



Council of European Union: Topic 1

Evaluation of EU relations with China

Background:

Economically speaking, EU-China relations are undeniably strong. China is the EU's second biggest trading partner (after the US), and the EU is China's biggest trading partner overall. Though the EU is committed to have long-term trading agreements with China, some of China's policies may hinder this commitment. The EU prioritizes fair trade, intellectual property rights and the obligations as a member of the World Trade Organization (WTO).¹

As a member of the WTO since 2001, China agreed to reform, and most importantly liberalize, parts of its economy and trading policies. However, though some tangible progress has been made, some issues still remain, and can be summarized as follows:

1. a lack of transparency,
2. industrial policies and non-tariff measures that discriminate against foreign companies,
3. strong government intervention in the economy, resulting in a dominant position for state-owned firms, unequal access to subsidies and cheap financing,
4. poor protection and enforcement of intellectual property rights.²

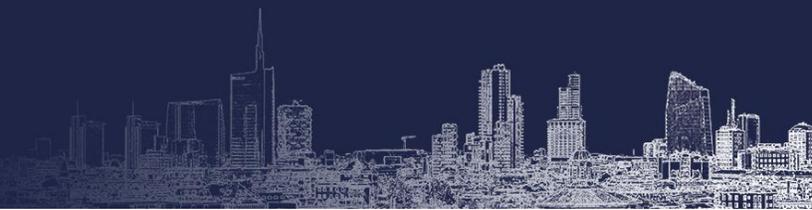
Current Situation:

Amid the Covid-19 crisis, EU member states have started to converge on assessing the challenges that the Sino-European economic relationship poses. Many EU member states have complained of a lack of reciprocity in the relationship, as well as increasing concerns within the EU about China's approach to foreign affairs abroad. Furthermore, concerns also arise from breaches of international commitments and vast violations of human rights in Hong Kong and Xinjiang.

Though this relationship is now drawing more scepticism than ever, this could be the opportunity to build a more coherent and thus strong EU policy on China. As of September 2020, the German council presidency has decided to use its remaining months to create institutional structures to enhance the EU's capacity to act. Nonetheless, it will be crucial to ease concerns of smaller EU states over the Franco-German dominance of the China agenda, allowing all member states to become increasingly engaged on this matter.

¹ "European Commission Directorate-General for Trade," China - Trade - European Commission, [PAGE], accessed November 13, 2020, <https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>

² *Ibid.*



Important bloc positions:

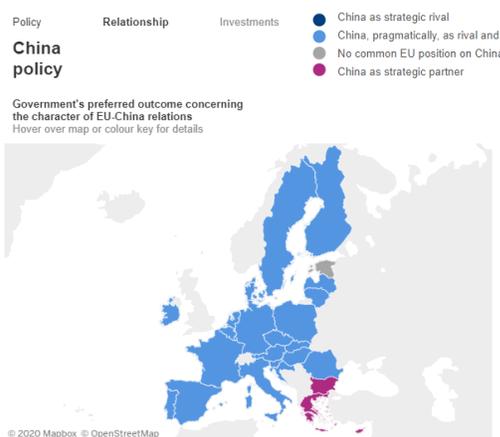


Figure 1: map of Europe color coded representing China's relations with EU countries.³

What is the level of agreement on China policy among political parties?		Is China policy controversial among the country's general public?	
Strongly agree	Belgium	Not at all controversial	Austria
	France		Belgium
	Germany		Bulgaria
	Greece		Croatia
	Netherlands		Cyprus
Tend to agree	Austria	Somewhat controversial	Finland
	Bulgaria		France
	Croatia		Germany
	Cyprus		Greece
	Denmark		Hungary
	Estonia		Netherlands
	Finland		Poland
	Ireland		Slovakia
	Latvia		Slovenia
	Lithuania		Spain
	Luxembourg		Sweden
	Malta		Denmark
	Poland		Estonia
	Portugal		Ireland
	Slovenia		Italy
	Spain		Latvia
	Sweden		Lithuania
Tend to disagree	Czech Rep.	Very controversial	Luxembourg
	Hungary		Malta
	Romania		Portugal
	Slovakia		Romania
Strongly disagree	Italy		Czech Rep.

Figure 2: how China's policies and perceived by citizens and politicians within EU countries.⁴

Further reading:

- https://ecfr.eu/publication/the_new_china_consensus_how_europe_is_growing_wary_of_beijing/ - good website summarizing the bloc positions
- <https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/> - European Commission countries and regions relations
- https://www.youtube.com/watch?v=R_dceHZLZDM – short video summarizing EU's goals about the Sino-European economic deals
- <https://www.youtube.com/watch?v=EjFHf682NFY> – another short video summarizing what is limiting the EU – China relations

³ Janka Oertel, Manisha Reuter, Elli Pohlkamp, Asli Aydıntaşbaş, Nicu Popescu, Ellie Geranmayeh, and Kadri Liik. "The New China Consensus: How Europe Is Growing Wary of Beijing." ECFR. Accessed November 13, 2020. https://ecfr.eu/publication/the_new_china_consensus_how_europe_is_growing_wary_of_beijing/.

⁴ *Ibid.*



Bibliography:

- "European Commission Directorate-General for Trade." China - Trade - European Commission. Accessed November 13, 2020. <https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>.
- Janka Oertel, Manisha Reuter, Elli Pohlkamp, Asli Aydıntaşbaş, Nicu Popescu, Ellie Geranmayeh, and Kadri Liik. "The New China Consensus: How Europe Is Growing Wary of Beijing." ECFR. Accessed November 13, 2020. https://ecfr.eu/publication/the_new_china_consensus_how_europe_is_growing_wary_of_beijing/.