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Stalemate or a step ahead? How China manages relations with the EU and its member states in light of transatlantic frictions

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KEY TAKEAWAYS

-  Chinese specialists on Europe agree that the alliance nature of US–EU ties will not change even though President Donald Trump’s diplomatic approach has so far undermined some elements of the transatlantic partnership. Yet the wider strategic community disputes whether a worsening US-China relationship will automatically lead to better EU-China relations.
-  Most Chinese policymakers see ties with Europe through the lens of Washington’s China containment strategy. Neither Beijing nor Brussels appears to have the political will or the policy flexibility to pursue a realistic re-set to its much-strained ties.
-  China’s present economic approach towards the EU derives from its current domestic economic model, which is driven by domestic innovation and the upgrading of its manufacturing exports. This upgraded export-led model has become a key source of tension with Europe, in contrast to the stabilizing effect that the previous low-cost manufacturing-led model had on the relationship.
-  China has devised dual-track tactics in dealing with the EU and its member states. On the one hand, Beijing continues to engage in a war of words with the EU; on the other, it employs a tactic of either engaging with or neglecting a member state, based on that state’s economic complementarity with China, its stance on the war in Ukraine and its geography.

Keywords

China

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Introduction

The recent EU-China summit was meant to mark 50 years of diplomatic ties, but was not celebrated with much fanfare. Gone are the heydays of economic globalization, when China was seen as an indispensable investment destination. Instead, the mood among European leaders has been to 'de-risk' from China – that is, move investments and supply chains away from the world's second largest economy. China is now considered 'a systemic rival'.

International commentators and some Chinese observers have speculated whether a temporary breakdown in transatlantic relations might offer an opportunity to reset Beijing's ties with the European Union (EU) and some of its member states. However, neither Beijing nor Brussels appears to have the political will or the policy flexibility to pursue such a reconfiguration.

Regardless of the new US administration's opinion of Brussels, China's relationship with EU institutions – and with several key member states – remains in stalemate. In many respects, it has further deteriorated due to ongoing trade disputes and Beijing's stance on the Russian invasion of Ukraine.

Much ink has been spilled on how Europe's policymakers and its strategic community perceive China. Yet it is equally critical to understand how China views Europe, and the key factors that are driving Beijing's current hardened approach towards the continent.

Many policy practitioners from China view its relations with the EU and the majority of its member states through the lens of US–China competition. This is despite the fact that it remains unclear what kind of trade deal and level of security cooperation Brussels will agree to with the Trump administration (particularly given the latter's unorthodox approach to the transatlantic partnership). There is perceived to be little indication that China's strained ties with Europe could improve.

This policy brief aims to address three key areas: first, it gauges the debate on Europe within the Chinese strategic community since President Donald Trump's inauguration; second, it analyses Chinese policymakers' responses to EU institutions, on issues of both trade and politics; finally, it examines the tactics that Beijing has been using to engage specific EU member states in an effort to counterbalance increasingly vociferous criticism of China from Brussels. This analysis draws on a combination of public statements and recent private conversations with Chinese and European policy practitioners.

Beijing debates its view on Europe

While European commentators were reeling from Trump's unorthodox approach to European security and tariffs, the Chinese strategic community held extensive discussions on whether Trump's return would serve as an opportunity to reset Beijing's ties with the EU and some member states.

Overall, neither Chinese specialists on Europe nor policy makers necessarily view the temporary breakdown of the transatlantic alliance under the second Trump administration as an opportunity to repair China's fraught ties with Europe. Policymakers in China not only view ties to Europe through the lens of Washington's China containment strategy, but equally believe that Europe has misread China's strategic intent.

Xi himself issued stern words to the EU on the bloc's trade protectionism and diplomatic stance during the July 2025 summit. 'China-EU relations are not targeted at, subjugated to, or controlled by any third party, both sides should foster a correct perception of each other.' – an unusually strong line for Beijing to take on the EU. ^[1]

Chinese specialists on Europe have debated the extent to which Europeans can attain so-called 'strategic autonomy', and whether Trump's 'reciprocal tariff' could provide an impetus

for Beijing and Brussels to find a compromise over existing trade disputes over electric vehicles (EVs) and renewables.

The consensus among these specialists is that the alliance nature of US–EU ties will not change even though Trump’s diplomatic approach has so far undermined some elements of their partnership. Instead, Europeans may become even tougher on China or forge a united front with Trump to slow down China’s technological progress and undermine Beijing’s growing influence in the Indo-Pacific region. [2]

Apart from the US factor, many Chinese specialists on Europe believe a worsening US-China relationship will not automatically lead to better EU-China relations. [3] This is partly due to existing grievances on both sides regarding trade, human rights, and the EU’s push for de-risking from China. They find it hard to see where the impetus for improvement would come from.

‘Strategic autonomy’ has become a buzzword among Chinese policymakers and the strategic community since it was first referred to by France’s President Emmanuel Macron. [4] Yet, Beijing has always adopted a particular interpretation of the term. In the eyes of most Chinese commentators, ‘strategic autonomy’ signifies Europeans’ desire to craft their own foreign policy by reducing the influence from Washington.

However, an influential Chinese specialist on Europe recently warned that ‘strategic autonomy advocated by the Europeans is not only targeted at its ties with the US, but, more importantly, it equally aims at reducing dependency away from China’. [5] Instead of the old adage of ‘cooperation and win-win’, this specialist cautioned that the Chinese strategic community should view and analyse Europe without so much wishful thinking. In other words, there are real indigenous reasons why China-EU relationships remains at a stalemate regardless of who is in the White House.

Contrary to these cautious words, other Chinese commentators and media outlets seem to have become far more optimistic about a meaningful rapprochement between Beijing, Brussels and several European capitals in light of Trump’s return. An editorial in China Daily, the state media outlet, argued that ‘the pathway to European autonomy means a break with the familiarity of playing second fiddle to the US. But partnership with China offers a pragmatic way to reduce the risks’. [6] Several commentators not specialist in European affairs took an even more favourable view that the two economic blocs would be able to capitalize on the temporary breakdown of transatlantic ties and forge a better economic relationship. [7]

China’s position on the war in Ukraine has been a catalyst for growing hostility towards Beijing in Brussels and several other European capitals in recent years. As Russia’s assault on Ukraine continues, China’s seemingly pro-Russia neutrality is deepening European grievances. [8] This has led to a diplomatic impasse between Beijing and much of Europe. [9] Neither side believes it has acted wrongly, resulting in a persistent cognitive dissonance that continues to shape and complicate decision-making on both sides.

Yet, the more that Chinese diplomats and scholars provide explanations, the greater the frustration in the Europeans' response. The extent to which Beijing can balance its economic and diplomatic support for Russia with its desire to maintain stable relations with Brussels and some European capitals is highly uncertain. This uncertainty has also triggered a sense of frustration within the Chinese strategic community. [10]

Staying defiant towards Europe on trade disputes

Contrary to some commentators' expectations of a rapprochement with Europe, policymakers in Beijing have responded defiantly to its ongoing trade disputes with the EU, which range from EVs and cognac to medical equipment. Xi showed no interest in travelling to Brussels to celebrate 50 years of diplomatic ties between China and the EU, which is the clearest signal yet to illustrate Beijing's hardening approach to Brussels. [11]

In 2020, China surpassed the US to become the EU's top goods trade partner. Its exports to Europe peaked in 2022 and have declined slightly since. Chinese exports to Europe consistently outpaced its imports from Europe, resulting in a widening trade surplus that reached more than €300 billion by 2024. [12] Manufacturing products dominate 97 per cent of China's total exports to the EU, including electrical machinery and telecoms equipment. [13] This pattern of Chinese manufacturing dominance presents EU policymakers with a critical challenge if they want to de-risk from China. It also highlights the structural importance of China's export-driven manufacturing base in the country's overall economic cycle.

Judging by the data from the past five years, both Beijing and Brussels have increasingly relied on trade dispute mechanisms to defend their markets from each other's products. During this period, Beijing launched seven trade investigations and World Trade Organization (WTO) disputes, while the EU Trade Commission initiated 11 cases against China. Notably, three of these disputes were launched after the start of Trump's second term. [14]

China's present approach to the EU on the economic front derives from its current domestic economic model, driven by domestic innovation and the upgrade of its manufacturing exports. This upgraded export-led model has become a key source of tension, meaning that some elements of their economic ties can no longer serve as a stabilizer in its overall relationship with Brussels and major European economies. Some Chinese companies are in brutal competition with their European peers, both in Europe and developing countries, partly boosted by state subsidies and partly by tough domestic competition inside China. At the heart of this friction lies a structural economic challenge: both China and Europe produce similar goods and are competing for global manufacturing dominance.

China has so far offered few concessions to the EU's complaint about 'overcapacity' of EVs and other sectors where Beijing is keen to nurture commercial success. These products are part of the so-called 'new productive forces' with which China intends to drive its economy, [15] while also becoming the main source of export-led earning for the country. China has not

shied away from using tit-for-tat approaches to respond to the EU, nor has it been subtle in its communication with the EU institutions and member state governments.

Beijing has strategically targeted sectors involved in its trade dispute with Brussels. In recent cases, China imposed steep tariffs on French cognac and pork imports from the EU. [16] The former was a direct response to EU tariffs on Chinese electric vehicles, which were strongly backed by France. [17] Although cognac is a major French export, it is relatively less popular among Chinese consumers compared to other types of liqueur. As a result, the higher tariff on cognac has not caused concern among average Chinese households. Pork product imports from the EU account for only a small proportion of China's overall pork demand because the country sources imports from various regions to meet the needs of what is the world's largest pork-consuming population.

Beijing's defiant stance towards the EU on trade shows no sign of easing, even as it engages in equally intense negotiations with the US. The latest flashpoint involves medical devices, with the EU barring Chinese manufacturers from bidding on public procurement contracts. [18] In response, China implemented a tit-for-tat measure, restricting European medical device-makers from accessing its public procurement market, which is valued at more than €5.3 billion. The EU's recent cancellation of its High-Level Economic and Trade Dialogue with China in June 2025 – just ahead of the annual China-EU leaders' summit – further underscores the growing deadlock between the two sides over trade and economic grievances. [19] Regardless of the changes in US administrations, both China and the EU appear to have shifted from collaboration to a more confrontational, stonewalling approach.

Beijing's war of words over Russia's invasion of Ukraine and selective engagement with EU member states

Beyond the ongoing trade disputes, China's position on Russia's invasion of Ukraine has further worsened its ties with EU institutions and some of its member states. European leaders sent a stern warning that one of the biggest stumbling blocks for China–Europe rapprochement is China's perceived support for Russia's assault on Ukraine.

Several recent trips by Chinese leaders to Europe were intended to prevent further damage to ties with the continent since Russia's full-scale invasion of Ukraine began in 2022. [20] Yet Beijing's efforts did not go down well with the Europeans, most of whom perceive Russia and its allies in black-and-white terms. The more that Beijing tries to explain its relationship with Moscow, it seems, the deeper the mistrust Europe feels towards it. The EU's talk of 'de-risking' economically with China, is also a direct result of Beijing's position on the war.

Since 2022, there have been numerous occasions when Chinese diplomats attempted to justify Beijing's position on the war to European governments. These include a phone call between Xi and Zelenskyy, and the issuing of an official position paper on the war in Ukraine. [21] However, both sides remain unsatisfied. The Europeans hold a firm belief that

China is justifying its wrongdoing while Beijing insists that the war in Ukraine is a European matter that has nothing to do with China.

As the impasse persists, China has devised dual-track tactics to deal with the EU and its member states simultaneously. On the one hand, Beijing continues to engage in a war of words with the EU – most recently involving a tense discussion between the Chinese Foreign Minister Wang Yi and Kaja Kallas, the EU's de facto foreign minister and an outspoken critic of Russia. [22] On the other hand, Beijing is also engaging with member states that are less concerned by Russia's military assault and China's economic competition. [23]

There are four categories of EU member states with which China has devised a tactic of either engagement or neglect. Beijing has chosen its tactics based on the economic complementarity of individual states with China, their stance over the war in Ukraine and their geography. The first category of member states includes those that are economically well established and are strongly supportive of NATO and Ukraine, most notably France, Germany and the Netherlands. While Beijing has had ongoing trade tussles with all these countries, it also maintains a continuous political dialogue with them. The Chinese government's engagements with these countries remain frequent even if there are substantive disagreements over trade and war in Ukraine.

The second group of countries are mostly located in Central and Eastern Europe. Beijing is taking an approach of neglect towards this group, as they are the most vociferous critics of China's position on Ukraine. They include the Czech Republic and Poland. In the most extreme case, Beijing has downgraded its diplomatic ties and cut off trade with Lithuania due to its strong support for the incumbent Taiwanese government under the Democratic Progressive Party.

The third group consists of countries with which China has a rapport both economically and politically, namely Hungary and Slovakia. Beijing sees both countries as offering favourable economic conditions for Chinese companies' overseas expansion. But Beijing's increasingly frequent engagement with the two countries has stoked more fear than assurance in Brussels, further straining its relations with EU institutions.

The fourth group presents the greatest challenge for Beijing to navigate, as they are considered 'swing states' in China's relations with Europe, most notably Italy and Spain. While both have been less vocal in their support for Ukraine, their positions on economic issues with China have diverged. In a recent vote by the European Council on a proposal made by the EU Trade Commission to impose punitive tariffs on Chinese EV exports, Italy backed Brussels, whereas Spain voted against the measure.

The Italian prime minister Giorgia Meloni has sought to strike a delicate balance between maintaining ties with Beijing and aligning with Donald Trump, with whom she shares a similar political outlook. Meanwhile, her Spanish counterpart Pedro Sánchez has moved

closer to China, a position that has enraged Brussels. Yet Sánchez's own political instability at home has made Beijing contemplate how long support from Spain can last.

Conclusion

The ongoing economic and geopolitical disputes signal that China's relationships with Europe remain strained, regardless of shifting dynamics within the transatlantic alliance. While some European leaders view their ties with China through the lens of the war in Ukraine, their counterparts in Beijing interpret China's relations with Brussels and other European capitals primarily through the prism of the US containment strategy against China.

Beijing is unlikely to shift its defiant stance towards the EU on trade disputes, given its growing competitiveness in high-end manufacturing exports and ongoing efforts to rebalance its economy at home. Nor should there be any expectation that China will ease controls on critical minerals for European companies to any large extent, particularly those operating under growing political pressure from EU institutions.

China firmly views its relationship with Moscow in light of its prolonged competition with the US, even if maintenance of such close ties will continue to anger Brussels and some European capitals. Some in Europe hope that Beijing will change course on the war in Ukraine to help undo the damage done to its European relations. But, while China has so far shown willing to restrain Putin from entertaining the deployment of nuclear weapons, European leaders cannot expect China to side with them on the war itself.

Moving forward, any rapprochement would require leaders in both China and Europe to reconfigure their current approaches. China cannot simply rehash appeals for 'win-win cooperation' that have little resonance in large parts of Europe. And Europe must have a realistic assessment of the extent to which it can magically change the Chinese government's outlook and political choices.

As the Chinese economic model evolves, and with its position on war in Ukraine unchanged, both Beijing and European leaders will need to find a new set of terms and conditions to frame their relationship with each other.

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