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Europe's long-term relationship with the People's Republic of China

European Council for Foreign Affairs (ECf)

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Introduction

Since the establishment of official relations in 1975 Europe and the People's Republic of China (PRC) have woven a complex tapestry of economic interdependence, diplomatic engagement, and strategic rivalry that now shapes global affairs. Bilateral trade tops €1 billion daily, making each side the other's indispensable commercial partner. Yet Europe's €291 billion goods-trade deficit in 2023, persistent human-rights frictions, and mounting security anxieties over technology supply chains illustrate why this relationship is increasingly defined as a mix of "partner, competitor, and systemic rival."

Some sources also indicate that The EU and China are now more likely to strongly cooperate on multiple economic fronts as The United States cuts ties and imposes tariffs on both major economic parties concerned. The issue currently lies in whether the EU is able to overlook China's different perspectives on social values and create a never-before-seen alliance. Solving these tensions is vital for maintaining open markets, safeguarding democratic values, and forging collective climate action.

Definition of key terms

5G Network Security

Concerns about the safety and integrity of next-generation telecommunications infrastructure, especially involving Chinese companies like Huawei, due to potential cybersecurity risks.

Arms Embargo

A ban, imposed by the EU since 1989, on supplying arms and related material to China due to human rights concerns.

Belt and Road Initiative (BRI)

China's international infrastructure development strategy investing in transport, energy, and trade routes across several continents to enhance connectivity and influence.

Comprehensive Agreement on Investment (CAI)

A proposed treaty between the EU and China to improve investment conditions and protections, currently stalled due to political and human-rights issues.

De-risking

A strategy by Europe to reduce vulnerabilities from overdependence on China for critical technologies and supply chains, aiming to diversify sources and increase resilience without fully severing ties.

Dual-Use Controls

Regulations controlling the export of goods and technology that have both civilian and military applications, to prevent misuse in conflict or repression.

Global Gateway

The EU's initiative to finance sustainable, high-quality infrastructure projects worldwide as a counterpart to China's BRI.

Human-Rights Conditionality

The practice of linking cooperation or agreements with China to measurable improvements or respect for human rights.

Market Access

The ability of foreign businesses to enter and operate within a country's market, often a key point of negotiation between the EU and China.

Most-Favoured-Nation (MFN) Status

A trade principle where one country grants another the same favorable terms (e.g., tariffs) as its best trading partner.

Strategic Autonomy

The EU's capacity to make independent decisions and act on foreign policy and security matters without undue reliance on external powers.

Technology Supply Chains

The network of resources, manufacturing, and distribution for technological products, where Europe is concerned about dependency on China.

Trade Defence Instruments

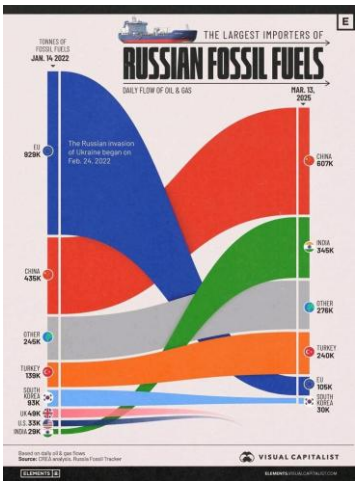
EU tools like anti-dumping tariffs and safeguards designed to protect European industries from unfair trade practices by partners like China.

General Overview

A Complicated Relationship

When you look at Europe's relationship with China, it is quite frankly a bit of a rollercoaster. Sure, the business connections are massive—trade between the two is mind-blowing. Chinese goods are everywhere in European shops, and European factories rely on parts from China just to keep running. Even smaller gadgets, national clothing and souvenirs are often manufactured in China. This trend is also observable with ports, railways (like that huge Budapest–Belgrade line), even in new electric cars coming off the line in Hungary or Germany.

There is a growing sense in Europe that being too dependent on China is not a great strategy, especially since some Chinese investments come with strings attached. Headlines about human rights in Xinjiang or the crackdown in Hong Kong do not help trust. For some people across Europe—politicians and civilians alike—these issues really matter. There is now real public debate about whether those deep ties with China are always worth the risk.



The U.S. wants Europe as a strong partner to limit China's rise, while China sometimes encourages Europe to embark on an independent track. Europe finds itself in the awkward middle, often trying to please both sides but not substantially making anyone entirely satisfied. Russia's invasion of Ukraine came along, and suddenly every decision on China felt even more fraught—China's closeness to Russia has raised eyebrows in Brussels. The illustration on the right shows how China increased their net oil & gas purchase by circa 30% since the EU stopped the purchase of Russian fossil fuels.

Yet, it's not a situation where Europe can just slam the door and walk away. On the big stuff—climate change, fighting pandemics, keeping global trade running—Europe and China kind of have to work together. No one wants a world where two economic giants are constantly at each other's throats. Still, there's tension about values, about security, about who gets to set the rules.

So where does that leave things? Well, a bit tense, a bit hopeful, and often pretty messy. There might not be a single formula for how Europe and China move ahead. Sometimes it's genuine cooperation, other times it's a tug-of-war. Maybe that's just what global politics looks like these days: complicated, unpredictable, and, if we're honest, not always easy to sum up in neat lines.

Major parties involved

China

China's approach to its relationship with Europe is shaped by its strategic objectives of maintaining domestic stability, advancing economic development, securing technology transfers, and enhancing its global influence. Since market-opening reforms began in the late 1970s, Europe has been both a key market for Chinese exports and an important source of advanced technologies, investment, and know-how. China's Belt and Road Initiative (BRI) demonstrates its ambition to connect Asian manufacturing centers with European consumer markets through infrastructure projects, such as the Athens–Piraeus port and freight rail lines from Xi'an to Duisburg. China sees the European Union as a counterbalance to the United States in the global power structure and has encouraged European "strategic autonomy" to limit US influence over EU foreign policy, especially where it concerns technological standards and regional security.

China nowadays is involved in multiple projects within the Union such as the controversial Budapest-Belgrade railway. The project is financed primarily by Chinese loans: in Hungary, approximately 85% of the cost—estimated at $2.1 billion—is covered by a loan from China, with the rest provided by the Hungarian government. In Serbia, a similar arrangement is in place, with funding from China's Export-Import Bank. Construction has seen heavy involvement from Chinese state-owned enterprises, including CRRC and CRRC Qingdao Sifang, who supply rolling stock and oversee critical segments of the project. The railway is emblematic of broader concerns in Brussels about China's growing presence in strategic infrastructure throughout Europe, raising questions about dependency, reciprocity, and potential security risks.

European Commission

As the primary policy-making body of the EU, the European Commission is responsible for negotiating collective European positions on trade, investment, technology standards, and sanctions regarding China. The Commission's core objective is to ensure that relations with China deliver economic opportunities for all EU member states while upholding fundamental European values, such as respect for human rights and a rules-based international order. Under the "EU–China: A Strategic Outlook" policy published in 2019, the Commission formally labeled China as a "partner, competitor, and systemic rival," reflecting a pragmatic, and multidimensional approach to the relationship.

The Commission has prioritized "de-risking" in recent years—reducing dependencies on China for critical raw materials (like rare earths), technology platforms (particularly 5G and AI), and medical supplies without pursuing total economic decoupling. It has introduced measures such as Foreign Direct Investment Screening, anti-dumping tariffs, and export controls on dual-use technologies to mitigate perceived vulnerabilities. On climate, the Commission collaborates with China over carbon markets and green finance, aiming for ambitious climate goals but wary of unfair state subsidies or market distortions in the renewable energy sector. The Commission also spearheads initiatives like the Global Gateway to offer sustainable infrastructure investment alternatives to the BRI in Africa, Asia, and the Balkans. Balancing economic engagement and the defense of democratic values is a continuous challenge, with member states divided between prioritizing commercial access and emphasizing human rights or strategic concerns.

European Parliament

The European Parliament, as the directly elected legislative arm of the EU, has a strong voice in shaping Europe's normative approach to China. It leads calls for human-rights conditionality in all

agreements, and, reflecting widespread concern among European citizens, maintains a more critical stance than some member state governments or the Commission. Following allegations of widespread detention and forced labor of Uyghurs in Xinjiang, the Parliament was instrumental in pushing for EU "Magnitsky-style" sanctions against Chinese officials in 2021—the first time such measures were used against China. In response to these sanctions and Beijing's subsequent retaliation (including banning several MEPs and think-tanks), the Parliament voted to freeze ratification of the Comprehensive Agreement on Investment (CAI).

The Parliament plays a watchdog role in technology policy, advocating strict rules for cybersecurity and privacy, and urging for stronger block-wide restrictions on Chinese suppliers like Huawei and ZTE in 5G networks. It also passes resolutions condemning the erosion of civil liberties in Hong Kong and calling for support for Taiwan's international participation. While it lacks direct power over foreign policy, the Parliament shapes public debate, influences Commission priorities, and can block trade and investment deals that do not meet its standards for transparency, sustainability, and respect for international law. The Parliament's assertive position increasingly sets the tone for the EU's engagement with China, and it remains a platform where concerns about European sovereignty and values are most robustly defended.

Member States

The governments of EU member states—such as France, Germany, Italy, the Netherlands, and the Nordic and Central/Eastern European countries—each bring unique priorities and sensitivities to the table in dealings with China. Germany, as Europe's largest economy and China's biggest trading partner in the EU, often champions practical economic engagement, seeking to protect exports in automotive, machinery, and chemicals, while recently adopting tougher investment screening and export controls over critical technology. France, on the other hand, pushes for greater strategic autonomy, seeking to coordinate European responses to China while balancing economic interests with support for global norms and security. Southern European nations such as Italy and Greece have welcomed Chinese investment in infrastructure but are increasingly aligned with Brussels' more cautious approach after controversial takeovers or debt concerns. Central and Eastern European countries, once enthusiastic participants in the "17+1" China–CEEC forum, have grown skeptical in recent years, citing limited economic benefits and solidarity with EU-wide China policy, especially after the Russian invasion of Ukraine and China's perceived closeness to Moscow.

Thus, while some member states favor stronger economic ties regardless of external pressures, others prioritize security concerns, human rights, or transatlantic unity. Coordination in the Council of the EU is therefore vital, as divergent approaches sometimes undermine overall effectiveness. In recent years, national debates over 5G networks, port investments, academic cooperation, and critical mineral imports have increasingly foregrounded the question of how best to balance economic benefits with security and principles. The trend is toward greater alignment with European Commission strategies, but national interests continue to shape the union's overall stance.

United States (External Actor)

Although not a direct party to EU–China relations, the United States plays a major external role by shaping the broader geopolitical and technological environment in which Europe and China interact. US policy toward China has shifted toward strategic competition, resulting in export controls on advanced semiconductors, bans on Chinese technology in communications infrastructure, and sanctions over human rights and dual-use technologies. Washington encourages European allies to implement similar measures, emphasizing risks associated with technological dependency and security vulnerabilities. The US also seeks to promote transatlantic standards in digital governance, AI, and data privacy—the so-called "tech alliance"—to counteract China's "Digital Silk Road."

Furthermore, after Russia's invasion of Ukraine, US–EU alignment on secondary sanctions and export controls targeting China's support for Moscow has become a point of major dialogue, with Washington urging Brussels to close loopholes and increase enforcement.

While many EU member states share US concerns, there is sometimes friction over methods and the degree to which Europe should pursue independent policies ("strategic autonomy") or conform to US positions. Nevertheless, transatlantic cooperation remains central to European policymaking on export controls, investment screening, protection of critical infrastructure, and technology development. The US will continue to wield substantial indirect influence on the EU's China policy, steering the debate on values, economic security, and global order.

Timeline of events

Date	Important Event
1975 May 6	EU (then EEC) and China establish diplomatic relations, formally announced by Vice-President Christopher Soames and Foreign Minister Qiao Guanhua.
1985 Sept 21	Trade and Economic Cooperation Agreement grants China most-favoured-nation status in European markets.
1989 June 5	After Tiananmen, the EU imposes an arms embargo that remains in force, marking the first major clash of values.
2001 Dec 11	China joins the WTO; EU companies accelerate investment, quadrupling trade within a decade.
2013 March 21	First EU-China Summit on Strategic Partnership elevates talks from trade to global security and climate governance.
2020 Dec 30	Comprehensive Agreement on Investment (CAI) is agreed "in principle," but stalls amid Xinjiang sanctions.
2021 Mar 22	EU sanctions four Xinjiang officials; China counters by blacklisting MEPs and think-tanks, freezing CAI ratification.
2023 Dec 7	24th EU-China Summit seeks "balanced reciprocity," yet ends without breakthroughs on trade deficit or Ukraine war.

The last two years, in a more detailed, relevance-first approach:

2024

June 6–9, 2024: European Parliament elections lead to a more fragmented political landscape, with the rise of far-right parties that are likely to influence the EU's approach to China.

October 4, 2024: EU member states fail to reach consensus on imposing tariffs of up to 45% on Chinese electric vehicles (EVs); decision deferred to the European Commission. Tensions escalate as some EU countries oppose or abstain on the vote.

November 2024: The 2024 EU–China Summit results in agreement on climate change and energy transition, but sharp differences remain over human rights and emerging technologies such as 5G and AI.

December 2024: Ongoing disputes over Chinese EV imports and rare earth mineral export restrictions continue, with both sides racing to avoid further escalation of trade tensions.

2025

January 19–20, 2025: Ongoing tensions over automotive trade; the EU files a new complaint at the World Trade Organization against China regarding intellectual property royalty rates for European technology.

February 24, 2025: China expresses interest in strengthening ties with Germany's new federal government, emphasizing long-term partnership.

April 8–9, 2025: European Commission President Ursula von der Leyen and Chinese Premier Li Qiang discuss measures to manage trade disruptions due to new US tariffs on Chinese goods, focusing on cooperation to prevent negative impacts on Europe.

May 15–22, 2025: EU signals no revival of the stalled Comprehensive Agreement on Investment (CAI) with China. President Xi Jinping visits France, Serbia, and Hungary, reiterating China's view of the EU as a key trade partner and calling for fair competition.

June 3, 2025: EU seeks assurances from China regarding rare earth export restrictions, essential for European industries.

June 8, 2025: The EU and China explore the possibility of a price agreement on Chinese EVs to avoid new tariffs, reflecting efforts to calm tensions before the summer summit.

June 6, 2025: EU restricts Chinese medical device access to public procurement markets in response to ongoing market imbalances.

July 24–25, 2025: The 25th EU–China Summit is held in Beijing, marking 50 years of diplomatic relations. While both sides pledge to manage differences and seek new strategic cooperation, the summit takes place amid persistent disputes over trade deficits, market access, and China's support for Russia. The event is reduced to a single day and moved from Brussels to Beijing, reflecting ongoing diplomatic caution

To sum things up: The EU needs and heavily relies on China. Even with all the human rights violations The PRC is being accused of, the EU still does and probably will continue trading at an unprecedented pace. China invests in EU - many EU countries see money coming - pressure EU Commission into being more open to EU-China trade - Chinese products, companies, strategies infiltrate the European Market - EU becomes completely dependent on Chinese exports.

Possible solutions

To reduce economic and security risks posed by overdependence on China, the European Union can advance a “de-risking” strategy. This could involve diversifying critical supply chains, tightening investment screening for sensitive infrastructure and technology, and coordinating EU-wide export controls for dual-use items. Strengthening the EU’s enforcement tools—such as anti-dumping tariffs, the Anti-Coercion Instrument, and mandatory 5G security standards—can help protect European industries and strategic assets while maintaining channels for mutually beneficial trade.

To foster cooperation where interests align, the EU and China can deepen dialogue on global challenges like climate change, public health, and sustainable infrastructure, especially as it seems they may even have more mutual interests currently than any party does with the United States. Collaborative platforms—such as the joint climate dialogue and the Common Ground Taxonomy for green finance—can drive joint investments in renewable energy and environmental projects, benefiting both sides and the wider world.

Finally, to manage ongoing political and value-based tensions, Europe should insist on transparent human rights dialogue and demand tangible progress as a condition for advancing agreements. Europe essentially also must (while acknowledging all the human rights abuses in the PRC) focus on purchasing and producing products in China, as this keeps costs low(er) for European families, facilitates faster research and creates competition.
Ultimately, this multi-layered approach is needed to safeguard European interests, encourage responsible engagement, and foster a stable and balanced partnership with China.

It is also important to note that the situation changes on a daily, if not hourly basis. The possible solutions and current state of the world might be completely different at the time of writing this RR to when you are preparing for the conference and when the conference takes place. Please make sure to do your own research to stay up to date on this and other issues.