

The Future of Sino-European Relations

Relations between the European Union and China are currently one of Brussels' most significant priorities. Recent European Councils, including the one of 29 and 30 June 2023, have witnessed heads of state of member-states exchange views in the aim of formulating a comprehensive policy vis-à-vis the Asian giant. The EU approaches China in a triple way: as a partner, an economic competitor, and a systemic adversary. The combination of the three characterizations permits Brussels, at least theoretically, to cooperate with Beijing in areas of joint interest, protect its interests in sectors of antagonism and defend its values in the general geopolitical environment. Whether this approach yields fruitful results will be seen in the long term.

The level of suspicion in Europe's perception of China is currently rising. Economic competition with the usage of tools such as the screening mechanism, the international procurement instrument and the regulation on foreign subsidies only partly reflect the ongoing turbulence. The new security environment creates conditions where adjustments are being made and transatlantic relations are being cemented. China understands the different landscape but remains very-well connected to the West. Interconnectivity is the driving force. The EU needs thus to consider all parameters of the evolving Sino-American rivalry, make preparatory work for its repositioning in line with its interests and study all possible scenarios.

One of the most important misconceptions in the Chinese perception of European foreign and economic policy is that Brussels blindly follows Washington's guidelines. This frame prevents the Chinese government from understanding not only the nature of transatlantic relations but also the substance of the strategic autonomy concept. The EU harmoniously collaborates with the USA because their interests often intersect. Also, it is in the process of building resilience – for example vis-à-vis other powers – because it strives to better position itself in the international system. The need for closer Euro-Atlantic unity is not necessarily inimical to the pursuit of European strategic autonomy.

From another prism, it is not particularly clear to the EU how China's open up and reform would evolve in the post pandemic world, especially after the 20th National Congress of the Communist Party. Although Sino-European institutional dialogue has resumed, the Chinese government acts in a manner that arguably exhibits continuity. The ongoing American pressure in tandem with different European priorities seem to have pushed Beijing to adapt a careful, perhaps inward-looking policy, that differs from the content of the latter's public statements about continuous opening-up.

The EU has no other choice but steadily invest in reducing dependencies. In a remarkable recent case, Brussels called on aluminium and zinc companies to investigate producing key semiconductor metals. In this spirit, Mytilineos Energy & Metals, a Greek aluminium producer, will possibly explore producing gallium as a byproduct at its refinery that turns bauxite into alumina.

The desideratum is to stabilize Sino-European relations and guarantee peace and prosperity despite existing disagreements. According to the High Representative Josep Borrell the EU should recognize China even more as a competitor. This acknowledgment has not yet led to the clarification on how subsequent European policies might look like and what their specific content could be. China, from its side is developing fast, calls for the forging of a multilateral world but has not emerged into the type of power the West had wished for. The complexity of the matter is evident during the Ukraine war. It is somewhat unorthodox to expect from the Chinese government to play a role in the conflict by embracing the Western narrative or by ascribing to Western interests. Beijing does not seek to emerge weaker when the war ends, and makes relevant geopolitical calculations that first concern Sino-American relations. Notwithstanding unpleasant realities, it remains imperative to keep channels of communication open as China could press Russia to stop its war of aggression or refrain from using nuclear weapons.

International relations have entered unchartered waters. The EU acknowledges existing difficulties in engaging in dialogue with China. It is doing so, being determined to build a new type of symbiosis. China negotiates in its own way. Its general objective about a necessary symbiosis with other players in the international arena such as the EU does not differ, however.