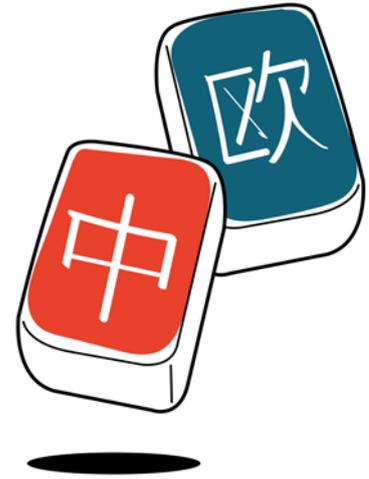


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Europe China 360°



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ANALYSIS

On the eve of the EU-China summit – can we expect a breakthrough in EU-China relations?

By **Grzegorz Stec**

Not really. The upcoming 23rd EU-China summit, which will bring together European Council President Charles Michel and European Commission President Ursula von der Leyen (accompanied by High Representative Josep Borrell) with China's Premier Li Keqiang and President Xi Jinping in two separate meetings tomorrow, is unlikely to produce a joint statement or other substantive results.

There are two main reasons.

Beijing shies away from engaging on Ukraine

First, according to the summit agenda released by Brussels, the war in Ukraine will be the focus, but Beijing does not seem inclined to constructively engage the EU on the issue. Over the past few weeks, European diplomats have been unsuccessfully lobbying China to play a [mediator's role](#) between Moscow and Kiev, while Beijing has been pushing back against putting the situation in Ukraine on the summit's agenda. The phrasing of the EU's agenda — “the engagement of the international community to support Ukraine” and “the dramatic humanitarian crisis created by Russia's aggression”, runs counter to China's official line and suggests that finding common ground may be hard to come by.

The build up to the summit indicates the same.

Beijing surely followed last week's NATO, G7 and European Council summits closely that showcased a united transatlantic and wider Western position regarding China's role in the conflict. NATO leaders explicitly [called](#) out China, urging it “to abstain from supporting Russia's war effort in any way, and to refrain from any action that helps Russia circumvent sanctions” as well as “to cease amplifying the Kremlin's false narratives [...] and to promote a peaceful resolution to the conflict.” On top of that came the G7 summit outcome which, although less explicitly targeted at Beijing, nevertheless included plans to establish a joint sanctions enforcement mechanism and for the participation of US President Joe Biden in the European Council.

Conversely just two days before the EU-China summit, on the sidelines of a two-day Afghanistan-focused summit in Anhui province Ministers of Foreign Affairs of China and Russia condemned the sanctions targeting Moscow for its invasion of Ukraine. China's Foreign Minister Wang Yi also [indicated](#) that “China-Russia relations have withstood the new test of the changing international situation, [...] and demonstrated a tenacious development momentum”. On the same day during an MFA briefing, spokesperson Wang Wenbin [stated](#) that “There is no limit to China-Russia cooperation, no limit to our efforts to achieve peace, safeguard security and oppose hegemony”.

Positions of both the EU and China are increasingly clear and the room for joint action on the Russian invasion continues to shrink.

Bilateral obstacles remain

The second reason is that, beyond the geopolitical context, there are still several unresolved issues that prevent the progress of EU-China bilateral relations. The economic coercion that China is applying towards Lithuania remains an unresolved problem, with consultations ongoing under WTO mechanisms. Similarly, the sanctions that the EU is applying over China's systemic human right violations in Xinjiang have recently been renewed for another year, and China shows no interest in lifting the countersanctions it has applied to European parliamentarians, researchers and selected institutions unless the EU does so first. Consequently, the EU-China Comprehensive Agreement on Investment remains on ice from which it is highly unlikely to make a comeback in the foreseeable future.

Aside from Beijing's requests for German businesses to lobby on its behalf for maintaining a cooperation-focused tone in EU-China relations, there has been no indication that diplomatic moves are being taken to resolve these issues in the run-up to the summit. While addressing these points of divergence remains crucial for the prospects of EU-China relations, the Russian invasion has shifted other such issues lower down the priority list. Given the current crisis, any desire that the EU or China might have had for rapprochement now appears beyond reach.

So, what to expect?

Against this backdrop, it is most likely that the summit's results will be similar to the outcomes of the previous one in June 2020. Then the summit was more of an opportunity for EU leaders to directly express their position to the Chinese leadership, rather than struggling to come up with a constructive agenda upon which both sides can agree.

Still, this does not diminish the summit's value. The EU leaders will likely use it to try to influence Chinese leaders' strategic calculus regarding its tacit support for Russia by outlining the potential economic costs a practical support for Moscow would entail and try to encourage Beijing to play a more constructive role in preventing the ongoing killing of civilians in Ukraine. Despite the slim chances of success due to an array of divergences of interests between the EU and China, and along with what is at stake in humanitarian and geopolitical terms, the importance of such direct communication cannot be overstated. Still, the EU will need to remain clear-eyed and ensure that the lessons learned from the summit and Beijing's overall posture during the ongoing Russian invasion inform its China policy going forward.

We will discuss the final outcomes of the summit and its implications for the future of EU-China relations in a dedicated analysis next week.

Read more:

- European Council: [Agenda highlights of EU-China summit](#)
- The Diplomat: [Europe and China at a Crossroads - 4 scenarios for China-EU relations amid the war in Ukraine](#)
- SCMP: [China asks German businesses to help it get in good with the European Union](#)
- Reuters: [China, Russia 'more determined' to boost ties, Beijing says](#)
- MFA of the People's Republic of China [CN]: [Wang Yi Holds Talks with Russian Foreign Minister Sergei Lavrov](#)

BUZZWORD OF THE WEEK

虛假信息 Disinformation

The European External Action Service (EEAS)'s EUvsDisinfo platform, which is devoted to uncovering information manipulation operations by the Kremlin, published its first ever [report in Chinese](#). The text, devoted to debunking seven “Russian myths” related to the invasion of Ukraine, was also published on Chinese social media including Weibo. The move is an important attempt to communicate directly with Chinese-speaking audiences, given that Chinese party-state media are amplifying the Kremlin's narratives on the war in Ukraine.

The publication highlights Brussels' growing interest in addressing the challenge posed by China in the information space. Still, the EEAS does not have an explicit mandate from the member states to track and publish on Beijing's activity. The European Parliament also seems interested in expanding the EU's actions in this field, as shown by the renewal of the Special Committee on Foreign Interference (INGE)'s mandate and its calls for increasing funding for the EEAS Strategic Communication department.

Read more:

- EUvsDisinfo [CN]: [Disinformation About Russia's Invasion of Ukraine - Debunking Seven Russian Myths](#)
- European Parliament: [EU must prepare better to fight off foreign interference and disinformation](#)

REVIEW

Strategic Compass hints at the EU's strategic concerns on China

On March 21, the EU adopted a roadmap for improving the bloc's common defense and security policy by 2030 called Strategic Compass. In the roadmap, China was highlighted as one of the two key state actors of concern, after Russia.

What you need to know:

- **Framing:** China is referenced nine times across the document (compared to 19 mentions of Russia). While reiterating the EU's multifaceted approach to China, the document presents China as a revisionist actor challenging the rules-based international order, albeit shying away from decisive language. The Compass takes note of Beijing's growing presence at sea and in space, the proliferation of its tech standards as well as its deployment of cyber tools and hybrid tactics. The document recommends the EU to seek unity within the bloc as well as "working closely with other regional and global partners".
- **Indo-Pacific:** The EU – or, rather, its member states with naval capabilities – plans to increase its maritime presence in the Indo-Pacific in coordination with like-minded partners by conducting live maritime exercises and increasing the number of EU port calls and patrols. Beijing hasn't been pleased to see such actions by the EU in the past. In the context of the region, the EU plans to engage China "where this is in our interests" on issues such as law of the sea, peaceful disputes settlement and human rights.
- **Non-traditional security:** The EU will create new policy tools that could help to address hybrid threats – including those coming from China. They will be part of the EU Hybrid Toolbox and a dedicated toolbox to "address and counter foreign information manipulation and interference" (also with reference to such activities in the Western Balkans). However, the member states will retain their power to attribute hybrid activities, limiting Brussels' ability to call out Beijing.
- **Internal and external coordination:** Externally, counter to Beijing's hopes, the document emphasizes the need for intertwining strategic autonomy together with greater transatlantic coordination and cooperation with other regional partners (e.g., through a new biannual EU Security and Defence Partnership Forum). Internally, by 2023 the EU will decide on the practical modalities of creating a group of willing member states to pursue joint missions. This could be a step towards adjusting the unanimity requirement in EU foreign policy making, which has frequently undermined the bloc's ability to respond to Beijing's actions in the past.

Quick take:

The Strategic Compass is another indication that EU-China relations are souring and the trust gap is widening. The text shies away from calling China out directly, as is the standard in Council documents, but the underlying message is that the EU recognizes Beijing as a key actor of strategic concern and views many of its actions as non-traditional security challenges. The multifaceted approach to China referenced in the document will likely be increasingly hard to sustain, as the divergence of strategic interests between the two actors becomes more apparent.

Read more:

- European External Action Service: [A Strategic Compass for Security and Defence](#)

Biden in Brussels

US President Joe Biden met with European, NATO and G7 leaders in Brussels last week for exchanges on the war in Ukraine. One of the objectives was to coordinate with the allies on convincing China to play a responsible role in the war, which includes abstaining from helping Russia.

What you need to know:

- **Transatlantic unity:** “Putin was banking on NATO being split. [...] NATO has never, never been more united than it is today. Putin is getting exactly the opposite of what he intended to have as a consequence of going into Ukraine.” These are Biden’s words during a [press conference](#) held in Brussels on March 24. The following day, European Commission President von der Leyen said: “The transatlantic partnership stands stronger and more united than ever.” The unified response to the invasion of Ukraine has indeed portrayed an unprecedented level of transatlantic coordination.
- **Sanctions:** The first three rounds of sanctions against Russia have been at the root of the unparalleled cooperation between the EU and the US. The cooperation continues to run strong, and the EU managed to agree on a fourth round of sanctions that will revoke Russia’s trade status as most-favored nation, de-facto putting the country on par with North Korea and Iran. The new package of sanctions will also impose an import ban on Russian steel and iron, an export ban on luxury goods, a ban on investments in oil companies and the energy sector, as well as block Russia from accessing IMF and World Bank funds.
- **The China factor:** Both the US and the EU are attempting to garner China’s support for Ukraine in the war. [NATO’s communiqué](#) after the summit recites “We call on all states, including the People’s Republic of China (PRC), (...) to abstain from supporting Russia’s war effort in any way, and to refrain from any action that helps Russia circumvent sanctions. We are concerned by recent public comments by PRC officials and call on China to cease amplifying the Kremlin’s false narratives, in particular on the war and on NATO, and to promote a peaceful resolution to the conflict.”

Quick take:

China has been watching transatlantic cooperation with unease; a united Western front is not on Beijing’s wish list for 2022. That is why China not only has been repetitively condemning “Western” sanctions, but it also has once again revamped its support for European strategic autonomy — if it means less US involvement in European affairs and no increase in EU commitment to its geopolitical agenda.

Read more:

- Radio Free Europe Radio Liberty: [EU Members Agree New Package of Russia Sanctions](#)
- European Commission: [Statement by President von der Leyen with US President Biden](#)
- The White House: [Remarks by President Biden in Press Conference](#)

- European Council, Council of the EU: [G7 Leaders' Statement - Brussels, 24 March 2022](#)
- NATO: [Statement by NATO Heads of State and Government](#)

SHORT TAKES

Speaking at an event at Europe Jacques Delors, European Commission Vice-President and Trade Commissioner Valdis Dombrovskis suggested that an EU forced-labor ban may be unveiled as early as September this year.

- Europe Jacques Delors: [Time for a new sustainability agenda for EU trade policy?](#)
- Twitter: [Rob Francis – Borderlex reporter](#)

The Piraeus Port Authority has “temporarily paused” the construction of a cruise terminal, planned by China’s state-owned shipper COSCO, due to an environmental regulations-related ruling by Greece’s supreme court.

- Global Construction Review: [Greek supreme court halts Chinese plans to expand port of Piraeus](#)

China slashed its imports from Lithuania by close to 90 percent in the first two months of 2022 compared to the previous year. The key Lithuanian exports to China include refined copper, furniture and wheat.

- Bloomberg News: [China's Imports From Lithuania Collapse Amid Diplomatic Spat](#)

Lithuania applied to open its trade office in Taipei in a follow up to Taiwan opening its representative office in Vilnius last November.

- Lrt.lt: [Lithuania applies to open trade office in Taiwan](#)

China was classified as one of the key threat-actors, alongside Russia and Iran, in the Swedish Security Service’s 2021 report, released last week.

- Swedish Security Service [SE]: [Sweden's security is being challenged - an increased threat remains](#)
- Swedish Security Service [SE]: [A changing threat entails risks for Sweden's security](#)

Chinese operators are offering additional financial incentives for the use of China-Europe express amid the disruptions caused by the Russian invasion of Ukraine.

- Nikkei Asia: [China opens wallet to keep trans-Eurasian express moving](#)

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