



# Europe-China Forum: 20 years on – what's next for EU-China relations?

**23  
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## Introduction

This report reflects statements and questions made during a forum hosted by Friends of Europe in Brussels on 23 November 2023. The debate took place in the year of the 20th anniversary of the EU-China Comprehensive Strategic Partnership (CSP).

The forum aimed to shed light on the complex relationship between the two global players. Shaped by evolving geopolitical dynamics, their long-standing relationship has fluctuated between cooperation and competition since its inception. Mutual trust and honesty are crucial to navigating this complex terrain, but fundamental differences are unlikely to be resolved any time soon.

## Speakers and participants considered topics including:

- The need for cooperation between the EU and China in critical areas such as climate change and AI governance;
- Continued disputes over trade practices and human rights;
- The EU’s recent ‘de-risking’ strategy in its economic relations with China, which aims to reduce dependence on China for key commodities;
- The challenge of finding a balance between risk reduction and maintaining important cooperation; and
- The extent to which the EU can de-risk its economy from China and diversify its suppliers without jeopardising its green and digital transformation efforts.

## Recommendations

- Prioritise EU and Chinese actions to tackle climate and biodiversity issues through dialogue.
- Promote people-to-people perspectives in dialogue between Europe and China, including through engagement with think tanks.
- Safeguard the UN order and international law.
- Discuss the possibility of common standards in the drive for digitalisation and connectivity.
- Use existing fora to discuss green issues, including climate change, reuse and low-carbon supply chains.

- Encourage governments to provide clarity around carbon leakage and the direction of travel for business.
- Ensure that private sector engagement is on the EU-China summit agenda.
- Build on the success of the existing Europe-China partnership to make a success of COP28.

## Event summary

### A meaningful (international) relationship

The importance of the Europe-China relationship was the recurring theme throughout the event. As event moderator **Dharmendra Kanani**, Chief Operating Officer and Chief Spokesperson of Friends of Europe, explained while opening up the morning of debate, this is a relationship that has defined globalisation, with all the corresponding impacts on economies and wellbeing. “It is simply not possible to rewind the clock on globalisation.”

After some 20 years of the CSP and several recent ups and downs, participants sought to understand what has been learned from a partnership that is ultimately based on different values.

For China, the EU is a strategic force and a diplomatic priority, **Fu Cong**, Ambassador and Head of the Mission of the People’s Republic of China to the European Union, said: “European exports to China have supported about 8mn jobs in Europe [...] nearly 8mn people travelled between Europe and China in 2019 – more than 600 flights per week.”

Regarding China, **Maria Martin-Prat**, European Commission Deputy Director-General for Trade (DG TRADE), said: “Our strategy, which is not new, remains valid. We see China as an essential partner, but also – depending on the areas – as a competitor and systemic rival. (...) I hope we all understand that our relationship is too broad and too complex to fit into a single category.”

*“ I hope we all understand that our relationship is too broad and too complex to fit into a single category.*

**Maria Martin-Prat, European Commission Deputy Director-General for Trade**

Recent events such as the debt crisis, the coronavirus pandemic and earthquakes in China have shown the importance of effective EU-China cooperation.

Climate change was most frequently raised by participants to illustrate the importance of a healthy EU-China relationship. The failure of these two major economies to agree on a strategy to reduce global emissions is evident, but partnership opportunities are likely to increase.

“The most important thing to do together is to tackle climate change,” said **Lin Goethals**, Director at the European Institute for Asian Studies (EIAS). The same point was stressed by Ambassador **Ma Keqing**, Executive Vice Chair of the China National Committee for Pacific Economic Cooperation. “There is a lot to do together between China and the EU. The most important is climate change, and [in] the near future we should join hands to make a success of COP28”.

China is working to reduce the use of fossil fuels and integrate more renewable energy. This comes alongside its assistance to low- and middle-income countries, as well as investments in both climate mitigation and adaptation.

Per capita emissions in China today are, however, higher than in the EU, meaning that China is not a high emitter simply because of its size. Working together can support the two economies in finding ways to change this pattern.

**Dominic Porter**, Head of Division of China, Hong Kong, Macao, Taiwan and Mongolia at the European External Action Service (EEAS), said in this regard that “cooperation is vital – there are so many areas where we have to work together: ambition on climate, (...) especially ahead of COP28 there is much more we can do together.”

*“ We should be a low-carbon couple setting an example for the world, (...) because these are challenges that go beyond our national interests or ability to act alone, no matter how big we are.*

**Dominic Porter, Head of Division of China, Hong Kong, Macao, Taiwan and Mongolia at the European External Action Service (EEAS)**

Another global challenge in this context is the digital transformation. **Ina Schmitt**, Team Leader Industry and Trade Policy at Gesellschaft für Internationale Zusammenarbeit (GIZ) in East Asia, set out how this can play a vital role in creating a circular economy, with both sides encouraged to share data on industrial products as part of sustainable supply chains.

“The course we set has a strong impact on the global economic outlook,” said **Martin-Prat**, “We do have a responsibility.”

Human rights, biodiversity, rare minerals and trade must also be discussed as part of a healthy global relationship. There are already many existing fora through which Europe and China can freely discuss all these issues moving forward. Or, as Goethals put it, “The honeymoon may be over, but relationship is not.”

## Anniversary blues

As in any long-term relationship, the anniversary may prompt both negative and positive reflections. There may even be angry mutterings.

While **Gao Zhikai**, Vice President of the Centre for China and Globalization (CCG), and others felt there is no fundamental conflict of interest between China and Europe, there was also a feeling that the EU perception of China has changed in recent years.

For **Ma**, although “on the Chinese side, we always systematically see the EU as an important strategic global power in [a] multipolar world,” the EU’s perception of China has been “fluctuating”.

Both sides recognised that there are differences to resolve. These include the development of electric vehicles, where Europe feels that China can undercut European costs as a result of domestic subsidies and overcapacity, while for China, this is simply the same as Europe selling Mercedes abroad.

A Chinese decision to block all imports from Lithuania, along with EU plans to impose a Carbon Border Adjustment Mechanism (CBAM) on several imported products, were also singled out for criticism.

“The EU and China are first and foremost partners,” said Fu. “It’s only natural that we see things differently, but this does not make us rivals. We must not allow our differences to define our relationship.”

“We all benefit from the trade (...), but both China and the EU have been taking ‘therapeutic’ steps – like China we want to strengthen the resilience of our economy; (...) excessive dependence in any couple is not healthy.”, stated Porter.



1. **Dharmendra Kanani**, Chief Operating Officer and Chief Spokesperson at Friends of Europe and **Luo Linqun**, Vice President of the China Public Diplomacy Association
2. **Maria Martin-Prat**, European Commission Deputy Director-General for Trade (DG TRADE)
3. **Gao Zhikai**, Vice President of the Centre for China and Globalization (CCG), **Dominic Porter**, Head of Division for China, Hong Kong, Macao, Taiwan and Mongolia at the European External Action Service (EEAS) and **Ma Keqing**, Executive Vice Chair of the China National Committee for Pacific Economic Cooperation
4. **Fu Cong**, Ambassador and Head of the Mission of the People's Republic of China to the European Union



## next after 20 years of the EU-China Comprehensive Strategic Partnership?

WITH

**Gao Zhikai**  
Centre for China and Globalization (CCG)

**Lin Goethals**  
European Institute for Asian Studies (EIAS)

**Linqun**  
China Public Diplomacy Association

**Tomáš Petříček**  
Institute of International Relations (IIR)



## Opening Remarks

BY

**Fu Cong**  
Ambassador and Head of the Mission of the People's Republic of China to the European Union

**09:00**  
**09:30**

**Fu Cong**  
European Commission Deputy Director-General for Trade (DG TRADE)

## De-risky business

The EU’s de-risking strategy was singled out as causing the most friction in the Europe-China partnership. Designed to reduce over-reliance on one market, China feels the strategy unfairly penalises relations with Beijing.

It is vital not to “politicise” de-risking, as **Gao** and others argued. Europe must be cautious about how far it goes with a policy, of which many feel that China is the target. **Thomas Richter**, Vice President and Head of Global Government & Public Affairs at Solvay SA countered: “Geopolitics is really on the top of the agenda again. (...) Politics is everywhere and also as companies we need to be aware of them”.

EU representatives, in turn, asked China to put foreign companies on par with domestic companies, as is already the case in Europe.

**Martin-Prat**, warned that the EU is simply worried about unfair practices. Europe does not think that a trade deficit is bad by definition, but significant over-capacities in China will affect EU markets. Exports of subsidised capacity do not reflect the reality of business or consumer preferences.

Concerns around de-risking revealed how important it is for Europe and China to continue speaking and address concerns. “These concerns are going to continue. Meaningful engagement needs to continue,” urged **Martin-Prat**.

In reality, de-risking has never been just about China, the summit’s participants heard. It is about looking at supply chains and seeing where there is only one supplier.

The EU’s de-risking approach is of great importance to the business community, recognised **Linlin Liang**, Director of Communication and Research of the China Chamber of Commerce to the EU (CCCEU). Research shows that 72% of Chinese companies operating across the EU say they have already been negatively impacted by the de-risking strategy, while 60% say they are very concerned by EU foreign investment screening mechanisms.

The importance of maintaining this private-sector perspective in Europe-China relations was stressed as highly relevant.

To make companies thrive, panellists and audience members suggested trade and business concerns should be high on the agenda of the EU-China summit on 7-8 December 2023.

“The basic reality is we have different political and economic systems. We need to find a way to manage our differences and handle friction,” said **Martin-Prat**. For this reason, Europe will highlight the need for concrete and tangible results at December’s EU-China summit.



## No taboos: moving to the next level

Europe and China are partners from different backgrounds, the summit heard. Porter invited the EU and China to become a “more altruistic couple”. In a healthy relationship, there should be “no taboos. We have to be open about what matters to us.”

*“ There are issues that can be addressed between partners in such an important relationship*

**Luo Linqun, Vice President of the China Public Diplomacy Association**

“There are issues that can be addressed between partners in such an important relationship,” contended **Luo Linqun**, Vice President of the China Public Diplomacy Association. “This is no fundamental conflict of interest between China and the EU. Developments over 20 years have proved that these two major market forces and civilisations can derive broad benefits from long-lasting cooperation. Europe needs Chinese investment and markets. China needs European technologies and expertise.”

Moving forward to the next level of this crucial international relationship, said **Liu Ying**, Director of Research and Cooperation at the Renmin University of China’s Institute for Financial Studies, stating that China serves as a stabiliser for world economic growth.

In order to maintain harmony in diversity, the two economies were reminded to keep people on board. Above all, “we need the support of the population for future relations with China,” said **Tomáš Petříček**, Senior Non-Residential Fellow at the Centre of Global Political Economy at the Institute of International Relations Prague (IIR) and 2020-2021 European Young Leader (EYL40). At the end of the day, “the European and Chinese people want to get along with each other,” concluded **Gao and Porter** said: “The relationship is certainly, as a result after 20 years, more complex, but our futures are certainly not less intertwined.”



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