



China Tempting EU Members and the Effect on Transatlantic Relations

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China seeks to maintain differences within the EU, particularly regarding transatlantic cooperation towards China. Some EU countries and institutions do not perceive China as a threat and look cautiously at the reduction of economic ties with it. Others regard transatlantic cooperation, including vis-à-vis China, as an important element in strengthening European security. These differing approaches limit the ability of the EU and the U.S. to interact in areas related both to Sino-Russian cooperation and China's escalation in the Indo-Pacific.

Following the decisions of the [20th Chinese Communist Party Congress](#) in October 2022, the [lifting of pandemic restrictions](#) last December, and the formation of the [new Chinese government](#) in March this year, China has intensified contacts with EU Member States and institutions. From the beginning of 2023 until the end of June, there were more than 30 high-level interactions, such as visits by China's top diplomat Wang Yi to Italy, the President of the European Commission Ursula von der Leyen and French President Emmanuel Macron to China, and Sino-German intergovernmental consultations.

Parallel to the activities of Chinese diplomacy, a debate is taking place in the EU on its relations with China, engagement in the Indo-Pacific, and transatlantic cooperation vis-à-vis China. The May Gymnich meeting of EU foreign ministers was devoted to these topics. Legislative work is underway to broaden the range of [instruments to limit the EU's dependencies](#) and responses to external pressure. In June, the EC announced a new economic security strategy. It includes a proposal to establish screening of outbound investments to prevent technology loss and to increase security of research, also in the context of relations with China. This debate culminated in the conclusions of the European Council on 29 June, which, among other things, stressed the importance of EU cooperation with China, despite systemic differences.

China's Objectives and Instruments. The primary goal of the Chinese authorities in their dialogue with the EU is to loosen transatlantic relations. This primarily concerns [EU-U.S. cooperation](#) in the Indo-Pacific and the reduction of their economic dependence on China. Therefore, China seeks to influence the EU debate on strategic autonomy by emphasising the Union's strong position as an autonomous and independent partner. It also suggests possible concessions, such as the [lifting of sanctions](#) and the resumption of talks on the [ratification of an investment agreement](#) (CAI), and promises selected countries (Germany or France) greater access to its market. The Chinese ambassador to the EU plays a special role in this policy, selectively criticising in European media the actions of the Union and its members, for example, the Netherlands for imposing [sanctions on the Chinese chip sector](#). At the same time, he suggests China's readiness for dialogue with the EU, presenting it as a responsible state ready to stabilise the international situation.

EU Autonomy and Transatlantic Relations. Despite a gradual tightening of EU policy towards China and an awareness of the value of a close transatlantic relationship, differences on these issues have become increasingly apparent within the EU in recent months. States such as France, Germany, Spain, and Portugal fear a further tightening of EU policy towards China and advocate greater EU autonomy vis-à-vis the U.S. On the other hand, the

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countries on NATO's Eastern Flank, including Poland, Czechia, Estonia, Latvia, and Lithuania, as well as Sweden, consider transatlantic cooperation to be a priority, not least in view of the strengthening Sino-Russian relations.

Western European countries seek to maintain the economic gains from cooperation with China and advocate greater autonomy for the Union vis-à-vis the U.S. The reason for this is, in contrast to the U.S. position, that they perceive the risks of the relationship with China as not being systemic or concerning EU security. This includes a belief in the positives of cooperation on global issues with China (e.g., climate) and, above all, limiting the scope for reducing the EU's economic dependence on China. This was signalled by President Macron after his visit to China in April, by German Chancellor Olaf Scholz after his June consultations with the Chinese prime minister, and by EC President Charles Michel after his talks with the Chinese prime minister in June. They oppose the most radical measures, in particular sanctions on high-tech companies or EU restrictions on cooperation between European companies and China. Imposing these restrictions would have negative economic consequences for which the EU is not currently prepared. According to these politicians, considering China only as a rival of the EU would also worsen the EU's relations with the Global South, for which China is an important partner. Although, since the Commission president's speech on EU policy towards China on 30 March, the dominant approach in the EU has been called "de-risking", which means reducing ties with China in the most sensitive sectors. Some countries are, however, reluctant to loosen relations with China and are trying to dilute the significance of the policy approach. The German Chancellor, for example, suggested (as does the Chinese prime minister) that companies, not states, should be the ones to make the decision whether to reduce dependence on China.

For the countries on NATO's Eastern Flank, the priority is to maintain the U.S. military presence in Europe and expand the defence capabilities of EU countries in case of a possible shift of attention and resources of the U.S. armed forces to the Indo-Pacific. Moreover, Lithuania and Czechia call for modification of EU policy towards China. They want it to be defined as a systemic rival, thus rejecting the perception of China as a partner and competitor. The policy of enhancing transatlantic cooperation in Asia is partly supported by the EC, as demonstrated, for example, by the stronger [support for Taiwan](#) expressed in the statement following the fifth session of the EU-U.S. Indo-Pacific Consultation in June. The Union's willingness to strengthen cooperation in the fields of artificial intelligence or disinformation, among others, was also demonstrated at the May session of the EU-U.S. [Trade and Technology Council](#).

Differences in the perception of China between the Member States and the importance attached to the transatlantic relationship make it difficult to further tighten the Union's stance. This is evidenced by EU initiatives that have met resistance from some members. For example, the EC issued an appeal to the Member States to remove Chinese companies from 5G infrastructure. In addition, although Chinese companies were included in the draft 11th package of sanctions against Russia for their support in circumventing existing restrictions, they were ultimately excluded from the package by a decision of the entire European Council. The willingness to cooperate with China on global issues was also reflected in the statement following the June European Council summit.

Conclusions and Perspectives. In China's view, diplomatic activism vis-à-vis the EU and its Member States has achieved its primary goal of maintaining differences of opinion in the EU debate and inconsistent actions by the European Commission regarding China. Particularly beneficial from China's perspective is the public distancing of some European countries from the concept of China as a threat to the international order and, consequently, the EU's disagreement with some U.S. demands, such as sanctions on Chinese entities. China's policy in this area will persist, including attempts to take advantage of Spain's presidency of the Council of the EU in July this year, as it favours a subdued approach to China.

The current EU approach gives China hope of limiting the negative effects of "de-risking" and thus limiting the loss of its own economic potential. Maintaining the dependence of EU Member States on China is also a valuable tool from the point of view of possible Chinese escalation towards, for example, Taiwan. A weakening of U.S. ties with some EU members could also negatively affect joint action against Russian aggression in Ukraine, which has so far provided a deterrent to China's aggressive actions in Asia.

For Central Europe, it is crucial to maintain the demand for change in China's policy towards Russia as a condition for the revival of cooperation between the Union and China, which should take place in coordination with the U.S. It is also important for the Union to abandon cooperation with China in the critical infrastructure, security, and strategic sectors, while maintaining trade relations in other areas. Furthermore, for Poland, an important element in strengthening transatlantic relations within the EU is attracting high-tech investments (including American or Taiwanese), as evidence of the country's stability despite the war in Ukraine. It is also important to develop security cooperation with Indo-Pacific countries (e.g., [South Korea](#)) and to persuade other EU states to strengthen the Union's defence potential as the European pillar of NATO.