



## Chinese Offer for the EU Seems Illusory

Marcin Przychodniak

Problems in EU-U.S. relations, including over differences in approach to Russia and trade policy, are prompting China to try to improve relations with the EU. The Chinese authorities are using the rhetoric of developing economic cooperation and stabilising the situation in Ukraine to counter the EU's reduction of dependence on China, undermine EU sanctions on China, and weaken transatlantic relations. Maintaining an assertive policy toward China is in the EU's interest, as it can contribute to strengthening its relations with the U.S., among other things.

Prior to [the U.S. presidential election](#), Sino-EU political contacts were kept to a minimum. This was a consequence of China's unfair trade practices and [support for Russia in its war with Ukraine](#), among other things. As a result, the European Commission (EC) stepped up measures to protect the single market, examples of which were the imposition of [tariffs on Chinese electric vehicles](#) and the inclusion of Chinese entities in [sanctions](#) against Russia. Most EU members supported the EC's policy, but some (e.g., Germany, Spain, Hungary, Slovakia) sought to limit it (e.g., on the imposition of tariffs on electric vehicles) out of concern that China's reaction could harm their economic interests. According to the Commission, a strong stance toward China was supposed to bring the EU and the U.S. closer together after Donald Trump became president. However, this is uncertain due to, among other things, the U.S. undermining transatlantic relations, including through its [trade policy](#) and raising tariffs on EU steel and aluminium, as well as the [new U.S. administration's ambiguous stance on Russia](#). This has created an opportunity for China to intensify its efforts to improve relations with the Union

**China's Tactics.** The Chinese authorities argue that developing relations with them will allow the EU to achieve economic and political benefits as opposed to the costs arising from U.S. policy. They have used such rhetoric before, and now directly allude to U.S. policy toward the EU. This was the position of Foreign Minister Wang Yi during a speech at the Munich Security Conference in February this year and during meetings behind the scenes with the heads of the

Foreign Ministries of Germany, Ukraine, France, and Spain and the EU High Representative for Foreign and Security Policy. He indicated that China is ready to "play a constructive role in achieving peace" in Ukraine. Referring to the U.S.-Russian negotiations, he acknowledged the need for EU and Ukrainian participation in the ceasefire talks. On 7 March, during a session of the Chinese parliament, Wang expressed confidence that the contentious issues between the EU and China would be resolved. At the time, he did not negate the possibility of Chinese peacekeepers' participation as a safeguard for a possible ceasefire in Ukraine. At the same time, Chinese experts, including from think tanks linked to the Chinese government, point to the development of the concept of strategic autonomy, understood as "detachment from the U.S.", as important for the EU's international position. They also perceive that the EU wrongly treats close [Sino-Russian relations](#) as an obstacle to improving EU-China relations.

China's rhetoric is accompanied by changes in the positions of those responsible for implementing policy toward EU countries. Lu Shaye, former ambassador to France, is now the Chinese Foreign Ministry's representative for European affairs. In turn, Hua Chunying, former spokeswoman for the Foreign Ministry, became secretary-general of the Secretariat for China's cooperation with Central and Eastern European countries (with the rank of deputy minister). Both appointments can be seen as an expression of China's self-confidence in its actions toward the Union and their potential effectiveness. Lu, as China's ambassador to France,

questioned the sovereignty of Ukraine and the Baltic States, while Hua affirmed [up China's offensive policy toward the EU](#). Apart from supporting the EU's participation in the Ukraine war talks, China has not made a concrete offer to the EU to encourage it to improve bilateral relations. The demands made last year for a return to EU ratification of the 2020 Comprehensive Agreement on [Investment](#), or the mutual lifting of [sanctions](#) imposed in 2021, are no longer China's goal. It remains the reduction of restrictions on the operation of Chinese companies in the EU market, primarily a reduction of [tariffs on electric vehicles](#). China's economic plans for 2025, announced at a parliamentary session in March, continue to indicate the key importance of overproduction exports. As a result, the tariffs imposed by the U.S. on Chinese goods (which have risen an additional 20% since February) could mean [Chinese manufacturers](#) diverting more of their exports to the EU.

**Union's Approach.** The EC maintains a negative assessment of China's policies. In January, the Commission completed an unprecedented investigation into discriminatory practices in China's public tenders. This opened the way for, among other things, the exclusion of Chinese entities from tenders in the EU. Meanwhile, in a defence white paper published on 19 March, the Commission pointed to the expansion of Chinese military capabilities and pressure on Taiwan.

Despite these measures, the Commission at the same time declares its readiness for dialogue, especially on economic issues. This was expressed by Commission President Ursula von der Leyen and others at the Davos Economic Forum in January. During a visit to China in March, Trade and Economic Security Commissioner Maroš Šefčovič stressed a positive attitude to talks with China, but with the goal of increasing the opportunities for EU companies to operate on the Chinese market. Further talks on tariffs on electric vehicles were also agreed. Moreover, on 14 January, European Council President Antonio Costa, in a telephone conversation with Chinese President Xi Jinping, stressed the importance of contentious issues between the EU and China, noting that "the parties should cooperate rather than compete".

The EU has also sought Xi's participation in this year's summit to mark the 50<sup>th</sup> anniversary of EU-China diplomatic relations. However, the Chinese delegation in Brussels will most likely be led by Prime Minister Li Qiang, as usual. In March, restrictions on meetings with Chinese representatives were lifted by the European Parliament (EP). However, the EP's conciliatory approach may be hampered by the investigation uncovered in the same month into the possible corruption of more than a dozen former and current MEPs by the Chinese company Huawei.

There is a growing number of EU Member States that consider the EC's assertiveness towards China too risky, especially in the context of the hardline U.S. policy towards the Union. Slovakia and Hungary have been joined by Spain,

Portugal, and Italy in pointing to the need for greater openness in economic relations with China, mainly due to aggressive U.S. trade policies. The long-term nature of the threats to the EU from China is emphasised by France, as well as by Friedrich Merz, the [likely future German Chancellor](#). However, the policy of the new German government will depend on the outcome of coalition talks. A "Sinosceptic" direction of EU policy is supported by the majority of Central European countries, Finland, and Sweden. The issue of trade relations with the U.S. and China will be the subject of a special EU Foreign Affairs Council scheduled for 7 April.

**Conclusions and Outlook.** In the optics of the Chinese authorities, the challenges in EU-U.S. relations are long-term and beneficial to China. Thus, they do not currently require China to make specific concessions to the Union in order to quickly bring about an improvement in relations. In China's view, time is working in its favour, and U.S. policies will have a negative impact on transatlantic cooperation. In turn, this may cause more EU Member States to opt for a more conciliatory approach to China, even without a viable Chinese offer and with the appointment of controversial politicians such as Lu Shaye. Therefore, the Chinese authorities' rhetoric, including supporting stability in Ukraine and suggesting the participation of Chinese peacekeepers there after a ceasefire, has also so far shown no real willingness to compromise, even on economic issues. Xi's possible absence from the summit, despite EU solicitations, will also signal such an approach.

It is therefore in the interest of the European Union to keep its distance in its relations with China. The EC-led process of reducing the EU's dependence on China (*derisking*) should be supported by the Member States, especially Germany. It is crucial for the EU to increase its competitiveness and counter unfair practices of Chinese companies in strategic sectors, such as automotive, environmental protection, and telecommunications. In order to reduce the influx of Chinese overproduction, it may be useful for the EU to apply restrictions in this regard, such as through import quotas (the EC has already announced they will introduce them on steel). This could become particularly important if [the U.S. increases tariffs](#) further. Possible cooperation in restricting imports of Chinese overproduction could also strengthen transatlantic cooperation.

Despite the Chinese rhetoric and assurances of possible concessions, the EU should further strengthen its defences against the participation of Chinese actors in [Russian sabotage operations](#) and reduce Chinese support for Russia's war economy, including through the introduction of further sanctions. Countering the challenges from China should be conducted in parallel with [the development of EU defence capabilities](#). This would foster stronger relations with the U.S. and provide an argument for maintaining a strong U.S. military presence in Europe.