran nuclear deal and reform the international monetary system to reduce the dominance of the dollar.
to the benefit of the euro and the yuan. Like the EU-China Strategic Outlook, this multifaceted approach encouraged EU policy-makers to distinguish between policy areas where China is either a challenge to contain or a partner to engage in advancing EU interests.

In July 2021, the German Council on Foreign Relations presented a report on European lessons for 2030, including one scenario for Europe's geo-economic situation vis-à-vis China and the US. It details how the EU could lose the race for green and digital technology to the US and China and risk an internal split; northern and western European countries could prioritise alignment with US digital resources, while southern and eastern Member States could be attracted by China's cheap green energy technologies. An internal division like this could result from an EU failure to diversify its external partnerships and to mitigate its dependencies on either the US or China. It would weaken capacities and further erode autonomy against the background of US-China confrontation.

In January 2022, the Mercator Institute for China Studies (MERICS) presented its annual forecast for EU-China relations in the coming year. The majority of the 850 participants in this substantial survey found that the EU should now focus on its economic security and climate cooperation in relations with China, and on diversifying its partnerships on the global stage. Half the respondents expected economic relations to remain stable in 2022, but over two thirds (68 %) believed political relations would deteriorate. This represented an increase from 42 % and 45 % in the two previous surveys, indicating that pessimism concerning the EU's political relations with China had grown considerably in 2021. The growing importance, uncertainty and complexity of Europe's relations with China justifies a more comprehensive consultation of Europe's China watchers on EU policy-making around relations with China in the coming decade, as outlined in the next section.

EU-China 2030 survey outline

This paper is the result of a survey on the future of EU-China relations conducted by the author over one month from 11 August to 11 September 2021. The survey gathered a total of 171 contributions from three target groups representing China watchers among the EU institutions, European think tank experts and European youth. Through a series of multiple choice and open questions, the survey asked participants from this cross-section of Europe's China knowledge base to provide input on priorities and strategic choices, as well as analyses on the strengths, weaknesses, opportunities and threats (SWOT) for EU relations with China in the coming decade. Thousands of contributions, totalling 1 539 multiple choice and 1 065 open answers, combine to provide an expert consultation on the EU's approach to China to 2030.

16 MERICS China Forecast 2022: Political relations expected to worsen, but economic ties to remain stable, Mercator Institute for China Studies, 2022.
17 For one explanation of the SWOT analysis method, please see: SWOT analysis - strengths, weaknesses, opportunities and threats, European Commission External Wiki.
Among the 171 total survey responses, 21 contributions were gathered from China or Asia specialists within the EU, including 7 from the European External Action Service (EEAS), 7 from the European Parliament, 6 from the European Commission and one from the Council. Participants from this group will be referred to as ‘EU respondents’ or ‘EU officials’. Some 75 contributions were gathered from European think tank analysts specialising on China, as well as some China specialists from academia, and the public and private sectors. While all respondent groups represent China-watching communities, this particular group, consisting of professional China-focused observers not working for the EU, will be referred to simply as ‘experts’ or ‘expert respondents’. Another 75 contributions were received through the network of European Guanxi, a platform founded in 2020 in Barcelona by European students and young professionals to discuss EU-China relations, which shared the survey among its followers on social media. They are hereafter referred to as ‘European Guanxi respondents’ or ‘followers’.

Survey participants from the European Guanxi network notably included young China watchers from Southern Europe; 88% were under 40 years old and 71% came from Italy and Spain. Figures 1 and 2 present the age and nationality distribution of the two latter target groups, totalling 150 contributors. A wide range of EU nationalities are represented in the survey, with respondents from 21 EU countries. To protect their anonymity, EU officials indicated their institutions, but not their age and nationality. The following sections present the survey results. It would be safe to estimate that the problematic new developments in EU-China relations that transpired in the year since the survey was conducted, especially concerning Lithuania and Ukraine, will not have helped to improve the views of the participating respondents on China, the contrary would be more likely. An updated survey may be carried out in 2023 to analyse trends and possible changes in view of major upheavals in 2022.

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18 More information about the network can be found on the European Guanxi website.
Priorities for EU relations with China

Figure 3 – Priorities

Respondents were asked to select three of the ten listed policy areas that they believed the EU should prioritise in its relations with China to 2030. The results (Figure 3) are shown per respondent group as percentages of respondents that included the priority in question among their three top choices. Experts, European Guanxi and EU respondents agreed on the need to prioritise cooperation with China on climate and sustainability. Experts put equal emphasis on reducing supply chain dependencies and protecting intellectual property. Compared to the other groups, European Guanxi followers far outstripped experts and EU officials in their emphasis on cultural exchange and connectivity, infrastructural connectivity and reducing the trade deficit. In the middle and bottom categories, EU officials stood out among the three groups in prioritising the promotion of human rights and mitigating disinformation, as well as development and security cooperation with China.

Respondents were asked to identify other priority areas that they believed to be more important than those offered as options. EU officials most often emphasised reciprocity and commercial interests. They indicated the need to enhance rules-based trade and investment relations; to open up the Chinese market in line with WTO commitments; and to protect European industry against...
unfair Chinese competition (3 respondents). Other EU officials emphasised avoiding a marginalisation of EU-China relations and a need to elevate them to the level of EU-US relations (1 respondent); dialogue on strengthening multilateralism, rules-based international order and UN reforms (1 respondent); limiting China’s leverage in multilateral institutions through cooperation with like-minded countries (1 respondent); and developing alternatives to the Belt and Road Initiative (BRI) in cooperation with partners such as the US, Japan, India, the Association of Southeast Asian Nations (ASEAN) and the African Union (1 respondent).

Experts most commonly cited reciprocity in mutual market access, investment conditions, and trade as a priority (4 respondents). Experts also emphasised the need to find a holistic response to China’s political influencing operations in Europe (3 respondents); securing and developing domestic technological and industrial capacities (3 respondents); and developing European China knowledge (for instance through an EU-China competence fund, a platform for regular exchange on China and an EU task force to address China-related problems (3 respondents). Some highlighted the need to defend European values, interests and international rules in the systemic rivalry with China (2 respondents). Some experts mentioned the priority of countering China’s expanding footprint in the Eastern Mediterranean and Southeast Europe, including the Western Balkans, through European structural funds and infrastructure investments (2 respondents). Experts also indicated the need for a common European foreign, economic and security policy on China that operates independently from the US (2 respondents). Other experts expressed the importance of reassessing academic and private sector cooperation to take account of Chinese military-civilian ties (1 respondent); WTO reform to address Chinese market distortions (1 respondent); health and the pandemic (1 respondent); exploiting the opportunities of China’s vast market (1 respondent); informal lower-ranking military interaction to promote a common understanding of security interests and to protect international law in the South China Sea (1 respondent); and countering Chinese coercion of EU Member States and citizens (1 respondent).

European Guanxi respondents emphasised the need to increase cultural and educational exchange and the need to avoid anti-China biases, including in the media (2 respondents). The need to create a more profound understanding of China in EU institutions and Member States (1 respondent) was mentioned, as was the need for independent analysis on China (1 respondent). European Guanxi respondents also indicated the need for cooperation with China on health governance, COVID-19 and vaccines (2 respondents). Like the experts, they indicated the need for increased reciprocity with China in investment, by either opening up China or closing the EU (2 respondents). Other European Guanxi respondents urged the EU to avoid US tendencies towards conflict and to continue cooperating with China (1 respondent); to focus on climate cooperation without ignoring geopolitical dimensions (1 respondent); to work towards military and technological autonomy while maintaining good relations with both US and China (1 respondent); to protect democracy and liberalism internationally against a systemic Chinese threat (1 respondent); to protect Taiwan’s autonomy (1 respondent); to monitor foreign direct investment (FDI) in developing countries (1 respondent); to invest in the global south as partners (1 respondent); to help manage tensions between India and China (1 respondent); and to prevent the use of Chinese hardware in the EU (1 respondent).
Strategic choices in key policy areas

Respondents were presented with a selection of eight key policy areas in relations with China: trade, infrastructure, investment, the South China Sea, human rights, 5G networks, technology and media. Each policy area included three potential strategic choices for the EU, most often ranging from EU openness and non-interference to assertiveness and action in dealing with China on these issues. The respondents were asked to select the option with which they most agreed. They were also invited to make additional suggestions about strategic choices for the EU in these and other policy areas.

Trade

Figure 4 – Strategic choice concerning trade

What should the EU prioritise in trade relations with China? Most of the experts, European Guanxi followers and EU respondents all prioritised reciprocity in market access as an objective for EU trade relations with China in the coming decade. This result aligns with the many calls for a more assertive European approach towards achieving economic reciprocity with China. Many respondents urged the EU to demand access to the Chinese market, including in trade and investment, by using the threat of closing Europe’s market to China. Mitigating dependencies on Chinese products was a close second among the answers, especially for experts and European Guanxi followers, reflecting the respondents’ strong concerns about supply security. In contrast, reducing the trade deficit came last by some distance; less than 10% of EU officials and European Guanxi followers and an even smaller fraction of experts prioritised this trade objective.

On the question of reducing dependencies on Chinese products, one EU respondent proposed diversifying and shortening supply chains. Another EU official identified microchips and batteries as products where this move should be made. One EU official suggested withholding access to EU markets if China continues its discriminatory practices. Two experts emphasised the importance of improving the competitiveness of European industries in global markets. One expert suggested the EU should not focus on pursuing access to the Chinese market, but on better regulating the access of Chinese goods to the EU market, including through insisting upon respect for human rights standards and guarding against forced labour from Xinjiang. One expert called on the EU to
harmonise its policies and standards for European companies engaged in China, including in response to Chinese sanctions on Member States. One expert suggested the EU should distinguish between dependencies and level playing-field issues; for the latter distortions by the Chinese state model should be mitigated through efforts to regulate subsidised exports. Another expert proposed that the EU should conduct scenario analyses of various levels of decoupling from China and reshoring to the EU, to better understand options and alternatives.

Background

China imposed an embargo on Lithuania in December 2021, following the approval of the establishment of a representative office of Taiwan in Vilnius. This rocked EU-China relations. In response, the EU is developing an anti-coercion instrument that would allow the EU to respond more effectively to cases of foreign economic pressure aimed at influencing European policymaking, such as China’s action targeting Lithuania. The new mechanism is part of a set of new and updated trade defence instruments that the EU is adopting to improve reciprocity and to protect Europe against foreign market-distorting practices and economic aggression. The 2019 EU-China Strategic Outlook states that 'China preserves its domestic markets for its champions, shielding them from competition' through a myriad of ways and urges the EU to 'develop a more balanced and reciprocal economic relationship', including through the use of updated trade instruments. The European Parliament's New China Strategy of September 2021 likewise encourages the work on strengthening the EU’s 'trade toolbox' to help mitigate the 'increasingly unbalanced bilateral economic and trade relationship between the EU and China'. The trade instruments referred to in these documents include measures on export controls targeting dual-use items, due diligence requirements for corporate supply chains, a distortive foreign subsidies regulation targeting mergers and acquisitions in Europe, an International Procurement Instrument to foster mutual access in bidding on public infrastructure projects, and an FDI Screening Mechanism. Nevertheless, concerns regarding gaps and loopholes remain. Over the coming decade, such concerns may lead to the elaboration of further EU trade defence instruments, policies and initiatives to better address market-distorting practices by China that aggravate dependencies and undermine European industrial capabilities in the long term.

Another trade issue that has come under increasing scrutiny is the EU’s extreme dependence on critical raw materials from China, including rare earths and other minerals that are essential to the green and digital transitions. In 2010, China allegedly temporarily banned rare earth exports to Japan following a territorial dispute. In response, Japan began to diversify its critical raw material imports away from China, with some success. This demonstrated to the world that it could be done. That Europe’s dependence on China for critical raw materials has risen to the top of the agenda is

25 King A. and Armstrong S., Did China really ban rare earth metals exports to Japan?, East Asia Forum, 2013.
indicated by Commission President Ursula von der Leyen’s announcement of the proposed critical raw materials act in the 2022 State of the European Union address. China’s undisputed dominance in the production of solar panels is a less prominent issue, but it may be equally important to the green transition. In 2012, the EU began investigating Chinese solar panel subsidies and preparing tariffs to protect its own solar industry – however, without success. Anti-subsidy measures were dropped for fear of Chinese retaliation, and China then pushed virtually all European producers into bankruptcy. A similar story could be unfolding in the EU-China automotive trade. Chinese-made electric vehicle imports threaten to outpace EU car exports to China, a reversal again driven by Chinese market-distorting practices that take advantage of European openness. Europe’s devastated solar panel industry will continue to serve as a warning of what could happen to other European industries essential to its green transition, including electric vehicle manufacturing, if EU inaction lets Chinese market-distorting practices reign unchecked. As geopolitical tensions and uncertainties in the world continue to worsen, Europe’s dependence on China for critical resources and crucial products, and especially those needed for the green and digital transitions, risks becoming increasingly problematic.

Infrastructure

Figure 5 – Strategic choice concerning infrastructure

How should the EU approach Chinese-financed infrastructure on its territory? Most respondents favoured the most moderate option of more active regulation and providing alternatives. The second most popular option was to welcome Chinese-financed infrastructure, provided it complied with existing regulations. Among European Guanxi respondents, this option won as much support as the more moderate option. Only a small minority favoured the option of preventing or severely limiting Chinese-financed infrastructure projects in Europe.


How should the EU approach Chinese-financed infrastructure on its territory?

26 2022 State of the Union Address by President von der Leyen, European Commission, 2022.
One EU respondent proposed actively cooperating with China if sustainability standards are enforced. Another EU official suggested that the EU should be the sole investor and provider of its sensitive infrastructures. One expert suggested the EU should prevent Chinese investment therein.

Background

Chinese infrastructure projects are a concern not only for EU Member States but also for accession countries. Perhaps the most notable case is Montenegro’s controversial US$1 billion loan to finance a Chinese-built highway from its coast to the Serbian border. In 2021, the government almost defaulted on its first debt payment and the project remains unfinished after years of construction delays and many complaints about the highway’s unparalleled cost and low quality.

China is also involved in constructing EU-funded infrastructure in Europe. In July 2022, Croatia opened its 2.4 kilometre Pelsejac Bridge. The EU funded €357 million of the €420 million cost, but the bridge was built by the China Road and Bridge Corporation, the same state-owned firm that won the contract for the highway in Montenegro. Its opening ceremony featured a video message by Chinese Prime Minister Li Keqiang. The bridge may be one of the last of its kind, as once implemented, the International Procurement Instrument should block foreign contractors from countries that do not grant European bidders access to their own public procurement market. This is most notably the case for China. In 2020, the amount of EU public procurement awarded to Chinese firms had grown to €2 billion – while European contractors remained excluded from China’s market. With the €300 billion Global Gateway underway, reciprocity in foreign bidding on EU-funded infrastructure projects elsewhere in the world could become the next big concern. Chinese contractors already dominate the African infrastructure market. If they obtain a large part of Global Gateway funding, that would undo the Commission’s ambition for Global Gateway investments to serve the EU’s, rather than China’s, strategic interests.

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30 *Bridging gaps with EU-funds: The Inauguration of the Pelješac Bridge in Croatia*, European Commission, 2022; *Croatia opens massive bridge bypassing Bosnia*, Die Welle, 2022.


32 Sartori E., *EU-China trade – levelling the playing field at last?*, Mercator Institute for China Studies, 2022.


34 For a reference to such strategic infrastructure ambitions, see for instance the following quote from the 2021 *State of the Union Address* by President von der Leyen: “it does not make sense for Europe to build a perfect road between a Chinese-owned copper mine and a Chinese-owned harbour. We have to get smarter when it comes to these kinds of investments.”
The Comprehensive Agreement on Investment has been frozen since the exchange of sanctions in March 2021. Should the EU eventually ratify the agreement as it stands, renegotiate it or abandon it altogether? Respondents’ views on this topic were more mixed than for the previous policy areas. Over two thirds of experts and over half of European Guanxi followers found that the EU should regard the freezing of the CAI as an opportunity to renegotiate. EU respondents were less keen on this option: ratifying the CAI as it stands was their most favoured option. Perhaps this view was influenced by the 35 rounds of lengthy negotiations that led to agreement on the CAI. Ratifying the CAI as it stands was a close second among European Guanxi followers. Experts were much more sceptical about this option. This group may harbour stronger concerns about the CAI’s incomplete human rights and sustainability standards, and its weak points in terms of potential loopholes and enforceability. The second most-favoured option among experts was to abandon the CAI completely; this was a minority view among European Guanxi and EU respondents.

One EU respondent proposed waiting until political conditions between the EU and China are appropriate before ratifying the CAI, while another EU official agreed that there is no need to rush into ratifying the agreement. A third EU respondent specified that preconditions for ratification could be set out, for instance in relation to human rights and sanctions. A fourth EU respondent, more specifically suggested making ratification conditional on China adopting and implementing International Labour Organization (ILO) standards on forced labour and dropping sanctions against the EU. A fifth EU respondent added efforts to be made to secure additional concessions in the ‘Investment and Sustainable Development’ section. A final EU official suggested promoting trade and investment relations with Taiwan. One European Guanxi respondent suggested better regulation of Chinese investments in Europe.
Background
In October 2020, the EU's Foreign Investment Screening Mechanism became fully operational.\textsuperscript{35} It facilitates coordination of actions on foreign investment and sets out criteria for the adoption or improvement of national FDI screening mechanisms among Member States, 17 of which had adopted one by November 2021.\textsuperscript{36} Like the distortive subsidies regulation, this instrument covers only mergers and acquisitions, thus omitting the regulation of potentially risky Chinese non-equity investments in Europe.\textsuperscript{37} There is little indication of whether the CAI will be unfrozen in the coming decade, as each side refuses to lift their March 2021 sanctions before the other. The European Parliament considers the lifting of Chinese sanctions as a prerequisite for CAI ratification, and further exchange on the issue has been lacking.\textsuperscript{38}

South China Sea

Figure 7 – Strategic choice concerning the South China Sea

China has been vying for control of the South China Sea with its ASEAN neighbours, causing tension and spurring foreign naval efforts to reassert the freedom of navigation in the region. How should the EU approach joint patrols of the South China Sea with partners such as the US, Japan and Australia? Almost half of the experts and EU respondents found that the EU should consider engaging in joint patrols of the South China Sea with partners such as the US, Japan and Australia. About a third felt that the EU should actively explore possibilities to do so. In contrast, European Guanxi followers, perhaps fearing an escalation of tension with China, most often opted to never engage in joint EU and partner patrols of the South China Sea; keeping this open for consideration was a close second as a preferred option. One EU respondent suggested promoting respect of the International Tribunal on the Sea decision. In 2016, following a case brought by the Philippines, this

\textsuperscript{35} A framework for the screening of foreign direct investments into the Union, European Union, 2021.
\textsuperscript{36} First Annual Report on the screening of foreign direct investments into the Union, European Commission, 2021.
\textsuperscript{37} Gatti B., The EU fires back: On the FDI’s screening mechanism and newly-exposed sensitivities, European Institute for Asian Studies, 2020.
\textsuperscript{38} Chinese countersanctions on EU entities and MEPs and MPs, European Parliament resolution, 2021; Woo R., China agrees to more EU cooperation but silent on frozen pact, Reuters, 2022.
tribunal ruled that China’s construction of military facilities on the Spratly Islands in the South China Sea is illegal and constitutes unlawful occupation.39 Another EU respondent proposed cooperating with the United Kingdom (UK) on the South China Sea.

Background

Stability in the South China Sea is of great significance to the EU, as approximately 40% of its foreign trade passes through its seaways.40 In April 2021, the EEAS stated that the tension in the South China Sea endangered peace and stability in the region, and reiterated its support for a free and open Indo-Pacific and the peaceful resolution of disputes according to international law.41 In April 2021, the Council called for a ‘meaningful European naval presence in the Indo-Pacific’ and especially in the South China Sea, by shifting maritime activities from the Indian Ocean to Southeast Asia.42 The EU’s Indo-Pacific strategy of September 2021 supported the ASEAN-led process towards a legally binding code of conduct in the South China Sea.43 In June 2022, the European Parliament adopted a resolution on ‘the EU and the security challenges in the Indo-Pacific’.44 It warns of China’s military activities in the South China Sea and elsewhere in the region and calls for the EU to prepare a strategic response, for greater EU maritime security cooperation with ASEAN and other Indo-Pacific partners, and for Member States with a naval presence in the Indo-Pacific to coordinate their approach in EU forums. In recent years, the Netherlands, France and Germany have been the only EU Member States to have sent navy vessels into the South China Sea to assert freedom of navigation rights or for military exercises, often jointly with ships from the UK, US, Japan, Australia and New Zealand.45 These also seem to be the only Member States with their own national Indo-Pacific strategies.

45 Allison G., British carrier leads international fleet into waters claimed by China, UK Defence Journal, 2021; Matsumoto F. and Nakajima Y., Europe pushes back against Beijing with shows of Indo-Pacific muscle, Nikkei Asia, 2021; Siebold S., First German warship in almost two decades enters South China Sea, Reuters, 2021.
Human rights

Figure 8 – Strategic choice concerning human rights

In recent years, certain Chinese ethnic minorities and civil rights activists have been increasingly targeted by state repression. How should the EU respond to Chinese human rights violations? Most respondents advocated deploying EU solutions and instruments to actively deter them, while the more restrained option of simply remaining critical and denouncing the violations came in as a close second and was a favourite among EU respondents. Interfering less in Chinese human rights issues was by far the most unpopular option, but still received considerable backing among European Guanxi followers.

An EU respondent commented that the EU should find an effective communication strategy to respond to China’s efforts to redefine the concept of human rights. Another EU respondent proposed correct application of the EU global human rights sanctions regime and other relevant tools, despite possible angry reactions from China.

One expert expressed that maintaining human rights standards, particularly on forced labour, in regulating the access of goods to the EU market would be more effective than human rights sanctions. Another expert suggested that the EU should not try to change the human rights situation within China, but offer asylum for individuals targeted by human rights violations and especially those from Hong Kong instead. Another expert added that policing the world against human rights violations would indeed not be feasible, due to the EU’s internal divisions, China’s relative strength and Europe’s legacy of colonialism. The expert warned that sanctions only inspire public backlash and nationalism in China. The EU would therefore need to turn inwards and focus on setting up safeguards against Chinese interference in the EU’s internal affairs, on the basis of country-neutral rules. The expert respondent reasoned that values should be promoted outside the EU by leading by example within Europe and inspiring (not lecturing) others.

Background
The 2019 EU-China Strategic Outlook and the European Parliament’s 2021 New China Strategy suggest that the EU should step up engagement with China concerning its deteriorating human rights record, especially considering the treatment of ethnic minorities, including the Uyghurs in
Xinjiang, and the repression of civil rights defenders, including in Hong Kong. While earlier largely restricted to EU denunciations of Chinese human rights abuses (including in Hong Kong and Xinjiang), the stakes in the EU’s human rights policy vis-à-vis China leap to another level when the two exchanged sanctions in March 2021. In response to EU sanctions against Chinese officials over atrocities in Xinjiang, China announced sanctions on European Parliament Members, think tanks and diplomatic bodies. The European Parliament in turn refused to ratify and froze the Comprehensive Agreement on Investment, following years of painstaking negotiation. This demonstrates that clinically separating political and economic relations with China, as the neat policy silos for cooperation, competition and rivalry in the 2019 EU-China Strategic Outlook intended, does not always work in practice. The high stakes, and the risk of human rights-related disagreements in EU-China relations affecting other policy areas, may help to explain the respondents being so divided between simply denouncing and concretely acting on Chinese human rights violations. This divide also further indicates that deciding between principles and pragmatism could constitute one of the most contentious challenges for the EU in relations with China in the coming decade, not least in response to potential military or hybrid aggression against Taiwan.

5G networks

Figure 9 – Strategic choice concerning 5G networks

How should the EU approach Chinese 5G network installations in Europe? For this issue, the most moderate option of introducing regulations or additional security standards came out on top among all three target groups surveyed. To forbid, prevent or phase them out was a close second among experts and EU respondents, while European Guanxi followers stood out starkly in opting for non-interference as their second most-favoured option.


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47 Woo R., China agrees to more EU cooperation but silent on frozen pact, Reuters, 2022.
Two EU respondents proposed that the EU should implement its 5G cyber security toolbox, and ban any foreign company that does not meet the criteria. One European Guanxi respondent urged the EU to accelerate European data infrastructure projects and better regulate data outflow.

**Background**

In 2015, the EU and China signed a partnership on 5G in the hope of improving European access to China's 5G market and facilitating research cooperation in this field.\(^{48}\) In contrast, in January 2020, the EU adopted its 5G toolbox.\(^{49}\) It defined third-country interference as one of the main security risks of the 5G rollout in Europe, especially when it concerns 5G suppliers from undemocratic countries that have strong links to, or can be pressured by, their government. This is a clear reference to Huawei, China's main 5G provider, as in China companies are obliged to cooperate with the national intelligence service.\(^{50}\) In recent years, many Member States have moved to ban or limit Chinese telecoms from their 5G networks, often partly under US pressure to do so. Sweden banned Chinese suppliers altogether and Denmark shunned Huawei as a viable 5G supplier by excluding non-allies, choosing Sweden's Ericsson instead.\(^{51}\) In Eastern Europe, Poland and Romania effectively banned Huawei, while together with Slovenia, Czechia, Estonia, Latvia, Slovakia and Bulgaria, they signed an agreement with the Trump Administration to exclude non-trusted suppliers (implicitly referring to Huawei) from their 5G networks.\(^{52}\) Finland, Italy, France and Germany adopted legislation giving the government the right to veto 5G deals following security concerns over the involvement of Chinese equipment makers in the development of its networks.\(^{53}\) France also moved to phase out and ban Huawei equipment from operating in the country by 2028.\(^{54}\) Germany is considering doing the same.\(^{55}\) The Netherlands and Portugal did not introduce bans, but its telecom providers decided not to use Huawei in their 5G rollouts.\(^{56}\) Spain, also cautious not to alienate China through a ban on Huawei, accomplished much the same through an official list of 'safe' 5G providers and efforts by its main telecom company to replace part of its Huawei equipment.\(^{57}\)

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53. Kauranen A. and Mukherjee S., Finland approves law to ban telecoms gear on security grounds, Reuters, 2020; Fonte G. et al., Italy approves use of special powers over 5G supply deals, Reuters, 2019; Pollet M., 5G: French constitutional court backs provisions of 'anti-Huawei law', Euractiv, 2021; Cerules L., Germany falls in line with EU on Huawei, Poltico, 2021.
57. Noyan O., EU countries keep different approaches to Huawei on 5G rollout, Euractiv, 2021; Heller F., Spanish government to prepare a list of 'safe' 5G mobile providers, Euractiv, 2020; Landauro I., Telefonica buys Ericsson 5G equipment to replace some Huawei gear, Reuters, 2021.
Technology

Figure 10 – Strategic choice concerning technology

How should the EU approach R&D cooperation with Chinese institutions, researchers and students in Europe? Experts and EU respondents largely agreed that R&D cooperation with Chinese actors should be more actively regulated. European Guanxi followers in contrast mostly found that R&D cooperation should be encouraged. All groups seemingly agree that the EU should enable technological collaboration with China, with only a small minority of respondents being in favour of preventing or severely restricting R&D cooperation.

One EU respondent commented that the EU should create awareness of the risks associated with R&D cooperation with Chinese institutions and facilitate greater resilience in higher education. Another added that the EU should also reduce the deficit of China knowledge in Europe by stimulating and financing related resources. A third EU respondent stated that the EU should only allow cooperation on R&D if equal access and contributions are guaranteed, while also maintaining awareness that Chinese researchers cannot be considered to be independent. A fourth EU respondent commented that the EU should allow beneficial cooperation in this field, but not Chinese abuse of the openness of the EU’s market. One EU official furthermore called for the monitoring of potential misuse of technologies developed in cooperation with China. Another EU official suggested cooperation with China on the green transition while avoiding leaks of technological knowledge. Three EU officials also agreed that the EU should compete with China on technology leadership in the information and communication technologies (ICT), artificial intelligence (AI) and green sectors.

Three experts expressed the view that Europe should monitor Chinese technological advances, provide frameworks for R&D collaboration between European companies and Chinese firms, and encourage such cooperation while adequately monitoring and regulating those exchanges. Two other experts added that the EU and China should cooperate on climate-related R&D. One expert proposed that, in high-tech sectors in which Chinese firms are relatively advanced, the EU should
copy China in requiring engagement in joint ventures with European companies for access to Europe's market.

Three European Guanxi respondents called for the promotion of educational, academic and talent exchanges with China. However, one European Guanxi respondent also suggested putting export restrictions on technology associated with human rights abuses and military applications. Another stressed the importance of developing European AI and green technologies. A final European Guanxi respondent added that the EU should monitor Chinese technological developments.

**Background**

In 1998, the EU and China established an Agreement for Scientific and Technological Cooperation. In 2012, they signed a joint declaration to set up a High Level Innovation Cooperation Dialogue, and at that dialogue, in 2019, they agreed to develop a Joint Roadmap for Future Science, Technology and Innovation Cooperation. Chinese researchers participate in EU-funded projects under Horizon 2020, and in 2021 they agreed to focus that cooperation on food, agriculture, biotechnology, climate change and biodiversity. From 2016 to 2020, the EU paid for €500 million of the €630 million spent on the EU-China Co-Funding Mechanism for joint research projects. Despite significant European investment in science and technology cooperation with China, European researchers still lament difficult access to unpublished Chinese data and the lack of reciprocity in information sharing. Negotiations for the joint roadmap have been hampered by China's reluctance to provide mutual access. European research institutions and companies thus continue to face many disadvantages in China compared to domestic counterparts, despite EU openness to Chinese researchers.

European policy-makers used to be generally uncritical about science, technology and innovation cooperation and partnerships with China. But the mood has been shifting, with measures being introduced to protect the security and integrity of European research, in parallel with increased scrutiny of dual-use technology exports and Chinese acquisitions in high-tech sectors. European universities are also under pressure to better scrutinise their links with China following a backlash on thousands of joint publications by European academics authored together with Chinese military universities. Critics fear such information will help advance China’s military technologies. Analysts conclude that Member States need to funnel their concerns into a more strategic EU-wide approach that sets out priorities and restrictions for research cooperation with China, to mitigate related risks without foregoing mutual benefits. A major study on this topic found hundreds of researchers in key scientific fields from several Member States had received Chinese funding, usually with little

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59 Joint declaration on the EU-China innovation cooperation dialogue, European Commission, 2012; EU-China High Level Dialogue on Research and Innovation, European Commission, 2021.
64 Matthews D., Research centres unite to overcome EU ignorance about China, Science Business, 2022.
65 Arcesati R., Hors I. and Schwaag Serger S., Recalibrating the EU's research and innovation engagement with China, Mercator Institute for China Studies, 2021.
regard for potential risks and with the Chinese side having initiated the cooperation. The authors advise European stakeholders to: adopt security measures specifically adjusted to China; clearly define what ‘sensitive’ research entails; draw ‘red lines’ or minimum security requirements; provide government support to safeguard research institutions; establish a national point of contact for inquiries for related concerns; expand European research funding opportunities; foster proactivity among research institutions; and expand the scope of security awareness to include non-technical research domains. It remains to be seen whether the EU will manage to more actively regulate European research collaboration with Chinese actors, as most of the survey respondents also advise, in the coming decade.

Media

Figure 11 – Strategic choice concerning media

How should the EU approach Chinese financing or ownership of European media? Here most respondents from all surveyed groups supported EU monitoring and restriction of Chinese financing and ownership of European media agencies. Banning it outright received support among over a quarter of respondents among all three groups. Non-interference was chosen as a preferred option only by a smaller but not insignificant group of European Guanxi followers.

In their written feedback, two EU respondents proposed to monitor and work with Member States to impose higher transparency requirements on financing or ownership of media by entities with ties to foreign governments. Another EU respondent suggested to create an EU framework to support European media in China. A further EU official proposed to ban or limit foreign ownership in general. EU officials furthermore expressed the need to mitigate Chinese disinformation (2 respondents) and prevent foreign interference in the media (1 respondent). One expert likewise proposed that the EU should increase resilience against cyber-attacks and disinformation. However, experts also suggested that the EU should work to reduce ‘China bashing’ in media and politics to avoid aggravating tension (1 respondent), and to promote constructive communication on issues

66 Karásková I., How to Do Trusted Research: China-Specific Guidelines for European Stakeholders, Association for International Affairs, 2022.
such as climate change and values (1 respondent). One European Guanxi respondent also indicated the need to expose Chinese propaganda and fake news.

Background

While European companies are unable to invest in Chinese media, Chinese investors are largely free to buy European news services and other media, which facilitates their efforts to win foreign hearts and minds through the dissemination of propaganda. Other avenues to influence foreign audiences include buying advertising space and offering free content to European media agencies, which has successfully influenced news narratives on China in Member States including Italy and Greece. The CAI, rather than mitigating this lack of reciprocity, would have assured that Chinese media investors in most Member States would be treated as local investors without improving access for European investors in China's media sector. In 2021, in its first position paper on China, the European Parliament’s largest political group expressed concern about European media outlets being targeted by Chinese mergers and acquisitions. It stated that ‘China has invested almost €3 billion in European media firms over the last 10 years’. Its first recommendation called for the screening of such investments. Such calls, which may or may not have turned into action by 2030, are further reinforced by the backing among most of the survey respondents for monitoring and restricting Chinese financing and ownership of European media. Similar concerns related to reciprocity and regulation also persist in the case of social media. While foreign social media platforms are banned from China, China's TikTok has become hugely popular in Western countries. It continues to be widely used despite concerns surrounding Chinese use of and state access to TikTok user data, as well as the company being staffed by Chinese state media propagandists.

Other strategic considerations

Respondents also raised other strategic considerations that do not fall under the eight policy areas discussed above. For instance, EU officials expressed the need to develop a common strategy towards China among Member States and like-minded partners through increased cooperation (2 respondents). Some EU officials added that this should go hand in hand with a stronger focus on the Asia-Pacific, on cooperation with democratic partners in the region and with Taiwan (1 respondent) and on defending the status quo across the Taiwan Strait (1 respondent). Regarding diplomacy, EU officials proposed staffing the EU delegation in China with Chinese-speaking officials (1 respondent) and developing a network of EU offices in Chinese provinces (1 respondent). One EU official suggested that the EU should further increase its knowledge on China through information sharing between researchers and policy-makers. EU officials also stressed the importance of the EU’s autonomy in China-related policy-making by avoiding excessive reliance on US policies (1 respondent), and by avoiding becoming a pawn in US-China relations (1 respondent). Lastly, one EU official urged the EU to compete with China on standard setting.

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69 Lau S. and Hanke Vela J., EU deal cements China’s advantage in media war, Politico, 2021.
71 EDPB adopts letters to Access Now and BEUC on TikTok and an Art. 65 dispute resolution binding decision regarding Instagram, European Data Protection Board, 2022; TikTok on defense after report on foreign access of US user data, The Guardian, 2022; Giancia G., Difference in treatment of Meta and TikTok as regards EU citizens’ data, Parliamentary question to the Commission, European Parliament, 2022; Baker-White E., LinkedIn Profiles Indicate 300 Current TikTok And ByteDance Employees Used To Work For Chinese State Media—And Some Still Do, Forbes, 2022.
Two experts also called on the EU to prepare for contingencies such as escalation in the Taiwan Strait. Two more experts called for a more unified stance and coordinated strategy on China among Member States, while another expressed the need for solidarity when individual Member States are subject to Chinese intimidation or disinformation. Two experts expressed the need to unite democratic partners for collaboration on R&D, innovation, military and human rights and protection of fundamental European values, against China’s long-term systemic threat. Some experts also expressed the need to reduce Europe’s dependency on Washington’s approach to China (1 respondent) including greater emphasis on cooperation with other partners such as Vietnam, Japan, Australia and Singapore (1 respondent); as well as ASEAN, South Asian and African nations (1 respondent); while another emphasised the importance of maintaining transatlantic ties (1 respondent). However, to the contrary, one expert suggested that instead of choosing to side with the US, which risks losing its position as the world’s industrial leader in the long term, it may be more prudent for the EU to side with China, which may gain leadership. Another expert added that the EU should decide where it stands in the US-China rivalry. Yet another expert suggested that the EU should actively call for and cooperate with partners for adherence to universally accepted standards, international rules and human rights, and their protection against Chinese revisionism. One expert urged the EU to find ways to deal with the impact of increasing Russian-Chinese cooperation vis-à-vis Europe, while another suggested that the EU should consider engaging with Russia on energy projects to mitigate Chinese influence over those energy resources. Another expert suggested that the EU and China should cooperate on global governance issues other than climate change such as data standards, finance and taxation, and WTO reform. One final expert indicated that the EU should regulate Chinese acquisitions of European (agricultural) land.

Suggestions from European Guanxi respondents for strategic considerations not covered by the eight policy areas most often concerned the need to cooperate with China on climate and environmental protection (4 respondents) as well as on COVID-19 and health (2 respondents); and to reduce US geopolitical dominance and increase the EU’s autonomy (2 respondents). European Guanxi respondents furthermore mentioned Europe’s need to cooperate with China to advance European economic growth (2 respondents) and to define a system for Europe to commonly deal with China including in case of a dispute between a Member State and China (2 respondents). European Guanxi respondents also stressed the need for cooperation with external partners, including economic and military cooperation with democratic allies (1 respondent); as well as closer cooperation with democracies in the Asia-Pacific, increased EU-Africa cooperation and the monitoring of Chinese policies and corporate activity in Africa (1 respondent). Finally, European Guanxi respondents expressed the need to support Taiwan (2 respondents) and to promote democratisation in China (1 respondent).
SWOT analysis of the EU in relations with China

Respondents were asked to provide their own strengths, weaknesses, opportunities and threats (SWOT) analysis of the EU's relations with China in the coming decade. They also provided input on ways in which the EU could capitalise on the strengths and opportunities, and mitigate the weaknesses and threats that they identified. The results for each section are ordered thematically and preceded by a word cloud showing recurring terms used by respondents.

Strengths

Figure 12 – Word cloud of responses on strengths in EU-China relations and how to capitalise on them

![Word Cloud]


Economy

The EU's strength in relations with China in the coming decade mentioned most often by EU officials was the large size of the EU's market and economy (8 respondents) and its regulatory power (4 respondents). Experts likewise most frequently cited the EU's strong market, economy and regulatory abilities as the EU's main strength (31 respondents). European Guanxi respondents also identify Europe's market and trade relations as its biggest strength in relations with China in the coming decade (13 respondents); as well as its industrial capacity, exports and economic development (9 respondents). EU officials indicated the EU's market size could be capitalised upon by placing more stringent conditions on Chinese access, to create a more level playing field, including through the International Procurement Instrument, Foreign Investment Screening and Carbon Border Adjustment (CBAM) mechanisms (1 respondent); through further development and application of such trade defence instruments (1 respondent); and by leveraging access to EU markets to obtain lasting concessions from China (1 respondent). Experts likewise suggested that the EU could capitalise on this strength by being strategic about market access and requiring Chinese concessions and fulfilment of reciprocal terms (3 respondents); by requiring a level playing field in China (2 respondents); by providing funds to increase competitiveness (2 respondents); by only opening the European market to foreign companies and products that adhere to the EU's code...
of conduct (2 respondents); by tying market access to human rights standards, research access in China and respect for international norms (1 respondent); by being bolder in using market leverage (1 respondent), or limiting Chinese opportunities for market access until opening up is effectuated on their side (1 respondent); by better enforcing Chinese respect for existing market rules (1 respondent); by actively protecting its market (1 respondent); by achieving greater reciprocity in trade and investments through stricter rules for Chinese companies (1 respondent); by pushing for high standards on Chinese products, for instance through the CBAM (1 respondent); and by protecting intellectual property by punishing violations with limited market access (1 respondent). Regarding its economy, experts also urged the EU to open up new supply chains circumventing China (1 respondent); to diversify and re-shore supply chains using greater environmental transparency and encouraging consumers to buy locally, sustainably and ethically produced products (1 respondent); and to achieve economic stabilisation of the euro area after the pandemic (1 respondent). European Guanxi followers suggested the EU should leverage access to the EU’s market (2 respondents); demand reciprocal market access (1 respondent); leverage EU products essential for China's industrial upgrading through export controls (1 respondent); welcome economic cooperation with China (1 respondent), but under the right conditions (1 respondent); reinforce EU requirements in joint projects (1 respondent); reduce trade with China (1 respondent); re-shore production to Europe (1 respondent); and create a European manufacturing economy equal to China's through regulations, incentives and disincentives (1 respondent).

Technology

Other strengths identified by EU officials were the EU's technological and innovation capacity (4 respondents). Experts also often referred to Europe's high-end technological, green, communication, innovation and industrial capabilities and competitiveness in certain sectors as key assets (17 respondents). Similarly, European Guanxi followers mentioned the EU's climate and environmental goals, green technology and green transition (6 respondents); European scientific expertise, technology and research (5 respondents) and human capital (2 respondents), as well as the potential for technological and environmental cooperation (1 respondent), as important advantages in relations with China. Experts suggest the EU should reinforce this strength by developing further digital, technological and industrial capabilities (3 respondents); by providing further resources and policies for innovation (3 respondents); by financing R&D (2 respondents) by protecting Europe's most important technologies (2 respondents); by promoting European telecom and wind industries on the global market (1 respondent) and even by forcing Chinese tech firms into joint ventures with European firms (1 respondent). European Guanxi followers likewise suggested that Europe could take greater advantage of its technological strengths by financing further scientific research, R&D and technological innovation (3 respondents); as well as by shifting bilateral research cooperation between Member States and China towards EU-China frameworks (1 respondent).

Normative power

EU officials cited the EU's values including its open society, liberal order and democracy (3 respondents); its green, labour and human rights standards (2 respondents); its soft power and international credibility (2 respondents); its commitment to multilateralism and the rules-based order (2 respondents); and its climate leadership (1 respondents) as key strengths in relations with China. Experts here similarly underscored the EU's normative and soft power, role model status and external appeal (14 respondents); the EU’s shared culture and values (7 respondents); its respect for the rule of law and democracy (4 respondents); diversity (3 respondents); standard-setting ability (2 respondents) and democratic resilience (1 respondent). European Guanxi contributors also
referred to the EU's advantages on good governance, regulations and standards (4 respondents); its mature political institutions and democracy (3 respondents); culture and values (3 respondents); protection of human rights (2 respondents); soft power (2 respondents); and its capacity to inspire democratic change in the world (1 respondent). EU officials indicated that the EU could capitalise on these strengths by promoting and defending EU values and standard setting, including through partnership with US and other like-minded countries (2 respondents); as well as through multilateral engagement and by maintaining global leadership in this field (2 respondents). Experts advised the EU to: find ways to avoid hypocrisy on human rights, in light of anti-refugee policies in the Mediterranean and reduce far right politics domestically, which undermine the EU's standing abroad (1 respondent); establish a safe haven for persecuted groups in China (1 respondent); defend EU values against media disinformation internally (1 respondent); lead by example and spread values through achievements (1 respondent); maintain Europe's leadership in international regulatory innovation and to engage China on this (2 respondents); and to continue to develop regulations and standards of strategic markets (1 respondent). One European Guanxi contributor suggested the EU should expand its soft power through programmes boosting Europe's image as a trusted democratic partner (1 respondent), while others called for increased cultural exchange with China (2 respondents).

International partnerships, hedging power and influence

Experts also emphasised the EU's role as a strong trade, tech and investment partner (7 respondents), as well as its allies and relation with the US (4 respondents) as key strengths vis-à-vis China. European Guanxi followers similarly identified good relations with the US (2 respondents) and with Japan, Australia and Canada (1 respondent) and the EU's growing consideration for Taiwan (1 respondent) as EU strengths in its relations with China. On this front, experts suggested maximising benefits for the EU by: maintaining alliances and economic, technological and strategic partnerships with the US and other like-minded countries, to deal with China effectively and gain leverage for negotiation and cooperation (2 respondents); cooperating with like-minded Asian states, allies and partners (2 respondents); and by working with the US, Japan and others on tech and data governance (1 respondent). Other strengths cited by experts include the EU's ability to navigate and mediate US-China tensions (2 respondents); its experience in mediation (1 respondent); China's need for reciprocal favour with the EU (3 respondents); the EU's development cooperation and ties with the developing world (1 respondent); the EU's use of Organisation for Economic Co-operation and Development (OECD) instruments that it shares with other OECD countries (1 respondent); as well as its strategic autonomy (1 respondent). Experts suggested that if the EU wants to capitalise on these strengths, it should be: more confident in its exchanges with China and in the EU's ability to influence China, rather than to be influenced by it (1 respondent); more aware of Europe's strength in relations with China (1 respondent); discuss the destabilising effects of Chinese actors with Chinese officials to find solutions rather than assuming those effects to be intentional (1 respondent); promote the implementation of OECD instruments and standards (1 respondent); rethink the EU's approach to development cooperation to offer alternatives to Chinese infrastructure projects (1 respondent); implement the EU-Asia connectivity strategy with a focus on the maritime domain (1 respondent); scale-up contributions to Balkan and Eastern European countries (1 respondent); maintain autonomy from the US (1 respondent); achieve strategic autonomy both in relation to China and the US (1 respondent); and clearly articulate EU disagreements with the US and China (1 respondent). In this field, European Guanxi followers advised the EU to enhance its international position by building friendly relations, dialogue and win-win agreements with both the US and China (3 respondents); by reducing EU dependence on US policy-making (2 respondents); by promoting standards with other countries
affected by China (1 respondent); and by promoting awareness of, exchange with, and increased recognition of Taiwan (2 respondents).

Knowledge, infrastructure and coordination

Experts mentioned the EU’s robust educational and research foundation and scientific exchange (3 respondents) as a key strength. European strengths in relations with China identified by European Guanxi followers included European expertise on EU-China relations (1 respondent) and educational exchange between the EU and China (1 respondent) as. Here, experts suggested the EU increase European China expertise through educational and academic exchanges with China (3 respondents) and increasing China knowledge through deepening contacts and relations in all areas (1 respondent). European Guanxi followers also cited the EU’s good infrastructure (3 respondents); the potential for win-win infrastructure connectivity cooperation between Europe and China (2 respondents) and Europe’s experience in international development (1 respondent) as key assets for relations with China in the coming decade. Some of these suggestions would seem to contain possible contradictions with the suggestions of previous sections concerning technology and partnerships, further indicating the complexity and differing perspectives on EU-China relations. On a more general note with regard to unifying the EU’s approach to China, experts proposed that the EU could capitalise on its strengths in relations with China by defining a clearer China policy and reducing conflicting voices in the EU (2 respondents); standing strong against Chinese pressure to retaliate against EU decisions (1 respondent); building capacities to monitor political-economic developments in China for quick response (1 respondent); and revising existing regulations that could be used actively in relations with China (1 respondent). Here European Guanxi followers suggested the EU could capitalise on its strengths by enhancing joint positioning among EU Member States on China, including by: fixing related problems with Hungary and Poland (1 respondent); increasing cohesion among Member States (2 respondents); and through the creation of a European army and foreign policy (1 respondent).
Weaknesses

Figure 13 – Word cloud for responses on weaknesses in EU-China relations and how to mitigate them

Internal divisions and weak CFSP

The EU’s weaknesses in its relations with China in the coming decade identified most frequently by EU officials was the incoherence in Member States’ agendas and lack of unity on China (9 respondents); as well as the EU’s weak security, defence and foreign policy (2 respondents); its slow decision-making process (1 respondent) and the fact that EU decision making is separated per policy area, while in comparison, China would use a more integrated all-of-government strategic approach (1 respondent). Experts also most commonly identified internal divisions and lack of cohesion among Member States on foreign policy vis-à-vis China as a key weakness in EU relations with China, with about half (37 respondents) the expert respondents addressing this issue. Experts also identified complex decision-making, limited centralisation, coordination challenges and delays to act (10 respondents) as a key weakness. Related weaknesses mentioned by experts concern the EU’s lack of geopolitical capacity, power projection capabilities or strategic vision (7 respondents); the problem of incoherent policy, communication and implementation (4 respondents); the EU’s lack of capacity to influence Chinese policies (2 respondents); the EU’s lack of hard power or military means (1 respondent); the need for EU Council unanimity and consensus, including on CFSP (3 respondents); bureaucracy (3 respondents); short-termism (2 respondents); internal divisions among EU institutions and departments (1 respondent); Europe’s political and social crises affecting Member States (1 respondent); European protectionism (1 respondent) and risk-aversion (1 respondent). European Guanxi followers likewise most often identified the lack of cohesion among EU Member States (17 respondents) as a main weakness vis-à-vis China, as well as the EU’s lack of authority concerning foreign affairs or policies regarding China (4 respondents); the EU’s lack of military means (4 respondents); EU bureaucracy (2 respondents); as well as its slow adaptation to change (2 respondents).
CFSP, or other centralising mechanisms for increased coordination on China (15 respondents) and for the EU to develop a strong strategic vision, high-level dialogue, agenda, and a unified EU-China policy (14 respondents). To mitigate these weaknesses, experts also suggested the EU: build a European army (2 respondent); continue pushing for a decision on divisive topics (1 respondent); to agree on common interests across the EU (1 respondent), as well as to: accept differences between Member States in their approaches to China (1 respondent); increase consideration for the long-term effects of policies (1 respondent); use a coalition of Member States to take the lead in the adoption of China-related policies as with the Indo-Pacific strategy (1 respondent); implement increased or diversified integration (1 respondent); provide two-track policies on critical issues where consensus is lacking (1 respondent); provide a common threat assessment on China (1 respondent), and enforce common security standards (1 respondent); increase defence and foreign policy cooperation (1 respondent); adopt a more active risk-taking approach (1 respondent); and to reinforce climate diplomacy with China (1 respondent). EU officials suggested: strengthening dialogue, coordination and decision-making processes among Member States (5 respondents); strengthening EU foreign policy, including by ending unanimity voting and adopting an ambitious Asia-Pacific strategy (2 respondents); move towards a Union Defence Policy with real capabilities (1 respondent); discuss China regularly or at least once a year in the European Council (1 respondent) and to recruit Chinese speaking EU officials (1 respondent). European Guanxi respondents proposed these weaknesses could be mitigated by harmonising and increasing cohesion in the EU’s political agenda and foreign policy (9 respondents); by adopting qualified majority voting in these areas (1 respondent); through EU firmness with pro-China Member States (1 respondent); and by strengthening EU defence competencies (1 respondent) and EEAS competencies (1 respondent). One European Guanxi respondent suggested that, considering these issues, EU bureaucracy should be reduced and adaptability accelerated (1 respondent).

Economic and technological dependencies

Respondents also warned of weaknesses concerning economic and technological dependencies. For instance, EU officials stressed a lack of European tech champions (2 respondents); lacking technological innovation (1 respondent); European openness leading to dependency on Chinese trade and investments (1 respondent); that EU global power may be in decline relatively (1 respondent) and of overreliance on the US regarding China (1 respondent). Weaknesses identified by experts similarly included Europe’s external dependencies, including on China for goods, economy, technologies and business (4 respondents) but also on the US (3 respondents). European Guanxi followers mentioned weaknesses to consider concerning: the EU’s dependence on and adherence to the US (6 respondents); reliance on Chinese supply chains and products (6 respondents); dependence on China in general (1 respondent); the future uncertainty of EU-US relations (2 respondent); the influence of corporate lobbying (1 respondent); environmental issues (1 respondent); outdated agreements (1 respondent); the lack of reciprocity in trade and investment conditions (2 respondents); and the lack of European technological and cyber industries (1 respondent). In response to such dependencies, EU officials suggested the EU should: enhance funding for R&D and build tech alliances (3 respondents); provide tougher screening of foreign investments and control of key technologies (1 respondent); include intellectual property protection as a prerequisite for joint R&D programmes (1 respondent) and avoid linking EU-China relations to EU-US relations (1 respondent). Experts suggested that the EU should: mitigate dependencies on the Chinese market (2 respondents); pressure China to improve trade, investment and market access conditions (2 respondents); hit state-protected Chinese industries with heavy tariffs (1 respondent); invest in advanced technologies (1 respondent); and encourage technological innovation (1 respondent) and digitalisation (1 respondent). European Guanxi followers urged the
EU to mitigate its dependencies by: counterbalancing US hegemony and not blindly following US policy (3 respondents); decreasing the EU’s dependence on China (1 respondent); diversifying supply chains (2 respondents); and enhancing EU strategic autonomy (1 respondent); and leading by example (1 respondent).

Hybrid threats, media and communication

EU officials also mentioned vulnerabilities on the hybrid front including: Chinese strategic investments, disinformation and China’s United Front Work operations to co-opt and neutralize foreign sources of potential opposition (1 respondent); the EU’s susceptibility to fake news (1 respondent), as well as a lack of EU communication capacity in Europe, its neighbourhood and other strategic regions (1 respondent). Related weaknesses mentioned by experts concerned: China’s growing influence in the EU neighbourhood and the lack of EU investment alternatives (1 respondent); EU values being undermined in some Member States (1 respondent); and vulnerabilities resulting from the openness of Europe’s market and society (2 respondent). European Guanxi followers cited: asymmetrical access to media between EU and China (1 respondent); Chinese influence in EU media (1 respondent); and Chinese investments in European critical sectors (1 respondent), as weaknesses. In response, one EU official proposed to build an EU hybrid toolbox from the lessons learned from the EU disinformation action plan (1 respondent), and to prevent foreign ownership of media and improve accountability for media content (1 respondent). Experts here suggested: the EU support journalists abroad investigating China (1 respondent); counter Chinese propaganda (1 respondent) and hybrid influencing (1 respondent); prevent Chinese influence in higher education (1 respondent); reduce incentives for Member States to undermine EU unity (1 respondent); develop tools to mitigate China’s presence in eastern Member States (1 respondent); regulate Chinese investments (1 respondent); force Member States to abide by EU values (1 respondent); safeguard values and enforce respect for human rights through regulation (1 respondent). To address the EU-China media asymmetry problem, one European Guanxi respondent proposed that the EU should demand reciprocity in media access.

Lack of knowledge and poor perceptions of China

One final weakness that also stood out among expert contributions concerned the lack and limited usage of European China expertise, know-how, understanding and language skills (6 respondents); but also European arrogance vis-à-vis China (2 respondents). European Guanxi members also emphasised a lack of European expertise and understanding of China (2 respondents), but also mentioned weaknesses related to perceptions, including threat perception of China (1 respondent); European dogmatism (2 respondent); EU arrogance (1 respondent); as well as cultural differences between Europe and China (1 respondent). In this field, EU officials mentioned the need to finance China-related research (1 respondent). Experts likewise suggested the EU should fund and increase China research (3 respondents) and integrate more China expertise in government, media and civil society (2 respondents). Experts also advised the EU to: introduce a European initiative on Chinese literacy for increased language skills and knowledge (1 respondent); support the work of China specialists (1 respondent); and increase internal EU awareness raising and discussion on China and the related risks (2 respondents). Mitigating strategies proposed by European Guanxi followers included: promoting educational exchange within the EU and with China (2 respondents); internal awareness raising on China (1 respondent); deepening relations with China (1 respondent); and reducing European arrogance vis-à-vis Chinese capacities (1 respondent).
Opportunities

Figure 14 – Word cloud for responses on opportunities presented by EU-China relations and how to capitalise on them

Cooperation on climate and innovation

Climate cooperation with China in the coming decade featured most prominently among the opportunities identified by all three surveyed groups. EU officials emphasised opportunities for international cooperation with China to tackle global challenges (3 respondents) including on the environment and climate (3 respondents). EU officials suggested the EU could capitalise on these opportunities by engaging in green diplomacy with China (3 respondents) and on areas of common interest such as climate change (1 respondent). Experts also most often identified addressing climate change together (13 respondents) as an opportunity for EU-China relations, followed by the opportunity to create green tech giants and thereby enhance China's dependence on the EU's market, economy and investments (6 respondents). This was followed by opportunities for the EU to: establish green technology leadership (4 respondents); and to lead the world in regulation, norm setting and environmental protection (3 respondents), including establishing international standards on carbon (1 respondent). To capitalise on these opportunities, expert respondents advised the EU to: cooperate with China on green transformation, climate and related standards (8 respondents); fund and protect green sectors, transition and innovation (3 respondents); and implement the CBAM (2 respondents). The opportunities for EU-China relations in the coming decade identified by European Guanxi followers likewise privileged: jointly tackling climate change (6 respondents); the exchange with China of technology for sustainability (2 respondents); promoting sustainable development (1 respondent); and developing renewable energy with China (1 respondent). Ways to capitalise on these opportunities proposed by European Guanxi followers concerned increasing cooperation with China (4 respondents), including on climate change (2 respondents); and through EU climate action (3 respondents).
and increasing R&D cooperation with China (2 respondents), as opportunities to be seized. They suggested the EU would benefit from comprehensive risk-benefit assessment for sectors concerning: technological engagement with China (1 respondent); coherent R&D and industrial policies (1 respondent); promoting exchange that does not jeopardise security interests (1 respondent); reciprocity in technology transfer and scientific exchange (1 respondent); joint information sharing, coordination and negotiation across EU states with Chinese companies (1 respondent) and providing financial resources and attract talent for innovation (1 respondent). European Guanxi members also mentioned opportunities concerning: cooperation for innovation (3 respondents); for Europe to take advantage of Chinese innovations (1 respondent); science (1 respondent) and the funding of manufacturing and technology (1 respondent); and suggested that the EU should increase research cooperation with China (2 respondents).

Promoting values and common standards

EU officials further indicated opportunities for promoting EU values (1 respondent) and upholding human rights, international norms and standards (2 respondents). They suggested Chinese interest in cooperation with EU (1 respondent) and Chinese willingness to be a responsible power (1 respondent) provide further opportunities. They also referred to opportunities for standard setting alongside Asian allies (1 respondent) and stronger links in the Asia-Pacific, notably India and ASEAN (1 respondent). Here, EU officials suggested benefits could be optimised by: leveraging Chinese interest in cooperation with EU in negotiations and exchanges with China (1 respondent); extracting concessions from China in return for not aligning with the US (1 respondent); cooperating with China without being exclusive or naïve (1 respondent); building standardisation alliances with like-minded partners (1 respondent); and by financing and implementing an inclusive Indo-Pacific strategy (1 respondent). Experts found that Europe could seize opportunities in its relations with China through: leading by example in implementing liberal-democratic norms (1 respondent); and by putting pressure on China concerning human rights (1 respondent). Experts proposed the EU could capitalise on this by: standing firm on values including human rights, democracy and rule of law (2 respondents); requiring adherence to common standards and principles (1 respondent); continuing its standard setting among international fora to avoid China overtaking this role (1 respondent); being vocal about violation of democratic norms in Europe and abroad (1 respondent); and strengthening forums that enhance the rule of law (1 respondent). One expert on the contrary proposed to reduce western pressure on China regarding human rights and sustainability problems to avoid accusations of hypocrisy (1 respondent); European Guanxi followers also suggested the EU should promote its values and human rights (2 respondents).

Realist turn towards China

Some opportunities identified by EU officials and experts concerned growing European and international assertiveness in response to negative Chinese behaviour. EU respondents, for instance, mentioned: global disillusionment and concerns about China’s policies in the Asia-Pacific and other regions (1 respondent); and the EU’s ability to submit Chinese companies seeking market access to newly developed standards (1 respondent), as opportunities. In relation to this, EU officials proposed to: use fora like the WTO and UN to communicate with China, follow up with punitive measures, including sanctions, reduced market access, or preferential treatment to products from other countries, to show China that the EU is a friendly power but one that will not hesitate to take measures to defend a rules-based international system (1 respondent); strict enforcement of EU standards to create a more level playing field and regulate China’s EU market access (1 respondent); and to call China out on problematic behaviours (1 respondent). Opportunities for the EU in its relations with China in the coming decade identified by experts sometimes also revolved around a
growing strategic realism in European thinking about China and growing momentum for developing a coherent EU policy strategy on China and Asia (3 respondents); as well as for: increasing European China competences through common approaches (1 respondent); increased international awareness of Chinese threats and European assertiveness following the pandemic (2 respondents); the growing realisation that we can only act in unity to respond to geopolitical developments (1 respondent); a clearer European positioning on China (1 respondent); the possibility to plan for a post-Xi Jinping China (1 respondent); and that a change in Chinese leadership could potentially improve relations with the EU (1 respondent). Experts suggested the EU can capitalise on these opportunities by: adopting market protection instruments to strictly enforce reciprocity and create a level playing in EU-China relations (4 respondents); unifying foreign policy priorities (1 respondent); updating the EU’s approach towards China under the re-elected/new French and German administrations (1 respondent); developing an updated EU-China partnership (1 respondent); and by shifting towards negotiating and leveraging instead of ‘begging’ and discussing (1 respondent) in EU-China interactions.

Diversifying partnerships amid the US-China rivalry

One EU official mentioned that the heightened perception of Chinese threats following the pandemic has caused other actors worldwide to diversify relations away from China (1 respondent), identifying this as an opportunity for the EU. Experts also identified EU opportunities for international engagement in the coming decade, including: collaboration with other middle powers (1 respondent) and likeminded nations such as Japan and the US (1 respondent); as well as the US, Taiwan and ASEAN countries’ need for allies vis-à-vis China (1 respondent); renewing the EU-US partnership under the Biden Administration (1 respondent); the opportunity for the EU to position itself between and even benefit from US-China rivalry (2 respondents); the EU becoming China’s largest Western partner following US rivalry (1 respondent); and diversifying and strengthening relations with other countries in the Indo-Pacific (1 respondent). Experts suggested that further opportunities were presented by China’s isolationism (1 respondent), including its dual circulation policy for autonomy and decoupling (1 respondent). Experts also suggested that shaping the Belt and Road Initiative (1 respondent) and the EU’s connectivity strategy for the Indo-Pacific (1 respondent), could constitute opportunities for Europe. Experts found that the EU could capitalise upon these opportunities by: cooperating with allies, like-minded partners and third countries on areas of common concern (3 respondents); setting priorities for and implementing Indo-Pacific strategy (2 respondents); improving the EU’s presence in Africa (1 respondent); defining an agenda independently of China and the US (1 respondent); acting as an interlocutor on the global stage (1 respondent); and involving itself in the Eastern European and Central Asian energy sector (1 respondent). Some European Guanxi followers also expressed that making EU relations autonomous from those with the US (2 respondents); not following the US on China (1 respondent); supporting Taiwan (1 respondent) and finding alternative growth partners like India (1 respondent), constitute opportunities for the EU.

Improving economic relations

Experts mentioned the prospect of increasing European exports to China as an opportunity (2 respondents). Experts also suggest the EU should build resilient and diversified supply chains (2 respondents) and support start-ups and entrepreneurs in the EU to trade with China (1 respondent). Opportunities mentioned by European Guanxi followers included: deepening commercial and cultural relations with China (3 respondents); EU companies expanding in China (2 respondents); Europe’s diversity (2 respondents); the EU’s single market (1 respondent); increasing access to the Chinese market (1 respondent); negotiations on reciprocity (1 respondent);
cooperation with China in various fields (2 respondents), including multilateralism (1 respondent); and China’s dependence on EU support for projects in Europe (1 respondent). European Guanxi followers added that these opportunities could be capitalised upon by: enhancing European companies’ capacities in the Chinese market (1 respondent), through joint ventures and partnerships with Chinese companies (1 respondent); promoting reciprocity in EU-China relations (1 respondent); increasing negotiations with China (1 respondent); and by improving the strategic autonomy of its critical sectors (1 respondent).

**Growing China knowledge**

Experts also identified opportunities for Europe to enhance its China knowledge including by increasing tourism and scholarly exchange between EU and China (4 respondents) and attracting Chinese talent (1 respondent). Experts propose the EU capitalise on these opportunities through a common approach to developing China competences through: a European Chinese language initiative or an EU China competence fund (2 respondents); attracting Chinese immigrants through dedicated language and educational services (1 respondent); and educating the business sector on China-related risks (1 respondent). European Guanxi followers suggested the EU could increase its knowledge on China through summits (1 respondent) and that it should try to reduce European prejudice against China (4 respondents).
Threats

Figure 15 – Word cloud for responses on threats presented by EU-China relations and how to mitigate them

Disunity and inertia

Concerning threats to the EU in its relations with China, EU officials identified: threats to internal unity (2 respondents); the threat of Chinese ‘divide and conquer’ tactics and European fragmentation (1 respondent) and Chinese instrumentalisation of Member States against the EU (1 respondent). In response, EU officials proposed to: share best practices, develop guidelines and increase coordination among Member States (3 respondents); enhance coordination between Member States, national parliaments and the European Parliament (1 respondent); and strengthen EU foreign policy by moving away from unanimity voting and towards the use of core groups (1 respondent). Threats identified by experts first and foremost concern: increasing disunity and fragmentation in the EU (6 respondents); Chinese ‘divide and rule’ in the EU, including through the 16+1 framework, United Front Work, disinformation and bilateral bargaining (3 respondents); vulnerable EU states’ dependence on China, such as Hungary and Greece (1 respondent); disunity due to populism (2 respondents) and far-right political movements in Europe (1 respondent); and decision-making paralysis due to Member State divisions (1 respondent). To mitigate these threats, experts urged the EU to: raise awareness of divisive Chinese foreign policy (1 respondent); end 16+1 or bilateral meetings between France or Germany and China (1 respondent); enhance EU unity (1 respondent); show solidarity with those impacted by Chinese sanctions (1 respondent); and to form coalitions of willing EU Member States on key policies related to China (1 respondent). Lastly, experts fear the threat of European policy inertia (1 respondent); complacency (2 respondents); and resistance to change (1 respondent), as well as a disassociation between economic and political views on China (1 respondent); all of this in combination with: Chinese ambitions (1 respondent); assertiveness (2 respondents), aggressiveness (1 respondent) and its decreasing openness (1 respondent). To mitigate this situation, experts urge the EU to establish an EU China strategy that is: clear (2 respondents); coherent (1 respondent); not naive (1 respondent); balanced (1 respondent) and well-coordinated (1 respondent). The threat to the EU in its relations with China in the coming decade most often identified by European Guanxi followers also concerned the lack
of cohesion among Member States (8 respondents) and its lack of vision (1 respondent). In response, they also called for the EU to improve cohesion (5 respondents).

Hybrid and systemic threats

Instead of disunity, the threats for relations with China in the coming decade most often indicated by EU officials were hybrid threats such as: Chinese disinformation (3 respondents); interference (2 respondents); cyber-attacks (1 respondent); covert influence (1 respondent); and Chinese economic, cyber or military coercion (1 respondent). To mitigate these threats, EU officials proposed to: enhance efforts to define a solid shared strategic perspective, threat assessment or strategic compass on the most relevant threats coming from China (1 respondent); raise awareness in and among Member States on the interlinkages between the various vulnerabilities and threats (1 respondent); augment strategic communication with China experts (1 respondent); coordinate security briefings with key decision-makers to streamline a common understanding of EU-China strengths, weaknesses, opportunities and threats (1 respondent); invest resources in fighting Chinese disinformation (1 respondent); and support European media in China (1 respondent). Experts also warned of Chinese hybrid threats including: Chinese disinformation (4 respondents); Chinese asymmetric warfare (1 respondent); cyber threats (1 respondent); and influence campaigns through social media and Confucius Institutes (1 respondent). To mitigate such hybrid threats, experts suggested the EU: block Chinese propaganda (1 respondent) and respond to disinformation (1 respondent); use education to make corporations and people future-proof, including against hacking and disinformation (1 respondent); harmonise security and monitoring regulations among EU Member States (1 respondent); track Chinese activity through a 'Far East StratCom' (1 respondent); introduce regulations for transparency in Chinese investments in media (1 respondent); provide alternatives to Chinese investments (1 respondent); dedicate a team to analysing Chinese companies’ FDI in the EU (1 respondent); invest in cyber security and mitigate intellectual property theft (1 respondent); and to better coordinate cyber defences (1 respondent). European Guanxi respondents also mentioned Chinese cybersecurity attacks (2 respondents) and disinformation (2 respondents) as threats. They urged the EU to mitigate them by improving European cybersecurity through reinforcement of the European Union Agency for Cybersecurity (ENISA), European Cyber Security Organisation (ECSO) and NATO Cooperative Cyber Defence Centre of Excellence (CCDCOE) (2 respondents), and by better regulating China's media presence in Europe (2 respondents).

Closely related to hybrid threats in the respondent answers was the threat that China poses to the EU’s value system. EU officials mentioned global systemic rivalry on values (1 respondent), as well as totalitarianism (1 respondent) and revanchism in China (1 respondent); and the weakening of democratic institutions in the EU (1 respondent), as threats to consider. EU officials suggest that in response, the EU should find balanced ways to promote its value system (2 respondents). Experts also emphasised the threat of systemic rivalry (3 respondents), and a potentially vanishing liberal international order (1 respondent); and mentioned threats to the EU’s values including: failing credibility due to increasing hypocrisy (1 respondent); the erosion of values (1 respondent); failure to confront Beijing on values (1 respondent); democratic backsliding (1 respondent) and ‘Chinese model’ narratives gaining favour in Europe (1 respondent); as well as Chinese undermining of academic freedom and freedom of speech in Europe (1 respondent). Experts suggested this requires the EU to ensure societal cohesion and counter populism (2 respondents). European Guanxi followers warned of systemic threats, including China’s undermining of liberalism (3 respondents) and its disregard for international law (1 respondent); and Europe’s increasing inequality and populism (1 respondent), as well as a democratic deficit in the EU (1 respondent), as systemic threats
to consider. They indicated that this requires the EU to further increase the promotion of its values (5 respondents) as well as its image internally (2 respondents).

**US-China geopolitical tensions**

EU respondents also emphasised potential for conflict in the South China Sea (1 respondent) and growing tensions between the US, China and Taiwan (1 respondent) as threats to be monitored. One EU official suggested that the EU should respond by increasing its partnerships with ASEAN and other regional allies (1 respondent). Experts likewise often mentioned geopolitical threats to the EU related to the US-China rivalry, including being disadvantaged through: US-China competition, or China and the US side-lining the EU (4 respondents); the EU decoupling from China or the US (2 respondents); siding with the US if it turns out to be on the losing side in the long term (1 respondent); making bad decisions due to US-China tensions (1 respondent); excessively following US positions (1 respondent); being drawn into a cold war between China and the US (1 respondent); climate issues being left unaddressed in the context of deteriorating US-China relations (1 respondent); and also EU unpreparedness for tensions in the South China Sea and the Taiwan Strait, or for conflict between China and the US (4 respondents). Here, experts also urged the EU to: strengthen cooperation with like-minded actors and partners (3 respondents); establish partnerships with India, Japan and ASEAN (1 respondent); mitigate the US-China rivalry (1 respondent); actively reinforce the international order (1 respondent); avoid closing the door to China or trusting blindly in the US (3 respondents); take the lead in climate action in cooperation with China and third countries (2 respondents); and consider ways to support Taiwan against Chinese pressures in the long term (1 respondent). European Guanxi followers mentioned: geopolitical threats, including the China-Russia partnership (1 respondent); the EU’s dependence on the US (2 respondents); US decline (1 respondent); EU involvement in US-China competition (3 respondents); and potential EU involvement in a US clash with China (2 respondents). European Guanxi followers therefore proposed the EU should: not align, but rather balance relations with the US and China (1 respondent); take steps to mitigate its security dependence on the US (1 respondent); establish a European army (1 respondent) and cooperate with like-minded partners (1 respondent).

**Supply chain dependencies and lacking reciprocity**

Dependence on Chinese supply chains (1 respondent) and the decoupling of supply chains (1 respondent) were also mentioned by EU officials as threats to EU interests in its relations with China in the coming decade. EU respondents therefore proposed that the EU should build robust alternative supply chains to improve resilience in times of crisis, or instead opt for more local production of key strategic products or inputs (1 respondent), while avoiding the mistake of decoupling from China (1 respondent). Experts also emphasised threats concerning dependencies on China (3 respondents), including dependence on Chinese supply chains (3 respondents), in critical sectors (1 respondent), and on technology (1 respondent). Here, experts advised the EU to: mitigate excessive dependence in any sector (4 respondents); map supply chains in need of diversification (1 respondent); reduce dependence by diversifying the EU’s trade portfolio (1 respondent); produce critical goods within the EU (1 respondent), and establish an industrial strategy integrating global supply chains and critical raw materials (1 respondent). Experts furthermore warned of the presence of Chinese state-subsidised companies in the EU market (1 respondent); and the lack of a level playing field in investment (1 respondent). Experts suggested the EU address such reciprocity issues by better regulating trade with China and making Chinese market access conditional on concessions (2 respondents). European Guanxi followers also frequently expressed concern about threats related to the EU’s economic dependence on China.
(7 respondents), as well as the lack of Chinese reciprocity in economic relations (2 respondents). European Guanxi respondents suggested that, in response, the EU should improve reciprocity through agreements (1 respondent); renegotiation of the CAI (1 respondent); and trade instruments (1 respondent).

Infrastructure investment vulnerabilities

Another frequently mentioned threat among respondents was Europe's exposure to Chinese investment in its critical infrastructure and China's growing influence on international infrastructure development. EU respondents warned of: Chinese influence projection through infrastructure projects, resource extraction and loans, diminishing EU's political clout in third countries (1 respondent); Chinese engagement in regions with little EU engagement, such as Africa (1 respondent); and Chinese ownership and investment in critical infrastructure (1 respondent). EU officials indicate that the EU could mitigate this threat by offering a comprehensive package to third countries in terms of development support, as well as possible loans through the European Investment Bank or other funds (1 respondent); and by screening investment to prevent foreign ownership of highly sensitive companies (1 respondent). Experts similarly identified threats to European infrastructure, including Chinese ownership of European infrastructure (2 respondents); European dependence on Huawei's 5G networks (1 respondent); and the issue of Chinese port investments in the EU (1 respondent) and Chinese ICT and infrastructure investment in Europe (1 respondent). Some experts indicated that the EU could respond by restricting Chinese investments in 5G and ports (1 respondent) and by building a strong connectivity plan (1 respondent). European Guanxi members also indicated threats related to European control over critical assets, including the loss of EU infrastructures and ports and 5G networks to Chinese acquisitions and finance (4 respondents); and the lack of regulation of Chinese investments in Europe (1 respondent). They called on the EU to address such issues through better regulation of foreign investment (1 respondent) and 5G networks (1 respondent).

Technological take-over

EU officials also identified data and (dual-use) technology transfers (2 respondents); Europe lagging behind China in AI and new technologies (2 respondents) and digital competition (1 respondent), as credible threats. EU officials therefore suggest the EU: boost engagement in digital competition (1 respondent) and invest in R&D (1 respondent); build safeguards into academic agreements, to prevent misappropriation of industrial secrets (1 respondent); and to prevent European enterprises in China from losing control of innovative intellectual property and technology, including by raising awareness of the risks and offering alternatives to remain in the EU instead (1 respondent). Experts likewise fear the threat of Chinese corporations out-competing European tech firms (5 respondents); as well as: tech transfers, including through cyber espionage (2 respondents); the loss of European competitiveness (2 respondents), including in the digital field (1 respondent); and of a potential European innovation deficit (2 respondents). Experts therefore propose the EU adopts mitigating strategies that increase European competitiveness (6 respondents), including on: support for European technological competitiveness and creating competitive tech firms (2 respondents); investing in digital tech development (1 respondent); building an autonomous digital industry (1 respondent); assessing the needs of economic and industrial actors (1 respondent); and regulating access for Chinese high-tech products (1 respondent). European Guanxi followers also warned of the threats of EU dependence on US and Chinese technologies (3 respondents) and of an EU innovation deficit (2 respondents), which one respondent suggested requires increased EU investment in technology (1 respondent).
Mutual misunderstanding

Experts warned of the threats of misunderstanding, including mutual miscalculation (2 respondents); misconception and radicalisation (1 respondent); a lack of European understanding and expertise on China (1 respondent); emotional and polarised debates (1 respondent); anti-China discourses in Europe equating China with its top leadership (1 respondent); and Cold War rhetoric or fake news lacking nuance on China (1 respondent). To mitigate the threat of misunderstanding, experts suggested the EU should: find ways to improve nuance in China-related discourse and news (2 respondents); establish a Europe-wide competency system for China expertise (1 respondent); increase funding for China research (1 respondent); educate youth and professionals on China (1 respondent); and invest in China expertise and support education and other exchanges with China, including for language learning (1 respondent). One European Guanxi member similarly warned of the lack of knowledge on China (1 respondent), which could be mitigated through increased educational exchange with China (1 respondent).
EU-China outlook to 2030

Based on the survey input, related developments and personal impressions, an informal and non-exhaustive view can be formulated concerning some of the main issues and responses that may feature strongly in EU-China relations until 2030. The potential future prospects included in this simple 'calculated guess' are structured under the three pillars of the EU's multi-pronged classification of its complex relationship with China, as formulated in its 2019 EU-China Strategic Outlook, namely China as a 'cooperation partner', an 'economic competitor' and a 'systemic rival'.

Cooperation partner

Cooperation on climate and sustainability topped the survey responses concerning the priority areas for EU-China relations in the coming decade. It seems to be the global issue that is most often cited as a relatively hopeful avenue for constructive and positive relations with China, a second area often cited being cooperation on WTO reform and in other multilateral institutions. Calls to invigorate EU-China climate cooperation rose to the fore when the Trump Administration decided to pull out of the Paris Agreement. However, as other observers have noted, progress on EU-China climate cooperation has long been missing and has more recently been characterised by European anxiety about potential Chinese back-sliding from previous climate commitments. No new significant climate deliverables seem to have been achieved through EU-China cooperation in the past five years. High-level climate dialogues between the EU and China nonetheless do continue. However, they usually merely take the form of an exchange of each side's positions on countering climate change and sustainable development, rather than providing a meaningful platform for real coordination in this area. While providing a channel for positive EU-China interaction, the achievement of progress in the field of climate cooperation may continue to stagnate in the coming decade. Put briefly, climate could remain a low cost/low reward avenue for EU-China cooperation. However, in the absence of concrete deliverables, the popularly expressed desire to intensify and prioritise cooperation in this field would remain largely a 'fig leaf' hiding a lack of action. Calls for EU-China cooperation on climate also risks becoming overshadowed by increasing concerns about the EU's growing dependence on China for products, resources and technologies that are vital to the green transition. China's dominance in the production of solar panels, batteries, and perhaps soon electric vehicles, as well as related rare earths and other essential materials such as solar-grade polysilicon, is a growing cause of anxiety in European policy circles. This green dependency, and a European response to avoid replacing fossil energy dependencies on the Middle East and Russia with future renewable energy dependencies on China, is quickly gaining a public sense of urgency. This brings us to China as an economic competitor.

Economic competitor

The weaknesses and threats most commonly identified by the survey respondents concerned internal European divisions and disunity, hampering a coherent EU policy approach towards China. Even European national governments have had great trouble agreeing on their own domestic China policies. Divergent China-critical or security-minded perspectives and China-accommodating or commercial-minded views among ministries and national leaders have, in many capitals, competed to find their way into national China strategies and approaches. The challenge of arriving at a coherent China policy is inevitably multiplied at the EU level, where any Member State, including those that are relatively motivated to attract Chinese investment can veto common foreign and security policy proposals in the Council. Urged by the European Parliament, the European
Commission has looked for ways around CFSP constraints by pooling sovereignty in a new trade toolbox. European assertiveness on the global scene could be reinforced through the development of new, updated, forthcoming China-relevant EU policy instruments. These are mainly vested in the domain where EU competencies are greatest, namely economic and commercial policies. They could nonetheless have massive foreign policy implications through their leveraging of the economic power of European external trade and investment relations. This toolbox is so far primarily composed of the active FDI Screening Mechanism, International Procurement Instrument, Dual-use Items Export Control Regulation; and the proposed distortive foreign subsidies regulation, anti-coercion instrument, and corporate sustainability due diligence regulation (and forced labour ban proposal). Much of this package of instruments responds to another main objective for which survey respondents voiced broad support: leveraging access to the European market and unilaterally enforcing economic reciprocity with China by making continued Chinese market access in Europe conditional on European market access in China whenever possible. Here, some would suggest that the freezing of the CAI could actually be an advantage when it comes to preserving the EU’s room for manoeuvre in responding to the economic challenges posed by China. The CAI’s commitments, locking in permanent guarantees for Chinese access to various European sectors, would have restrained the EU’s future flexibility, and resulting leverage, to close parts of its market in response to Chinese market restrictions (which the CAI may have partly addressed, but which China may have been effectively able to circumvent in practice).

The EU’s new trade and reciprocity toolbox is a massive step in the right direction towards standing up to disadvantageous and unfair Chinese economic practices. However, the battle to enhance Europe’s international strategic clout and economic reciprocity vis-à-vis China through these instruments is far from won. Some of these instruments, such as the FDI Screening Mechanism, while improving coordination in this domain, gives the Commission an advisory role, with the final decision on whether to let through questionable foreign investments remaining with the Member States. While the Commission urged for caution, for example, Germany persisted in selling a large part of its main Hamburg port terminal to a Chinese state-owned shipping company. Other instruments still being amended have furthermore been under pressure to dilute their competences, such as a recent letter signed by 11 Member States, suggesting that the final decision on whether to use the proposed anti-coercion instrument, designed to counter foreign economic bullying, should remain with the Member States. Following a year of anticipation, during which China’s embargo on Lithuania multiplied its urgency, such weakening revisions would condemn the instrument to the status quo of unanimity voting and render it essentially useless. Questions thus remain regarding the gaps and loopholes many of these instruments present. These may have been included intentionally, as the result of lowest common denominator policy-making, or unintentionally because of a lack of knowledge and the difficulty of responding to the complexity of China’s market-distorting economic practices. A second point of concern is implementation. The 2012-2013 failure to counter China’s solar panel dumping due to Chinese counter-tariff threats demonstrated that, apart from having the right policy instruments, the political resolve to use them is essential to protect European interests against Chinese abuses.

Europe’s trade and reciprocity toolbox will still be far from finished once the remaining instruments still under development are finalised, and will need to be supplemented by additional mechanisms to respond to remaining weaknesses and gaps, and reinforce European resilience. Next on the agenda is the proposed ‘critical raw materials act’ announced by Commission President von der Leyen at the 2022 State of the European Union. This initiative, as well as the proposed chips act, are indications of the increasing prioritisation of supply security in addition to reciprocity in EU policy-making targeting Europe’s external economic relations, especially with
China. This is where respondents' suggestions to diversify supply chains away from China and cooperate with alternative partners across the world towards this purpose also come in. Whether the EU will be able to continue to develop its instruments package and to effectively implement those already completed will be a key determinant of whether Europe will be able to improve its position vis-à-vis China and respond to unfavourable Chinese behaviour and dependencies hurting European interests and strategic autonomy in the coming decade. The EU trade reciprocity toolbox will, depending on the political will to implement it effectively, increase Europe's capacity to protect itself against unfair Chinese economic practices and raise the EU's ability to act internationally, but this may also come with an economic cost due to Chinese countermeasures and potential price increases. However, China's internal drive towards economic autonomy, supply chain decoupling and the 'securitisation of everything' mean that many such costs will be unavoidable, regardless of Europe's approach. Due to their intensification of market distortions and reciprocity deficit disadvantaging Europe, these Chinese domestic trends simply heighten the urgency of a European rebalancing response.

Systemic rival

Another question for this decade concerning unified European foreign policy responses to challenges posed by China, in an area in which China's role as a systemic rival manifests itself more clearly, is to determine at what stage of Chinese aggression against Taiwan Europe would be willing to implement a comprehensive sanctions regime against Beijing. President Xi Jinping could be ramping up actions targeting Taiwan, possibly reaching peak intensity beyond the start of his anticipated fourth presidential term in 2027. However, even in the wake of Russia's brutal invasion of Ukraine, Member States had some trouble agreeing on a sanctions package to punish Moscow, due to the economic consequences involved. The obstacles would be greater still in the case of, for instance, a Chinese blockade of Taiwan or intensified hybrid measures, aggressive lawfare targeting 'separatist' Taiwanese entities and other gradual tactics, short of war, to inflict 'death by a thousand cuts' on de facto Taiwanese political autonomy and change the cross-strait status quo. Robust European responses to such Chinese action against Taiwan would be complicated by the absence of dramatic violence, the greater geographic distance and especially the prospect of much more severe economic consequences of comprehensive sanctions, due to China's vastly larger economy and interconnectedness with Europe in comparison to Russia. In the coming decade, Europe could nonetheless be forced to choose between not sitting back idly while an authoritarian regime attempts to effectively envelop a democratic society abroad, and avoiding economic devastation at home. The result of this dilemma would likely be some sort of compromise, for instance a boycott on less-essential Chinese imports, proportional to the level of aggression against Taiwan. The difficulties should not deter the EU from preparing for potential scenarios as the US and Taiwan have been pushing Europe to do. Having a common position specifying Europe's 'red lines' and the kind of sanctions that China would provoke if it decided to cross them would go a long way in what little the EU could do to positively influence the situation in the region. However, it remains to be seen if Member States can be persuaded to adopt a robust common position on Taiwan in the provisional absence of a great crisis in the region. As the use of those sanctions will remain subject to unanimity voting, it would furthermore be difficult to conceive of a plan able to completely assure European decisiveness when one of the feared scenarios presents itself, thus further adding to the critical uncertainties surrounding the Taiwan Strait. Diversifying supply chains for critical resources – rare earths, batteries and solar panels, for instance – would in any case go a long way to improving future European resilience in preparation for scenarios involving instability, crisis or aggression in the Taiwan Strait.
Rapidly increasing European interest to exchange and cooperate with Taiwan, including on semiconductor investment and supply security, as well as on democratic interference, has been a growing source of Chinese animosity towards Europe in 2021-2022. China’s influence operations in Europe have invoked a similar response in the other direction. Being an issue on which most European policy-makers and Member States tend to agree, the next decade will likely see an increase of European responses against Chinese disinformation, interference and malign influencing through (social) media, academia, financing and other channels. Such a common approach could be formulated in the ‘defence of democracy package’ also announced by President von der Leyen at the 2022 State of the European Union. While Europe is likely to increasingly mobilise against Chinese disinformation, it will be more challenging to address critical knowledge leaks, or problematic information flows from Europe to China, rather than the other way around, through common European frameworks. Whereas countering media disinformation, democratic interference and malign influencing receive broad support for EU responses, more pushback can be expected against common measures limiting the scope of R&D exchange and research cooperation with China. Increased regulation for critical sectors may nonetheless be deemed necessary.

This decade’s prospects

Over the past few years, EU-China relations have gradually deteriorated due to a sequence of alienating incidents: from Chinese ‘wolf-warrior diplomacy’, disinformation, and ideological posturing during the pandemic starting in January 2020; to China’s crackdown on democracy and rule of law in Hong Kong culminating in the national security law of 2020; the exchange of sanctions over human rights concerns in Xinjiang; and the freezing of the CAI in March 2021; China’s trade embargo on Lithuania starting in November 2021, and last but not least China’s rhetorical and diplomatic support for and ‘no-limits partnership’ with Russia since its invasion of Ukraine from February 2022 onwards. Accordingly, European views on China have progressively hardened. With each such event, Europe has moved further towards increased China-scepticism and decreasing hopes of China becoming a responsible and reliable partner in the international rules-based order. As observed by survey respondents, Europe’s realist turn vis-à-vis China will increase opportunities for more pragmatic policy-making in response to China-related challenges.

As EU-China relations continue to deteriorate, most gains towards improving Europe’s position vis-à-vis China are likely to be made within the EU itself. This could increasingly manifest itself through a growing focus on internal resilience-building against malign interference in the systemic rivalry spectrum and tackling Chinese market-distorting behaviour, lack of reciprocity and economic dependencies under the economic competition pillar. The second track of European responses to challenges posed by China is expected to unfold on the global stage, in which Europe could try to further improve its position vis-à-vis China through EU partnership diversification in the world. Strategic rivalry elements of new partnership initiatives could take the form of coordination among like-minded partners to counter Chinese promotion of authoritarianism and democratic backsliding in third countries, including in developing regions. It is possible that EU partnership diversification will concentrate still more on economic competition aspects and see the emergence of initiatives for bilateral, regional and international cooperation in trade, infrastructure and especially supply chain security. A third track of responses, namely EU-China dialogue on climate, digital and WTO concerns, should remain nominally open and be kept available as a low-cost and low-reward form of positive policy exchange. While it will remain the subject of hopeful calls for more cooperation with China, in the absence of concrete deliverables, this track risks disappearing into the background of EU China-related policy-making. If progress and gains delivered from direct EU-China
exchange on global issues and through multilateral institutions continue to stagnate, this track of engaging with China is likely to thus increasingly fall behind internal resilience-building and international partnership diversification in European responses to China-related challenges in the coming decade.

This roughly drawn ranking is anticipatory rather than prescriptive, and concerns each track's anticipated level of focus and importance on the European agenda, whether resilience building, partnership diversification or global issues dialogue, more than their anticipated success. To what extent Europe will actually manage to improve its position vis-à-vis China and respond to the contemporary challenges posed by Beijing remains even more uncertain. This will depend on a myriad of factors, not least Europe's ability to develop pragmatic solutions and its shared political resolve to apply them effectively. To complicate things further, whether EU-China relations continue to spiral towards rivalry and away from partnership will largely depend on China's own behaviour in the coming decade, especially concerning Ukraine, Taiwan and economic reciprocity. Xi Jinping's third term in office seems to promise still more of China's all-of-society securitisation, economic decoupling, technological struggle and assertiveness against perceived foreign threats. As seen from Europe, the outlook for Beijing's future policy-making direction unfortunately continues down its increasingly pessimistic trajectory.
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The EU’s relations with China are changing rapidly. What priorities, choices, challenges and opportunities might emerge for the EU in its dealings with China over the next decade? This study presents the results of an expert survey on the future of EU-China relations. 171 China observers took part, drawn from among European think tanks, EU institutions and a China-focused European youth network. A synthesis of the responses reflects the considerations, insights and advice of Europe’s China knowledge community on the EU’s approach to China looking ahead towards 2030.