大变局下的中欧关系调适与发展

CHINA-EUROPE RELATIONS AMID GREAT CHANGES

Adjustments and Development

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China-Europe Relations Amid Great Changes: Adjustments and Development

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Abstract: Amid the great changes unseen in a century, China-Europe relations are undergoing significant adjustments and development. As a major global actor, Europe faces increasing political fragmentation, a resurgence of economic protectionism in response to multiple crises, and a foreign policy increasingly shaped by geopolitical considerations. In recent years, Europe's perception of China has evolved, with growing emphasis on competition in its China policy, presenting new challenges for bilateral relations. However, the fundamental dynamics of China-Europe relations remain unchanged. Mutual interdependence, extensive cooperation across various sectors, and shared interests continue to outweigh divergences, offering opportunities alongside challenges. The year 2025 marks the 50th anniversary of diplomatic relations between China and the European Union, providing a crucial moment for both sides to reflect on five decades of engagement. Strengthening mutual understanding through dialogue, expanding cooperation to manage competition, actively negotiating trade and investment disputes, and addressing "de-risking" through greater openness will be essential for fostering stable and enduring China-Europe relations.

Keywords: China-Europe Relations, Great Changes, Geopolitics, De-risking, Populism

The world is undergoing profound and accelerating changes unseen in a century. The combined effects of the Covid-19 pandemic, regional conflicts, climate change, China-United States (US) strategic competition, and the rapid advancement of a new round of science-tech revolution have created an increasingly complex global landscape,

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posing multiple risks and challenges for the international community. Against this backdrop, European politics is becoming increasingly polarized and fragmented, economic growth remains sluggish, and foreign relations are deeply influenced by geopolitical considerations.

In its approach to China, the European Union (EU) has struggled to adapt to the evolving dynamics of China-EU relations on a more equal footing. Its policy toward China is increasingly shaped by geopolitical factors and a values-based diplomatic framework, highlighting both economic competition and ideological differences. The protracted Russian-Ukrainian conflict, along with external influences such as the Biden administration's strategic efforts to court the EU through "smart-power diplomacy", has contributed to growing skepticism and negative perceptions of China among the EU and some European nations. The re-election of Donald Trump as US President in November 2024 has further introduced new uncertainties, bringing both challenges and opportunities to global politics, the world economy, and China-EU relations.

In January 2025, President Xi Jinping spoke with European Council President António Costa, emphasizing that China and the EU are "partners that can contribute to each other's success". He pointed out that "the more severe and complex the international situation becomes, the more China and the EU should adhere to the original aspirations of establishing diplomatic relations, strengthen strategic communication, enhance strategic mutual trust, and uphold the positioning of partnership."① The year 2025 marks the 50th anniversary of the establishment of diplomatic relations between China and the EU (formerly the European Community), presenting a critical juncture in their bilateral relationship. In the face of an increasingly intricate and evolving global landscape, both sides should draw lessons from the past five decades, move beyond narratives of competition and confrontation, and solidify their partnership on the foundation of win-win cooperation. China and the EU should deepen mutual understanding and trust through dialogue and exchanges, address frictions and disputes through consultations and negotiations, and counter "de-risking" by expanding openness. These efforts will contribute to the steady, positive, and long-term development of China-EU relations, bringing greater benefits to both sides and making a meaningful contribution to global peace and prosperity.

① "Xi Jinping Has a Phone Call with President of the European Council Antonio Costa," January 14, 2025, https://www.fmprc.gov.cn/eng/xw/zyxw/202501/t20250115_11534500.html.

I. Europe Amid Great Changes

As the world undergoes profound and unprecedented changes, Europe is experiencing significant shifts in its political landscape, economic development, and foreign relations, shaped by a complex interplay of internal and external factors. These shifts are characterized by three key trends: increasing political fragmentation, mounting economic challenges, and a growing geopolitical orientation in its foreign policy.

i. Increasing Political Fragmentation

European politics is profoundly influenced by the evolving global landscape and shifting ideological currents. In recent years, a combination of external factors—including deglobalization, the resurgence of geopolitical tensions, and intensified great power competition—alongside internal challenges such as political fragmentation, weakened consensus and declining governance efficiency, has contributed to heightened political volatility and complexity across the continent. The 2024 European Parliament (EP) elections, marked by intense ideological contestation among right-wing populism, conservatism, progressivism, and environmentalism, underscored the diversity, dynamism, and competition nature of European political thought. These ideological divides have further shaped the fundamental contours of Europe's political landscape. As national political systems, party structures, and ideological movements continue to interact and evolve, European politics is facing increasing polarization, a weakening of consensus, and growing challenges to effective leadership and governance.

1. The Rightward Shift in Europe and the Rise of Political Conservatism

In recent years, the rightward shift in European politics has become increasingly pronounced, emerging as one of the most significant transformations in the region's political landscape and party structures. This trend is evident in three key aspects: the continued relative dominance of center-right forces, the growing support for right-wing populist parties, and the partial convergence of right-wing conservatism and populism. The European center-right forces have been securing a relative advantageous position. Since the end of World War II, traditional center-right conservatism has been a dominant political force in Europe and even the West, advocating relatively

conservative positions on economic policy, socio-cultural issues, and lifestyle values.[①] At present, center-right parties continue to play a key role in Europe's political system. The 2024 EP elections did not significantly alter the power distribution among parliamentary party groups. Pro-European centrist factions—including the European People's Party (EPP), the Progressive Alliance of Socialists and Democrats, Renew Europe, and the Greens—secured a combined total of 454 seats, accounting for over 60% of the EP's total seats.[②] Notably, the center-right EPP won 188 seats, an increase of 12 compared to 2019. The successful re-election of Ursula von der Leyen, the EPP's lead candidate, as President of the European Commission (EC) underscores the continued dominance of the centrist coalition in shaping the EU's domestic and foreign policy directions.

However, right-wing populist parties are transitioning from the political margins to the mainstream. While their origins, governance approaches, and electoral dynamics vary across countries such as France, Germany, and those in Central and Eastern Europe, their rise has become a pan-European phenomenon. Both economic and cultural factors contribute to the phenomenon. From an economic perspective, the 2008 global financial crisis and, more notably, the Eurozone debt crisis exacerbated wealth inequality, contributed to middle-class decline, and fueled public dissatisfaction with economic stagnation. From a cultural perspective, widespread concerns over immigration—particularly the influx of refugees and undocumented migrants—have reinforced anxieties about the European identity and the perceived erosion of traditional European values. This pervasive sense of uncertainty and fear has provided fertile ground for the growth of right-wing populism.

In the 2024 EP elections, right-wing populist parties made significant gains, securing 187 seats collectively across three party groups: Europe of Sovereign Nations, European Patriots, and European Conservatives and Reformists, accounting for more than 25% of the total seats in the EP. Specifically, the European Conservatives and

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① François Hublet, Mattéo Lanoë and Johanna Schleyer, "Spelling out the European Center-right's Dilemma: Renewal of the Grand Coalition or National-Conservative Alliance?" Groupe d'études géopolitiques, June 29, 2023, https://geopolitique.eu/en/2023/06/19/spelling-out-the-european-center-rights-dilemma-renewal-of-the-grand-coalition-or-national-conservative-alliance/.

② European Parliament, "2024 European Election Results," July 23, 2024, https://results.elections.europa.eu/en/.

Reformists group secured 78 seats, an increase of 9 compared to 2019; the Europe of Sovereign Nations group won 25 seats; while the newly established European Patriots group gained 84 seats, making it the third-largest political group in the EP. The return of Donald Trump to the White House is expected to further bolster right-wing populist forces in Europe, particularly strengthening the influence and political standing of the European Patriots group.

Although the long-standing "firewall" preventing far-right parties from exerting significant influence on European politics remains intact, mainstream European parties have been compelled to respond to right-wing populist demands in both agenda-setting and political participation. Under this pressure, European politics has shifted further to the right, fostering a more conservative policy environment.

This rightward shift has led member states to prioritize domestic affairs over European and global concerns. The increasing divergence in national political preferences has, in turn, complicated decision-making at the EU level. For instance, Hungarian Prime Minister Viktor Orbán has promoted the concept of "national conservatism"[①] as a foundation for European integration, seeking to build a united front of European right-wing forces and reshape European political culture. This approach has intensified internal polarization within Europe, strengthened nationalist tendencies, and posed challenges to the EU's cohesion. In short, the ongoing rightward shift in European politics has led to a broader conservative turn, characterized by the rise of nationalist and protectionist sentiments.

2. Political Fragmentation as a Result of European Polarization

The rise of right-wing populism has been accompanied by a decline in the strength of traditional political parties across European countries. Both the EU and its member states face the challenge of an evolving political landscape, characterized by the weakening of long-established centrist parties, and the rise of parties with populist overtones. Political polarization, fragmentation, and instability have become prevalent trends across the EU and its member states. The interplay between the fragmentation of the EU's party system and the fragmentation of national governments underscores the complex relationship between EU institutions and domestic political forces. This dynamic has contributed to the continued fracturing of the European political system,

① Viktor Orbán, "We Need Change in Brussels," National Conservatism, April 16-17, 2024, https://nationalconservatism.org/natcon-brussels-2/presenters/pm-viktor-orban/.

the polarization of party politics, and, consequently, its impact on European leadership on the global stage.

(1) The fault lines of European politics are being redrawn. The rise of right-wing populist parties has significantly altered the post-World War II political landscape of Europe. The primary axis of political conflict is shifting from the traditional left-right divide in economic and political affairs to a value-based division between pro-European/liberal forces and nationalist movements. The EP elections have revealed the increasing diversification of party affiliations within the EP, which expand from seven parliamentary groups in 2019 to eight in 2024.[①] Furthermore, the distribution of parliamentary seats has become increasingly fragmented, moving away from the dominance of large coalition party groupings traditionally led by the center-left and center-right.

At the same time, right-wing populism in Europe is not a monolithic force, as policy divergences exist among different factions. For instance, the European Conservatives and Reformists group and the European Patriots group in the EP have failed to reach consensus on key policy issues. The results of the 2024 EP elections reaffirm an ongoing trend of political fragmentation and polarization across the continent.

(2) Political stability in Europe has deteriorated in recent years. The traditional grand coalition governments of many European countries are increasingly giving way to multi-party coalition governments, making it more difficult to form stable cabinets and increasing the likelihood of government collapse. The 2024 EP elections had a profound impact on domestic politics, particularly in France. Following the elections, French President Emmanuel Macron called for early legislative elections. The results revealed an unprecedented level of political fragmentation: the French National Assembly is now split among three groups of nearly equal size but with stark ideological differences. The left-wing coalition—the "New Popular Front"—secured 182 seats, while the right-wing populist National Rally (formerly National Front) won 143 seats—an increase of nearly 75% compared to the 2022 elections.[②] The long-

① European Parliament, "8 Political Groups," https://www.europarl.europa.eu/portal/en.

② Tang Ji and Xing Jianqiao, "The French Ministry of the Interior Announces the Final Results of the National Assembly Election," Xinhuanet, July 8, 2024, http://www.xinhuanet.com/world/20240708/a60901a1758a4bfcabd9554de30cd67d/c.html.

standing practice of consolidating power through a strong centrist position in France's Fifth Republic is proving increasingly unsustainable, marking the end of an extended period of relative political stability.

Similarly, in Germany, the 2024 EP elections exposed vulnerabilities in the governing coalition. The opposition center-right bloc (CDU/CSU) and the right-wing populist Alternative for Germany (AfD) outperformed the three governing coalition parties, securing 30.3% and 15.6% of the vote, respectively.[①] These results underscored the fragility of the so-called "traffic-light coalition". By November 2024, German Chancellor Olaf Scholz dismissed Finance Minister Christian Lindner and announced the collapse of the coalition government. The political upheavals in France and Germany exemplify the broader decline in political stability across Europe.

(3) A notable trend in European politics is the diversification of power centers. The traditionally dominant Franco-German axis has weakened, as both countries struggle with internal political and economic challenges. Chancellor Olaf Scholz faces economic stagnation and the rise of right-wing populism, while President Emmanuel Macron is preoccupied with domestic political turbulence and opposition from both the left and right. The erosion of Franco-German leadership has created a political vacuum at the EU level, which, in turn, has provided the EC with greater influence in shaping the EU's agenda. The EC President Ursula von der Leyen has emerged as a central figure in EU leadership, capitalizing on the deep institutional ties between the Commission and the Parliament.

Additionally, geopolitical tensions have exacerbated divisions between "New Europe" (primarily Central and Eastern European countries) and "Old Europe" (Western European states). Some Central and Eastern European countries resist deepening EU integration, seeking to maintain greater national sovereignty and avoid a perceived second-tier status within the Union where Franco-German leadership has persisted. Simultaneously, these countries have increasingly leveraged external partnerships, particularly with the US, to counterbalance the influence of the EU institutions and Western European powers. This trend is expected to intensify, especially during Donald Trump's second term as US president.

ii. The Impact of Successive Crises on the European Economy

① European Parliament, "Constitutive Session," July 23, 2024, https://results.elections.europa.eu/en/germany/.

The European economy has endured four significant crises since 2008, each leaving profound effects. These include the global financial crisis originating in the US at the end of 2008, the sovereign debt crisis from 2011 to 2012, the Covid-19 pandemic in 2020, and the energy crisis in 2022 triggered by the Russian-Ukrainian conflict. The eurozone and EU economies experienced a sharp "cliff-diving recession" in 2008, and were hit heavily again by the sovereign debt crisis in 2012, which recovered sluggishly in 2023.The economic impact of the 2020 Covid-19 pandemic was severe, with the eurozone and EU economies contracting by 6.4% and 6.2%, respectively, though they rebounded in 2021. However, the energy crisis in 2022 caused further stagnation, resulting in modest growth of just 0.4% in 2023.①

It is crucial to note that the consequences of these four crises extend beyond the economic realm, impacting social and political dimensions as well. Even at the economic level, the recovery of the eurozone and the EU remains fragile, with numerous uncertainties and long-term challenges still looming. Moreover, the intertwining of new economic, social, and political changes and contradictions has presented the EU with unprecedented and multifaceted challenges.

1. Multiple Crises and the Erosion of European Integration

The persistent economic downturn following the 2008 financial crisis has undermined the foundations of European integration in at least two significant ways. First, the crises have exacerbated economic disparities among EU member states, deepening the divide in competitiveness across the region. This has intensified existing tensions and disagreements regarding the mainstream economic policies implemented at the EU level, particularly the austerity measures enacted after the sovereign debt crisis. Consequently, these policies have further eroded European cohesion. France and Germany, traditionally the driving forces of European integration, have increasingly struggled to reach a consensus on the future direction of integration.

Second, the international financial crisis and sovereign debt crisis have resulted in persistent high unemployment throughout the EU, especially in the hard-hit southern and some central and eastern European countries. The resulting poverty and social discontent have not been significantly reduced as a result of the gradual decline in unemployment over the past years.② This has led to a growing confrontation between

① Source: Eurostat, https://ec.europa.eu/eurostat.

② The unemployment rate in the EU and its major member states has gradually declined since

the elites, who are actively promoting and benefiting from European integration, and the underclass, who are increasingly skeptical and even opposed to integration because they have not been able to benefit from it. At the same time, populist parties opposed to European integration have risen strongly in many European countries and have come to power through elections in several member states. The accumulation of these contradictions has led to a downturn in European integration, and the withdrawal of the United Kingdom from the EU has made the prospects for integration even worse.

2. The Strong Impact of Crises on the European Economic and Social Model

Although there is no singular economic and social model within the EU, the Union has consistently worked toward shaping a relatively unified European economic and social model since the initiation of the integration process after World War II. This model was intended to foster greater acceptance of integration among member states and the public. While the EU has not formally defined a European economic and social model, its core elements can be inferred from the relevant provisions in the EU treaties. Article 3 of the *Treaty on EU* (revised by the *Lisbon Treaty*), outlines the mission and values of the EU. Paragraphs 3 and 4 specifically address economic and social matters, detailing the objectives the EU aims to achieve in these fields.① Carlo Altomonte, an Italian scholar with extensive expertise in European integration, has distilled the EU's economic and social objectives into three primary goals: growth, stability, and cohesion. Accordingly, he has characterized the European economic and social model as the "growth-stability-cohesion model".② If the environmental dimension is incorporated, the European model can be further described as a balanced development approach that considers economic vitality, social cohesion, and environmental sustainability.

From the 1990s until the outbreak of the 2008 global financial crisis, the EU's

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2013, primarily due to the accelerating aging population, which has led to a year-on-year decrease in the absolute number of the working-age population. As a result, the proportion of unemployed individuals relative to the labor force has also decreased. Additionally, since the outbreak of the Covid-19 pandemic, EU member states have generally supported businesses through subsidies to protect jobs, which contributed to employment. However, this has exacerbated the issue of excessive staffing within companies.

① "Consolidated Texts of the EU Treaties as Amended by the Treaty of Lisbon," 2008, p.5, https://assets.publishing.service.gov.uk/media/5a7b8b0840f0b645ba3c5004/7310.pdf.

② Carlo Altomonte and Mario Nava, *Economics and Policies of an Enlarged Europe*, Edward Elgar Publishing, 2005, pp.17-25.

economic growth consistently lagged behind that of the US, but it still performed relatively well. Meanwhile, the EU achieved significant progress in terms of economic stability, social cohesion, and notable advancements in energy conservation and environmental protection. These accomplishments strengthened the core of Europe's economic and social model, earning broader international recognition. However, since the onset of the 2008 financial crisis, the relative stability of these core elements has gradually eroded. Not only has the EU's economic growth and social cohesion been severely impacted, but investments aimed at achieving environmental and climate goals have also been suppressed. As a result, the future prospects of the European economic and social model remain uncertain.

3. Crisis-driven Obstacles in the EU's Implementation of its New Economic Growth Visions and Objectives

In 2010, in response to the economic downturn caused by the international financial crisis and to outline a development trajectory for the post-Lisbon era, the EU introduced the "Europe 2020" strategy, a ten-year economic development plan. This strategy was built on three pillars intended to drive future economic growth: smart growth, sustainable growth, and inclusive growth.[①] Achieving these objectives required substantial public and private sector investments in research and development, innovation, education, energy transition, and infrastructure. However, successive crises—including the global financial crisis, economic downturn, and sovereign debt crisis—severely constrained public finances across EU member states and eroded private sector confidence. This resulted in underinvestment and a significant financing gap, particularly in sectors critical to smart and sustainable growth. Furthermore, persistently high unemployment rates in some member states posed serious obstacles to achieving the inclusive growth targets.

At the end of 2019, the von der Leyen Commission took office, prioritizing the acceleration of twin transitions—the green transition and digital transition—with the European Green Deal and its digital strategy at the forefront of its agenda. However, as of late 2024, multiple challenges have impeded progress. The economic recession triggered by the Covid-19 pandemic, the energy crisis resulting from the Russian-Ukrainian conflict, insufficient investment, slow progress in building the European

① European Commission, "Europe 2020: A European Strategy for Smart, Sustainable and Inclusive Growth," COM (2010) 2020, Brussels, March 3, 2010.

single market, a shortage of digitally skilled labor, and delays in green and digital infrastructure development have all hampered the realization of these transformation goals. Additionally, following the energy crisis of 2022, the EU experienced a sharp rise in energy costs. Although energy prices had significantly declined by the end of 2024, they remain 40% higher than the 2010-2019 average,[①] posing continued challenges to the EU's ability to achieve sustainable economic growth.

4. The EU's Weakened International Competitiveness and a Steady Decline in its Global Economic Position

The issue of the EU's economic competitiveness has been a long-standing concern, predating the outbreak of the global financial crisis. A key indicator of economic performance and competitiveness—labor productivity—has shown a persistent decline in growth rates across the EU. Since the mid-1990s, the EU as a whole, along with major economies such as Germany, France, and Italy, has experienced significantly lower labor productivity growth rates compared to the US, with a continued downward trend. Against this backdrop, the EU introduced the Lisbon Strategy in 2000, aiming to enhance its global economic standing. However, the implementation of this strategy encountered significant challenges, particularly in its goal of boosting labor productivity, where years of efforts failed to yield substantial results. As the EU and Eurozone economies continued to struggle with weak competitiveness, the EU's share in the global economy followed a trajectory of steady decline. According to the International Monetary Fund, the EU's share of global GDP fell from 24% in 2008 to 17.3% in 2023, highlighting the bloc's diminishing influence in the global economic landscape.[②]

In September 2024, a working group led by former European Central Bank President Mario Draghi published a report titled *The Future of European*

① According to the energy price index trends for the Eurozone published by Eurostat, with 2015 set as 100, the average from 2010 to 2019 was 102. In November 2024, the index reached 145, exceeding the 2010–2019 average by more than 40%. https://tradingeconomics.com/euro-area/energy-prices

② International Monetary Fund, "World Economic Outlook: Steady but Slow: Resilience amid Divergence," April 2024, https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024.

Competitiveness, commonly referred to as the "Draghi Report".[①] According to the report, the GDP gap between the EU and the US was 15% in 2002, but by 2023, it had widened to 30%. Seventy percent of this gap is attributed to disparities in productivity: in 1995, the EU's productivity level was nearly 95% of that in the US, but by 2023, it had fallen below 80%.

The decline in EU productivity stems from multiple factors, yet the Draghi Report identifies one of the most critical: Europe's lag in digital innovation. The report highlights that the EU trails not only the US but also China in emerging technologies. For instance, among the world's top 50 technology companies, only four are European. Since 2008, approximately 30% of European unicorns (startups valued at over $1 billion) have relocated to the US. Moreover, none of the European companies with a market capitalization exceeding €100 billion were founded in the past 50 years. In stark contrast, all six US companies with a market capitalization surpassing €1 trillion were established within this period. The report warns that if the EU fails to take decisive action to boost innovation, infrastructure, and technology investment, it risks losing its global competitiveness in the long term.

iii. The Ongoing Geopoliticization of European Foreign Policy

Since the 2016 Brexit referendum and the election of Donald Trump as the 45th President of the US, the trends of anti-globalization, hyper-politicization, and securitization have intensified across both Europe and the US. As a result, geopolitics has become an increasingly dominant feature of contemporary international relations. Prominent American strategic scholar Fareed Zakaria has described this shift as the third geopolitical revolution, following the rise of European powers in the 15th century and the completion of American industrialization in the late 19th century.[②] In this new era, nation-states—rather than multinational corporations or international organizations—have returned as the principal actors in global affairs. National competition, particularly among major powers, has increasingly replaced multilateral governance and UN-centered diplomatic consultations. Zero-sum competition and

① "The Future of European Competitiveness – Part A | A Competitiveness Strategy for Europe," September 2024, https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en.

② Fareed Zakaria, *Age of Revolutions: Progress and Backlash from 1600 to the Present*, Allen Lane, 2024, p.274.

strategic alliances have become the primary modes of interaction within the international community, while armed conflicts and military confrontations have become more frequent. Meanwhile, international law has suffered a decline in authority and credibility. Rather than diminishing, these defining features of geopolitical competition have become more pronounced in the wake of the Covid-19 pandemic, which has repeatedly exposed the realist nature of global politics. The return of Donald Trump to the US presidency in November 2024 is expected to further amplify these challenges. With the revival of tariff-based economic policies and a resurgence of isolationism, both Europe and the broader international community will likely face heightened geopolitical tensions and economic security risks.

1. The Geopolitical European Commission

Following World War II, Europe successfully prevented the recurrence of large-scale internal conflicts through regional integration, benefiting from long peace that allowed it to emerge as one of the world's most prosperous and developed regions. After the end of the Cold War, amid the wave of economic globalization, the European economy—led by Germany's high-end manufacturing sector—flourished by leveraging cheap and stable oil and gas supplies from Russia, access to China's high-margin market following its reform and opening-up, and an efficient, globally integrated division of labor. By the early 21st century, these advantages enabled the EU to surpass the US in total GDP, making it the world's largest economic bloc.

As the most deeply integrated regional organization in the world, the EU has developed through the voluntary transfer of sovereignty and the open economic and social governance of its member states. The success of both Europe and the EU has been fundamentally dependent on economic globalization and free trade, with European nations deeply embedded in a liberal, open global governance system.

The resurgence of geopolitics, therefore, is not only conceptually but also historically at odds with the EU's formation and development. Nevertheless, the EU has had to adapt to this shifting reality. To navigate this evolving landscape, the EU has sought to redefine its trade policy within the framework of "open and strategic

autonomy",[①] aiming to strike a balance between interdependence and self-sufficiency.[②] This has also driven efforts to construct a "Geopolitical Europe", reinforced through initiatives such as the European Defense Union, designed to enhance Europe's capacity to respond to geopolitical challenges. Upon assuming office as the EC President in 2019, Ursula von der Leyen declared her administration to be a "geopolitical Commission". In July 2024, she emphasized that the world is now defined by adversity and uncertainty, and the EU must establish a "European Defense Union" in response to the Russian-Ukrainian conflict.[③]

2. The Russian-Ukrainian Conflict and Europe's Heightened Geopolitical Urgency

The Russian-Ukrainian conflict, which erupted in February 2022, has become the most significant geopolitical crisis in Europe since World War II. In response, the EU, along with France, Germany, and other European nations, has abandoned its previous Normandy Format approach, which was applied during the 2014 Crimean crisis to mediate and contain the conflict. Instead, European countries have aligned more closely with the US, providing Ukraine with military and economic aid, while imposing economic and diplomatic sanctions on Russia. Marking a historic shift, the EU has broken from past practice by directly supplying weapons and military equipment to a party engaged in an ongoing conflict.

Furthermore, Europe has swiftly implemented an unprecedented range of sanctions against Russia, spanning economic, social, cultural, and sports-related measures. These include, for example, freezing Russia's foreign exchange reserves and confiscating the assets of wealthy Russian oligarchs in Europe, expelling several Russian banks from the SWIFT financial transaction system, halting imports of Russian coal, oil, and natural gas, excluding Russia from the Council of Europe and the United Nations Human Rights Council, banning Russian athletes and teams from events such

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① European Commission, "Trade Policy Review-An Open, Sustainable and Assertive Trade Policy," February 18, 2021, https://eur-lex.europa.eu/resource.html?uri=cellar:5bf4e9d0-71d2-11eb-9ac9-01aa75ed71a1.0001.02/DOC_1&format=PDF.

② Ding Chun and Zhang Mingxin, "EU's External Economic Dependency and Open Strategic Autonomy," *Fudan Journal (Social Sciences)*, Issue 1, 2024, pp.166-181.

③ Ursula von der Leyen, "Europe's Choices: Political Guidelines for the Next European Commission 2024-2029," July 18, 2024, https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf.

as the Winter Paralympics, the World Figure Skating Championships, and FIFA World Cup qualifiers, even extending to sanctions on Russian-bred cats by the International Feline Federation.

The Russian-Ukrainian conflict effectively operates on two distinct battlefields: the frontlines in Ukraine, where Russia and Ukraine are engaged in conventional warfare, and the broader media war and economic battlefield. In the latter, the US and Europe have formed a tight-knit anti-Russian alliance to assist Ukraine through economic aid and military support while enforcing sweeping sanctions on Russia's economy and elites. Additionally, the US and European nations have intensified diplomatic and media efforts to exert pressure on China via bilateral and multilateral diplomatic activities, aiming to distance Beijing from Moscow.

3. The Reshaping of the European Security Order

It is widely acknowledged in Europe that the Russian-Ukrainian conflict has profoundly challenged the post-Cold War European security order. In his February 27, 2022 address to the German Bundestag, Chancellor Olaf Scholz asserted: "With the attack on Ukraine, Putin is not just seeking to wipe an independent country off the map. He is demolishing the European security order that had prevailed for almost half a century since the Helsinki Final Act."①

This security order, in reality, represents the extension of Western influence into the post-Soviet space, led by the US and Western Europe under the banners of human rights, freedom, and democracy. After the collapse of Berlin wall, both NATO and the EU expanded eastward, serving as institutional frameworks for a Western-dominated peace. As the sanctioning over Russia became a political imperative, Europe abandoned its long-standing economic interdependence with Russia—a relationship far closer than that between the US and Russia. A striking example was Germany's cancellation of the Nord Stream 2 natural gas pipeline, a €10 billion project with an annual capacity of 55 billion cubic meters. Instead, many European countries turned to higher-cost, shipborne liquefied natural gas from the US—despite its longer transportation time and logistical

① Olaf Scholz, "Policy Statement by Olaf Scholz, Chancellor of the Federal Republic of Germany and Member of the German Bundestag, 27 February 2022 in Berlin," https://www.bundesregierung.de/breg-en/news/policy-statement-by-olaf-scholz-chancellor-of-the-federal-republic-of-germany-and-member-of-the-german-bundestag-27-february-2022-in-berlin-2008378.

challenges.

Most EU member states lack a medium- to long-term institutional framework for addressing European security in relation to Ukraine. Instead, their approach has largely been reactive, centered on providing "firm political, financial, economic, humanitarian, military, and diplomatic support to Ukraine and its people for as long as necessary."[①] With Donald Trump's return to the White House, Europe now faces an existential dilemma: if the US withdraws military and economic aid to Ukraine, can Europe sustain Kyiv's war efforts and financial stability on its own?

II. China-Europe Relations: Challenges and Opportunities

China and Europe are key global actors in politics, economy, and civilization. Amid unprecedented global changes, China and the EU continue to maintain dialogue and cooperation, yet they also face significant challenges. At the same time, these changes present new opportunities for the future development of China-EU relations.

i. Challenges to China-EU Relations

1. The Accelerated Shift in Europe's Perception of China

As Europe undergoes intensifying political, economic, and diplomatic transformations, its policy towards China is evolving accordingly. European leaders believe that the EU is in an era of "profound change," with increasing instability, a sense of loss, and insecurity within the Union."[②] Amid the collision of diverse political ideologies in Europe, China has become a focal point of discourse among European elites and public. Increasingly, normal economic, trade, and diplomatic relations between China and Europe are being politicized and even securitized, driven by clashes of European political thoughts and narratives.

Europe's stance on China is influenced by both its internal and external dynamics. Internally, changes in the EU's political system and leadership have shaped its evolving

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① European Council, "European Council Conclusions on Ukraine, Enlargement and Reforms," December 14, 2023, https://www.consilium.europa.eu/en/press/press-releases/2023/12/14/european-council-conclusions-on-ukraine-enlargement-and-reforms/.

② Ursula von der Leyen, "Europe's Choice, Political Guidelines for the Next European Commission 2024-2029," July 18, 2024, p. 3, https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf.

approach. Externally, geopolitical pressures—particularly from the US—have played a significant role. The EU's perception of China is characterized by a coexistence of diverse viewpoints within European policymaking, a balance between policy unity, pragmatism, and values-based diplomacy, and the tension between an autonomous EU foreign policy and pressure from the US. As these dynamics continue to unfold, China-EU relations will remain subject to ongoing adjustments, challenges, and recalibrations.

(1) The Growing Diversity in European Perceptions of China

In recent years, policy preferences and positions within EU institutions, among member states, and between the EU and European capitals have exhibited a complex mix of consensus and divergence, leading to an increasingly diversified European approach toward China.

First, the triple positioning of "rival, competitor, and partner"[①] remains the dominant framework through which the EU perceives China. European perspectives on China fluctuate between viewing it as a cooperation partner, a negotiating partner, an economic competitor, and a systemic rival. At the same time, domestic politics across Europe is becoming more radicalized, polarized, and fragmented, suppressing voices that advocate for rational and pragmatic cooperation with China. This has resulted in growing duality in the attitudes of certain European countries toward China. Additionally, some European think tanks have been actively amplifying narratives of China as a "security threat", aiming to push China-EU relations toward greater confrontation.[②]

Second, the EU and its member states prioritize domestic and foreign policies differently. As trade, technology, and security challenges become increasingly interconnected, the division of labor between the EU and national governments is shifting. While the EU strives to create a unified single market and level playing field, its regulatory framework significantly limits the capacity of individual member states

① European Commission, "EU-China – A Strategic Outlook," March 12, 2019, https://commission.europa.eu/system/files/2019-03/communication-eu-china-a-strategic-outlook.pdf.

② Gunnar Wiegand, Natalie Sabanadze and Abigaël Vasselier, "China-Russia Alignment: A Threat to Europe's Security," Chatham House, German Marshall Fund and MERICS, June 26, 2024, https://www.gmfus.org/sites/default/files/2024-06/Chatham%20House%20GMF%20MERICS%20Report%20China-Russia%20alignment_06-2024.pdf.

to independently implement industrial policies. Given the rising demand for public investment, demographic shifts, and economic uncertainty, debates over government spending priorities in Europe's welfare states are intensifying. On the question of whether the EU should align more closely with the US on its China policy, opinions within Europe remain divided.[①] Some member states continue to advocate for engagement and improving relations with China, while others adopt a more confrontational stance, aligning with the US in confronting China.

Third, the policy gap between the EU institutions and its member states regarding China is widening. On the one hand, the EC has taken an increasingly assertive stance on China, aiming to maintain a tough approach as a means of consolidating its authority over EU policymaking. Additionally, the Commission is likely to strengthen its coordination with the EP to align their positions on China. On the other hand, the European Council's approach to China may become more polarized due to diverging priorities among EU member states. Domestic political and economic pressures could push the Council to adjust or even unify its stance on China in response to shifting domestic demands within member states. Overall, the EU's China policy is likely to be shaped by a complex interplay of negotiations and compromises between the EC, the EP, and member states, reflecting the institutional power struggles and diverse national interests within the EU.

(2) EU's Attempts to Unify its Policy towards China

A polarized and fragmented EU will be unable to take the initiative or exert influence in shaping the evolving global order. It is evident that the EU seeks to strengthen its internal political integration and develop effective solutions to address emerging challenges. In times of geopolitical turmoil, European leaders increasingly recognize that unity is more critical than ever. Consequently, enhancing unity has become a key objective in the EU's China policy,[②] ensuring a unified stance and

① Philippe Etienne, "The European Union Between the United States and China: Should We Choose Between Equidistance and Following," Foundation Robert Schuman, 8 October 2024, https://server.www.robert-schuman.eu/storage/en/doc/questions-d-europe/qe-763-en.pdf; Margot Schüller, "Disengagement from China: United States and European Union Policies Compared," German Institute for Global and Area Studies, No. 1, 2023, https://www.giga-hamburg.de/en/publications/giga-focus/disengagement-from-china-united-states-european-union-policies-compared.

② European Commission, "Speech by President von der Leyen on EU-China Relations to the

coordinated action.

European perceptions and policies toward China are shaped by the endogenous dynamics of China-Europe relations. As China's global influence grows and Europe faces relative economic decline, European attitudes toward China have been increasingly marked by "economic competitiveness anxiety".

Concerns over the trade deficit with China have fueled dissatisfaction, with Europe attributing the imbalance to unequal market access, alleged distortions caused by China's subsidies, and perceived interference in the EU's market. In response, the EU has actively pursued countervailing subsidy investigations, particularly targeting Chinese goods such as electric vehicles. Amid this landscape, the EU's policy towards China has become more inward-looking and conservative, adopting protectionist measures under the guise of defense. The EU institutions are not only reinforcing the European single market and prioritizing their own strategic interests but are also striving to redefine the EU's role in the global economy. Their approach emphasizes environmental and labor standards while promoting a fair, sustainable, and prosperous global economic order.

Europe's perception of China is also shaped by the ongoing Russian-Ukrainian conflict and the strategic competition between China and the US. In response, the EU has sought to adopt a unified stance and "Europeanize" its policy towards China. Since February 2022, the Russian-Ukrainian conflict has negatively impacted China-EU relations. As the conflict persists, EU institutions and some member states have increasingly framed Europe's relationship with China through the lens of the so-called "China-Russia axis".[①] They have linked China-Europe relations with the conflict and intensified their rejection of China.

At the same time, China-Europe relations have been significantly influenced by US. Since the Biden administration took office in 2021, the US and Europe have strengthened coordination on their China policies, leading to greater strategic convergence. The outbreak of the Russian-Ukrainian conflict has further strengthened

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Mercator Institute for China Studies and the European Policy Centre," March 30, 2023, https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2063.

① Michał Bogusz, Jakub Jakóbowski and Witold Rodkiewicz, "The Beijing-Moscow Axis: The Foundations of an Asymmetric Alliance," OSW, November 15, 2021, https://www.osw.waw.pl/en/publikacje/osw-report/2021-11-15/beijing-moscow-axis.

transatlantic ties, particularly on geopolitical and security issues, making European countries more aligned with US strategic priorities. Moreover, European policy towards China remains shaped by the US-led international order, with Europe's growing assertiveness towards China reflecting both direct US influence and its role in shaping US-China strategic competition. While the return of Donald Trump introduces uncertainty into global affairs, particularly regarding transatlantic relations, one certainty remains: the US will continue to be a key factor shaping Europe's perceptions and policies toward China.

2. Europe's Conservative Economic Policy Toward China

On June 20, 2023, the EC and the High Representative for Foreign Affairs and Security Policy jointly released the *European Economic Security Strategy*—the EU's first comprehensive economic security strategy since the inception of European integration.[①] In response to the economic risks facing the EU, the strategy establishes a policy framework aimed at safeguarding economic security and outlines a concrete action plan for the EU and its member states to implement.

The introduction of the Strategy marks a significant shift in EU policymaking, as economic security is now positioned as a strategic priority. The underlying logic of the EU's internal and external economic policies is evolving from a traditional "efficiency-first" approach to a framework that balances "efficiency and security"—and in some cases, prioritizes security. This shift underscores the EU's deepening concerns over risks and competitiveness. Four key factors have driven the EU to adopt this strategy: (a) the Covid-19 pandemic exposed vulnerabilities in the EU's supply chains under extreme conditions, highlighting the need for greater resilience; (b) the Russian-Ukrainian conflict further heightened anxieties over external dependencies, particularly in critical sectors such as energy and raw materials; (c) Europe's lagging position in the new wave of technological and industrial advancements has subjected the EU to intense global competitive pressures; (d) persistent tensions between the US and China have reinforced the EU's risk-averse stance, leading to a more cautious and conservative approach to economic and trade relations with China.

As part of its economic security strategy, the EU has developed a comprehensive framework consisting of three key pillars: promoting, protecting, and partnering.

① European Union, "European Economic Security Strategy," JOIN (2023) 20 final, Brussels, June 20, 2023.

"Enhancement" focuses on improving the EU's competitiveness, fostering economic growth, strengthening economic resilience, and consolidating the EU's technological and industrial base. "Protection" entails safeguarding economic security through various policy instruments, including the adoption of new, targeted measures when necessary. "Cooperation" emphasizes building global partnerships to support economic stability and diversification. In essence, the EU seeks to implement a comprehensive "de-risking" strategy by proactively strengthening its economic foundations to mitigate risks, enhancing defensive mechanisms to prevent vulnerabilities, and expanding economic and trade ties to diversify dependencies.①

Notably, China is not explicitly mentioned in the *European Economic Security Strategy*. However, the Strategy is largely aligned with the "de-risking" approach outlined by President Ursula von der Leyen in her March 2023 speech on EU-China relations. Many of the policy instruments introduced under this strategy relate to China, leaving little doubt that the EU aims to reduce its dependence on China while intensifying economic competition with China. Given that the EU has long been China's primary source of technology and one of China's most significant trading partners, its tightening of foreign cooperation in high-tech sectors will inevitably produce negative implications for China-Europe scientific, technological, and economic relations.

In fact, some of the actions taken by the EU and its member states within the framework of the *European Economic Security Strategy* have trigger a significant impact on China. On June 30, 2023, the Dutch government introduced new export control regulations on advanced semiconductor equipment, which took effect on September 1, 2023. According to these regulations, semiconductor equipment manufacturers in the Netherlands must obtain export licenses for certain advanced semiconductor manufacturing technologies, including EUV pellicles, production equipment, and EUV lithography machines. As ASML, a Dutch company, holds a near-monopoly on the global market for EUV lithography machines, these restrictions pose a major challenge for China, a key importer of such technology. The limitations on access to cutting-edge semiconductor equipment will make it increasingly difficult for

① Sun Yanhong, "Analysis of the EU's Economic Security Strategy and its Impact on China: From 'Open Strategic Autonomy' to Comprehensive 'De-risking'," *Russian, East European & Central Asian Studies*, Issue 2, 2024, p.29.

China's chip industry to acquire the latest manufacturing process technology and equipment.

Importantly, the Netherlands' decision to implement these export controls was, to a significant extent, influenced by US pressure.[①] This underscores the broader geopolitical context in which the EU's economic security strategy is embedded. Whether through active alignment with the US or through more passive adjustments under US influence, the EU's approach to economic security remains intertwined with Washington's broader strategy to curb China's technological and industrial advancements. In addition, on October 4, 2023, the EC launched an investigation into imports of Chinese electric vehicles, citing concerns over unfair subsidies. Following the investigation, the EU announced that it would impose final countervailing duties on these imports for five years, being effective on October 31, 2024.

ii. Opportunities for China-EU relations

1. Mutual needs of China and the EU are greater than mutual exclusion

Since the establishment of diplomatic relations between China and the EU in 1975, the EU's strategy toward China has been primarily based on "engagement and cooperation". As both China and the EU navigate shifts in the global order and economic system, they face shared challenges and uncertainties at both regional and international levels. While competition between China and Europe has intensified—particularly in areas such as rule-making, digital and technological development, and normative frameworks—cooperation remains a crucial element of their relationship. Despite growing tensions, the mutual benefits of China-EU relations continue to outweigh the disruptions caused by geopolitical and economic shifts.

From both a historical and forward-looking perspective, China and Europe remain more interdependent than they are adversarial. China's importance in the EU's external strategy has steadily increased, just as Europe's role in China's foreign policy has expanded. The EU acknowledges that the Indo-Pacific region has become a decisive region for the future of the world,[②] underscoring China's strategic significance. While

① Michael Race, "Dutch to Restrict Chip Equipment Exports amid US Pressure," BBC News, June 30, 2023, https://www.bbc.com/news/business-66063594#.

② European Commission, "The EU Strategy for Cooperation in the Indo-Pacific," JOIN (2021) 24 final, Brussels, September 16, 2021, https://www.eeas.europa.eu/sites/default/files/jointcommunication_2021_24_1_en.pdf.

China and Europe do not have direct geopolitical or military-security conflicts, geopolitical competition has grown in recent years. The EU, along with major European countries such as the United Kingdom, France, and Germany, has adopted a more competitive stance towards China. However, this competition remains primarily economic, normative, and regulatory, rather than an all-encompassing geostrategic rivalry. Europe's policy toward China is shaped by both economic interests and normative considerations. However, the fragmentation and incoherence of the EU's internal policymaking further complicate efforts to develop a unified and consistent approach towards China, posing challenges to the long-term stability and effectiveness of their bilateral relationship.

China has long been committed to fostering a new type of international relations centered on win-win cooperation.[①] As the world's largest developing country and largest developed bloc, China-EU strategic cooperation plays a pivotal role in shaping the global landscape, as well as in fostering world peace, stability, and prosperity. The 20th National Congress of the Communist Party of China report highlighted that "the world has once again reached a crossroads in history, and its future course will be decided by all the world's peoples".[②]

Amid intensifying great-power competition and lingering tensions reminiscent of a new Cold War, China-EU strategic cooperation and the evolving international order are mutually reinforcing. On the one hand, closer China-EU collaboration can advance global multipolarity and economic globalization; on the other, a stable and inclusive international environment will create greater opportunities for deepening China-EU strategic ties. President Xi Jinping has underscored that under the increasingly turbulent international situation "the China-EU relationship has strategic significance and implications for global peace, stability and prosperity".[③] As two major forces

① Wang Yi, "Toward a New Type of International Relations of Win-Win Cooperation," March 23, 2015, https://www.fmprc.gov.cn/eng/wjb/wjbz/jh/202405/t20240527_11312110.html.

② Xi Jinping, "Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects - Report to the 20th National Congress of the Communist Party of China," October 16, 2022, https://www.idcpc.org.cn/english2023/tjzl/cpcjj/20thPartyCongrssReport/.

③ "President Xi Jinping Meets European Council President Charles Michel and European Commission President Ursula von der Leyen," December 7, 2023, https://www.fmprc.gov.cn/eng./xw/zyxw/202405/t20240530_11332569.html.

advancing multipolarity, two major markets in support of globalization, and two major civilizations championing diversity, China and the EU can contribute to the emergence of a multipolar world based on equality and a globalization process that is more universally inclusive.

Chinese modernization has entered a critical initial phase, while European integration is also at a pivotal stage of development. This presents a historic opportunity for China-Europe cooperation. Strengthening the China-EU strategic partnership serves the fundamental interests of both sides. For many European countries, the aspiration to become an independent pole in a multipolar world represents a core element of the "European dream." President Ursula von der Leyen has acknowledged that "the next five years will define Europe's place in the world for the next five decades."[①] Moreover, Europe and the US hold divergent visions for the future of the international order. While the US remains committed to preserving its global hegemony and a unipolar world, Europe—unburdened by the need to safeguard hegemonic dominance—accepts multipolarity and values multilateralism.

2. China-Europe Cooperation Outweighs Competition

China and the EU maintain highly complementary economies with deeply intertwined interests, particularly in areas such as climate change mitigation, biodiversity protection, and the promotion of effective multilateralism. European leaders recognize these shared priorities, and have openly opposed the notion of "decoupling" from China, while President Ursula von der Leyen has similarly acknowledged that such a move is neither feasible nor aligned with Europe's interests. At the EU Summer Summit in June 2023, economic and security strategies—particularly the approach to "de-risking" relations with China—were central topics of discussion. The summit's conclusions reaffirmed that China remains a key economic and trade partner for the EU. While European leaders have expressed an interest in gradually reducing reliance on China in certain strategic sectors, they have made it clear that full economic decoupling is not the objective.[②] Moreover, findings from the EC's

① Ursula von der Leyen, "Europe's Choices: Political Guidelines for the Next European Commission 2024-2029," July 18, 2024, p. 5, https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf.

② European Council, "European Council Meeting (29 and 30 June 2023) – Conclusions," Brussels,

strategic dependence reports (2021, 2022) challenge the perception of excessive reliance on China. According to these reports, commodities with high dependence on China account for less than 1% of the EU's total imports from China,[①] indicating that concerns over "Chinese dependence" may be overstated.

Since late 2022, China and the EU have significantly increased high-level engagements, with leaders from both sides frequently exchanging visits and interactions. These efforts have been aimed at repairing communication gaps and rebuilding trust, which were strained during the Covid-19 pandemic and further challenged by the geopolitical repercussions of the Russian-Ukrainian conflict. From September 2023 onward, China and the EU have resumed in-person exchanges across key sectors, including economy, trade, digital, and environment. A major milestone in this process was the 10th China-EU High-Level Economic and Trade Dialogue, held on September 25, 2023, where both sides reached a series of agreements and consensus on issues such as macroeconomic policy coordination, industrial and supply chain cooperation, business environment improvements, World Trade Organization reform, financial sector liberalization, and regulatory cooperation.[②] Notably, discussions led to the proposal of an early warning mechanism for the supply chain of raw materials and the establishment of a dialogue mechanism in export control. Additionally, both parties engaged in frank and in-depth exchanges regarding the EU's international procurement tools and its recent policies on foreign government subsidies, which have direct or indirect implications for economic security and risk mitigation strategies within the EU.

These developments underscore that, despite differences in perspectives on bilateral relations and some global issues, both China and the EU share a strong commitment to dialogue and cooperation. The ongoing establishment and refinement of dialogue and consultation mechanisms will play a crucial role in effectively managing disagreements, fostering mutual understanding, and maximizing

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30 June 2023.

① European Commission, "Strategic Dependencies and Capacities," Commission Staff Working Document, SWD (2021) 352 final, Brussels, 5 May 2021; European Commission, "EU Strategic Dependencies and Capacities: Second Stage of In-depth Reviews, SWD (2022) 41, Brussels, February 22, 2022.

② "Commerce Ministry: China, EU Economic and Trade Dialogue Productive," September 26, 2023, http://english.scio.gov.cn/pressroom/2023-09/26/content_116710884.htm.

opportunities for pragmatic collaboration.

3. China-Europe Consensus Outweighs Differences

In its 2022 *National Security Strategy*, the Biden administration declared that "the post-Cold War era is definitively over" and emphasized the need for the US to strategically "out-compete" its geopolitical rivals.[①] The US-China competition has expanded beyond economic and technological spheres to encompass military security, ideological influence, and value-based norms.

Unlike the US, the EUand its member states have shown little inclination to engage in a "new Cold War". This stance was reaffirmed on April 7, 2023, during President Emmanuel Macron's visit to China, when China and France issued a joint statement emphasizing their commitment to strengthening the international multilateral system under the auspices of the United Nations.[②] Despite the influence of the "de-risking" narrative promoted by the EC and some European governments, many European businesses continue to see China as an essential economic partner. The comparative advantages of China's large market, well-developed industrial and supply chains, and commitment to high-level economic openness have encouraged European firms to expand investment and trade ties with China. A 2024 report by the Peterson Institute for International Economics highlights this trend, noting that from 2018 to 2023, economic interdependence between the EU and China has increased rather than declined. China has significantly expanded its imports of European-produced goods, including travel items, handbags, footwear, and apparel, while Europe's imports from China—particularly in sectors such as batteries and electric vehicle components—have grown substantially. [③]

Geographically, China and Europe are positioned at the eastern and western ends of the Eurasian continent and do not share any direct borders. Furthermore, with the

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① The White House, "National Security Strategy," October 2022, https://bidenwhitehouse.archives.gov/wp-content/uploads/2022/11/8-November-Combined-PDF-for-Upload.pdf.

② "Joint statement by the People's Republic of China and the French Republic," Xinhuanet, April 7, 2023, http://www.xinhuanet.com/world/2023-04/07/c_1129503357.htm

③ Mary E. Lovely and Jing Yan, "While the US and China Decouple, the EU and China Deepen Trade Dependencies," Peterson Institute for International Economics, August 27, 2024, https://www.piie.com/blogs/realtime-economics/2024/while-us-and-china-decouple-eu-and-china-deepen-trade-dependencies.

return of Macao to China in 1999, all territorial disputes stemming from the colonial era were resolved. As a result, there are no geography-related geopolitical conflicts between the two sides.

This geographical separation allows China and Europe to approach global conflicts with a degree of strategic detachment, as seen in their responses to the Israeli-Hamas conflict in the Middle East. Both China and the EU, guided by the principle of a shared human destiny, have emphasized the need to safeguard peace, minimize humanitarian suffering, and prioritize political solutions over military action. While differences exist—particularly regarding whether to designate Hamas as a terrorist organization—the positions of China, Spain, and many other European countries on the Israeli-Palestinian issue align closely. The EU, European governments, and China are all significant contributors of humanitarian and development aid to Palestinian institutions. After China and many developing countries recognized the State of Palestine, more and more European countries began to consider breaking away from the US stance, believing that they should unilaterally recognize the State of Palestine. This shift became particularly evident on May 22, 2024, when Norway, Ireland, and Spain officially recognized the State of Palestine. As a result, the number of EU member states recognizing Palestinian statehood has now reached 12—nearly half of the EU's 27 members.

III. Exploring New Developments in China-EU Relations

President Xi Jinping has consistently emphasized "China always views its relations with the EU from a strategic and long-term perspective. It regards Europe as an important dimension in its major-country diplomacy with Chinese characteristics and an important partner on its path toward Chinese modernization."① To achieve a high-level comprehensive strategic partnership, China and the EU must strengthen political mutual trust, enhance pragmatic cooperation, and maintain multi-level dialogues. These elements serve as the fundamental pillars for deepening bilateral relations and identifying new areas of cooperation.

i. Establishing a Right Perception and Consolidating Political Mutual Trust

① "President Xi Jinping Holds China-France-EU Trilateral Leaders' Meeting with French President Emmanuel Macron and European Commission President Ursula von der Leyen," May 6, 2024, https://www.mfa.gov.cn/eng/zy/jj/xjpdfsxjxgsfw/202405/t20240506_11293488.html.

1. Strengthening High-level Diplomacy to Guide China-EU Relations

Since the end of 2022, China and the EU have engaged in frequent high-level diplomatic exchanges, yielding significant outcomes in fostering consensus and advancing cooperation. In April 2023, President Emmanuel Macron and President Ursula von der Leyen visited China jointly; In December 2023, the 24th China-EU Summit was successfully held in Beijing. In April 2024, Chancellor Olaf Scholz visited China, leading to the conclusion of several key agreements on bilateral cooperation. In May 2024, President Xi Jinping undertook a state visit to France, Serbia, and Hungary, injecting renewed momentum into the stabilization and development of China-Europe relations. Additionally, leaders from Spain, Italy, Poland, and other European countries have also visited China, demonstrating a strong willingness to enhance bilateral cooperation. The high frequency of diplomatic engagements between heads of state has played a crucial role in clarifying misunderstandings, aligning positions, deepening mutual consensus, and ensuring coordinated action amid an increasingly complex international landscape. These efforts have helped set a clear direction for the sustained and stable development of China-Europe relations.

2. Strengthening the China-Europe Partnership to Contribute to Global Peace and Prosperity

China should maintain a comprehensive strategic approach in its engagement with the EU, ensuring that China-Europe relations remain a pillar of global peace and shared development. To solidify the foundation of this partnership, three key areas require enhancement.

(a) Advancing common interests: China should leverage economic ties with Europe by strengthening mutual benefits, using the high-quality development of the Belt and Road Initiative as a platform. This includes deepening market reforms and expanding economic openness to create more opportunities for cooperation.

(b) Enhancing mutual understanding: China and the Europe should seek common ground while respecting differences. It is essential to emphasize that democracy, human rights, and the rule of law are universal values shared by all of humanity. Furthermore, multilateralism, multipolarity, and other shared principles between China and Europe should be underscored.

(c) Strengthening strategic consensus: Within the framework of China’s three major global initiatives, China and Europe should work together to address regional and global challenges, reinforcing their shared commitment to multipolarity and

economic globalization.

3. Upholding Cooperation with Europe and Strengthening the Bilateral Foundations of China-Europe Relations

Following the 2024 US presidential election and the EP election, the political landscape in both the US and Europe will undergo significant changes and restructuring. It is crucial to look beyond the short-term electoral cycles and consider the medium-term institutional shifts as well as the long-term evolution of political thought.

Our fundamental assessment of China-Europe relations is as follows: politically and militarily, China and Europe do not have geopolitical contradictions or fundamental strategic conflicts. Economically and in trade, the two sides are both competitive and complementary, with no fundamental divergence of interests. Diplomatically, China and Europe share a broad consensus on advancing multilateralism and multipolarity, with numerous common interests. This threefold assessment continues to serve as the strongest foundation and driving force for the development of China-Europe relations. However, China's engagement with Europe should place greater emphasis on strengthening bilateral relations with individual European countries, thereby reinforcing the cornerstone of China-Europe relations.

ii. Advancing Pragmatic Cooperation and Strengthening China-Europe Economic and Trade Relations

Economic and trade cooperation has long been a key pillar and driving force of China-Europe relations. However, in recent years, as China has strengthened its economic and technological capabilities while Europe declined relatively, China's competitiveness in emerging fields such as new energy and digital technologies has risen significantly. At the same time, the EU has introduced "de-risking" measures toward China, leading to a new phase of heightened economic and trade frictions.

With Ursula von der Leyen's re-election as EC President, it is anticipated that she will continue advancing her economic security strategy and the "de-risking" approach toward China in her second term. However, from a broader perspective, China and the EU remain deeply interconnected economically, with extensive and intertwined interests. The EU neither has the intent nor the capacity to fully "decouple" from China. Furthermore, as Donald Trump secures a second term as US president, shifts in US-EU economic relations may prompt the EU to adopt a more proactive stance toward economic and trade cooperation with China. Looking ahead, despite an increasingly complex and competitive environment, there remains significant potential for China-

EU economic and trade cooperation. Navigating this evolving landscape and identifying opportunities within intensifying competition will become the new normal in China-EU economic and trade relations.

1. Leveraging China-EU Electric Vehicle Trade Dispute Negotiations to Establish a New Model of Economic and Trade Cooperation

The series of unilateral economic and trade measures taken by the EU against China largely stem from concerns over declining competitiveness, prompting defensive economic policies. In this context, it is imperative for China and the EU to develop a new model of economic and trade cooperation that accommodates the interests of both parties.

Negotiations between China and the EU over the trade dispute concerning electric vehicles present a strategic opportunity to establish more flexible and effective emergency consultation mechanisms. Such mechanisms would help ensure the overall stability of China-EU economic and trade relations. Since the initiation of the EU's countervailing investigation into imports of Chinese-made electric vehicles in 2023, European officials have repeatedly reinforced the narrative that China's industrial policies—particularly subsidies—have led to overcapacities. Given the current paralysis of the World Trade Organization's dispute settlement mechanism and the increasing use of industrial subsidies by Western countries, including the US and EU member states, the issue of state support for industries has become a focal point of contention. As EU nations expand their own subsidy programs, negotiations over the electric vehicles dispute provide an opportunity for China and the EU to reach a fundamental consensus on the regulation and management of industrial subsidies. Such an agreement could serve to mitigate future economic and trade frictions, fostering a more stable and cooperative bilateral relationship.

2. Creating New Opportunities for China-EU Economic and Trade Cooperation by Promoting China's High-level Opening-up

China is actively implementing a range of measures to further advance high-level opening-up, creating new opportunities for economic and trade cooperation with the EU. These measures include expanding the catalog of industries that encourage foreign investment, accelerating the removal of restrictions on foreign access to the manufacturing sector, and promoting the orderly opening-up of key sectors such as telecommunications, the Internet, education, culture, and healthcare.

As the only country encompassing all industrial categories in the ‘“UN International Standard Industrial Classification of All Economic Activities”, China possesses comprehensive advantages in industrial support, infrastructure, human resources, market size, and economic growth potential. Notably, despite increasing geopolitical tensions in recent years, German direct investment in China has continued to rise, suggesting that German enterprises still recognize China’s strategic advantages as a global manufacturing and investment hub, and that China’s ongoing efforts to deepen its openness are expected to create new avenues for pragmatic China-EU cooperation. For instance, in September 2024, China’s Ministry of Commerce, the National Health Commission, and other relevant authorities jointly issued a notice allowing the establishment of wholly foreign-owned hospitals in Beijing, Tianjin, and Shanghai.[①] This policy shift undoubtedly presents fresh opportunities for China-EU collaboration in the healthcare sector, demonstrating China’s commitment to fostering a more open and inclusive economic environment.

3. Strengthening Cooperation in Green Transformation

Although China and the EU compete in the field of green transformation, they maintain strong complementarities in key areas such as raw materials, technology, markets, capital, and talent. As a result, there remains significant potential for future collaboration. To foster healthy competition and mutual development in the new energy sector, China can encourage its leading enterprises—including those in new energy vehicles and battery production—to invest in Europe.

For wholly foreign-owned greenfield investments, it is essential to conduct thorough research on the potential implications of the EU’s *Foreign Subsidies Regulation* and to ensure compliance from the outset to mitigate investment risks. If wholly-owned greenfield investment proves challenging, alternative strategies, such as joint ventures with European automotive companies, should be considered. By leveraging complementary technical expertise and market insights, these partnerships could facilitate the production of co-branded China-EU electric vehicles, further advancing cooperation in green industries.

iii. Strengthening Dialogue and Communication: Advancing Common Interests between China and Europe

① “China to Allow Wholly Foreign-owned Hospitals in Certain Areas,” September 8, 2024, https://english.www.gov.cn/news/202409/08/content_WS66dd8885c6d0868f4e8eabae.html.

1. Playing a Constructive Role in the Ukraine Issue

In response to the Russian-Ukrainian conflict, China has actively advocated for a peaceful resolution based on international law and multilateral cooperation. The Chinese government introduced "The Global Security Initiative Concept Paper" in 2023, which calls on "major countries to lead by example in honoring equality, good faith, cooperation and the rule of law, and in complying with the UN Charter and international law."[①] Furthermore, China's Ministry of Foreign Affairs released "China's Position on the Political Settlement of the Ukraine Crisis", outlining a 12-point proposal, the first of which calls for respecting the sovereignty of all countries. It states that "universally recognized international law, including the purposes and principles of the United Nations Charter, must be strictly observed. The sovereignty, independence and territorial integrity of all countries must be effectively upheld.[②]

On November 4, 2022, during a meeting with German Chancellor Olaf Scholz, President Xi Jinping urged the international community to "oppose to the threat or use of nuclear weapons, advocate that nuclear weapons cannot be used and that nuclear wars must not be fought, and prevent a nuclear crisis in Eurasia."[③] In subsequent discussions with European leaders, China has consistently supported Europe's role in facilitating dialogue, advocating for a balanced, effective, and sustainable security framework for the region.

In addition to its diplomatic efforts, China has provided humanitarian aid to Ukraine and Moldova and pledged to continue offering assistance in line with its capabilities and Ukraine's needs. These actions reflect China's commitment as a responsible global power and align with the long-term interests of European nations. Both China and the EU share the common goal of seeking a peaceful resolution to the Russian-Ukrainian conflict. Given this shared interest, the EU should recognize China's constructive role in peacebuilding and work collaboratively towards a political

① "The Global Security Initiative Concept Paper," February 21, 2023, p. 5, http://en.chinadiplomacy.org.cn/pdf/The_Global_Security_Initiative_Concept_Paper.pdf.

② "China's Position on the Political Settlement of the Ukraine Crisis," February 24, 2023, https://www.mfa.gov.cn/eng/zy/gb/202405/t20240531_11367485.html.

③ "President Xi Jinping Meets with German Chancellor Olaf Scholz," November 4, 2022, https://www.mfa.gov.cn/eng/wjb/zzjg_663340/xos_664404/xwlb_664406/202211/t20221104_10800546.html.

settlement of the crisis.

2. Bridging Geopolitical Differences to Enhance Consensus through Cooperation

China and the EU hold differing positions on key geopolitical conflicts, including the Russian-Ukrainian conflict and crises in the Middle East. These differences can be summarized in three main points.

First, China adheres to a policy of non-alignment and independent decision-making in its diplomacy, emphasizing respect for national sovereignty. In contrast, the EU and major European countries have closely coordinated their positions with the US on the Russian-Ukrainian conflict, engaging deeply in regional disputes and pursuing their strategic interests through alliances to ensure their own security.

Second, China upholds the principle of indivisible security, arguing that one country's security should not come at the expense of another's and that regional stability cannot be achieved by strengthening or expanding military blocs. China underlines that the legitimate and reasonable security concerns of all countries should be taken seriously and addressed properly. China believes that the Russian-Ukrainian conflict stems from long-standing structural contradictions that require a historical and dynamic perspective to understand. In contrast, the EU's approach tends to overlook these deeper geopolitical complexities.

Third, China advocates for peaceful dispute resolution and has actively contributed to efforts for an early ceasefire in both the Russian-Ukrainian conflict and the Israeli-Palestinian crisis. However, the EU has taken a more interventionist approach in Ukraine, providing high-precision heavy weaponry, intelligence, and logistical support, as well as imposing economic sanctions on Russia. These actions have, in China's view, prolonged the conflict and exacerbated humanitarian suffering.

Despite these differences, China and the EU share common ground in their commitment to preserving the existing international order, with the United Nations at its core, and upholding the authority of international law. On conflicts involving Israel, Hamas, Lebanon, and Iran, China has worked alongside Spain and other European countries to defend relevant UN Security Council resolutions. They have jointly condemned attacks on civilians, violations of international humanitarian law, and the humanitarian crisis in Gaza, including strikes on UN peacekeeping forces. Given these overlapping geopolitical perspectives, China and Europe have a strong foundation for rational dialogue. Through constructive engagement, they can work to resolve misunderstandings and foster greater consensus on global security issues.

3. Strengthening People-to-People Exchanges to Deepen the Foundation of China-Europe Friendship

President Xi Jinping has emphasized that "friendship, which derives from close contact between the people, holds the key to sound state-to-state relations."[①] People-to-people exchanges serve as a "ballast stone" in China-EU relations and are a fundamental driver of their long-term development. However, the COVID-19 pandemic and the Russian-Ukrainian conflict have significantly disrupted China-Europe cultural and social exchanges, leading to a widening gap in mutual understanding and trust between their populations.

Recognizing the urgency of restoring and strengthening people-to-people ties, China has taken proactive steps to accelerate the resumption of exchanges. In December 2023, China unilaterally introduced a 15-day visa-free entry policy for citizens of five EU member states, including France and Germany. Since then, China has expanded its visa-free policy to cover a growing number of European countries. By the end of 2024, China had extended visa-free access to nearly all EU member states, as well as Switzerland, Norway, Montenegro, etc., further increasing the visa-free stay period to 30 days. In May 2024, during his visit to France, President Xi Jinping proposed a major initiative to boost educational and youth exchanges. China aims to accommodate more than 10,000 French students to study in China over the next three years and double the number of European youths coming to China on exchange trips. This initiative reflects China's sincere commitment to fostering deeper people-to-people ties with Europe, particularly among younger generations.[②] To further consolidate the people-to-people foundation of bilateral relations, the EU should reciprocate by implementing substantive measures to facilitate travel for Chinese citizens to Europe.

IV. Conclusion

In January 2024, during a meeting with Belgian Prime Minister Alexander De Croo, President Xi Jinping underscored the need to build more "bridges" between China

① Xi Jinping, "Work Together to Build the Silk Road Economic Belt and The 21st Century Maritime Silk Road," May 14, 2017, http://2017.beltandroadforum.org/english/n100/2018/0306/c25-1038.html.

② Li Shengming, "The 'Mutual Pursuit' of China-France Educational Exchanges," *GuangMing Daily*, June 20, 2024, p. 14.

and Europe in response to the increasingly complex global challenges. Prime Minister De Croo recalled President Xi's speech in Bruges in 2014, where he used the metaphor of bridges to comprehensively outline China's policy toward Europe. In that speech, President Xi envisioned the construction of four key bridges: a bridge of peace and stability, a bridge of growth and prosperity, a bridge of reform and progress, and a bridge of common cultural prosperity.

Over the past decade, China has maintained a consistent Europe policy,[①] firmly supporting European integration. Likewise, Europe should respect the development path chosen by the Chinese people and refrain from imposing its values and governance models on others. The deepening and expansion of China-EU cooperation can only be achieved through mutual respect, strengthened political trust, and recognition of each other's core interests.

Since the 18th National Congress of the Communist Party of China in 2012, under the guidance of "Xi Jinping Thought on Diplomacy", China and Europe have enhanced civilizational exchanges, upheld diversity, and adhered to the principles of friendship, mutual trust, and cooperation, fostering a strategically stable bilateral relationship.[②] The China-Serbia community of shared future and the upgraded China-Hungary all-weather comprehensive strategic partnership exemplify mutual support on sovereignty, security, and development, setting a precedent for China's broader relations with European nations. As President Xi has emphasized, mutual independence and respect form the cornerstone of a healthy China-EU relationship—one that "does not target any third party, nor should it be dependent on or dictated by any third party."[③] China continues to support European integration and strategic autonomy, envisioning Europe as a key pole in a multipolar world.

Looking ahead, China remains committed to an independent and autonomous EU that plays a stabilizing role in global governance and the multilateral order while

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① Guo Jiping, "Under the Shining Banner of Building a Community with a Shared Future for Mankind," *People's Daily*, March 23, 2024, p.7.

② "Xi Meets Spanish PM," April 1, 2023, http://english.scio.gov.cn/m/topnews/2023-04/01/content_85206119.htm.

③ "President Xi Jinping Holds China-France-EU Trilateral Leaders' Meeting with French President Emmanuel Macron and European Commission President Ursula von der Leyen," May 6, 2024, https://www.mfa.gov.cn/eng/zy/jj/xjpdfsxjxgsfw/202405/t20240506_11293488.html.

upholding the principles of economic globalization. However, in an evolving global landscape, China and the EU must explore new areas of partnership, and establish mechanisms for deeper collaboration through sustained dialogue and compromise. Triangular cooperation could further nurture common interests, fostering greater mutual trust and understanding. Upholding free trade and the authority of international law has been the common principles and pursuits for both China and the EU. Given the US' withdrawal from multilateral institutions and renewed trade conflicts, China and the EU should embrace the era of multipolarity, uphold the principles of mutual respect and equality, and pursue win-win cooperation to jointly safeguard economic globalization and the United Nations-centered international order.