

SEPTEMBER 30, 2023

# The ICES Bulletin

- Bringing you the latest insights on China-Europe relations -

Dear ICES friends...

We are delighted to present you the latest issue of our bi-monthly Newsletter. We warmly invite you to take a look at our takeaway, the events we participated on, and this month's recommendations.

## - Editor's Note -

Few relations are as crucial and valuable as the ones, past present and future, connecting Europe with China. At the ICES, we believe regular knowledge-sharing can be the bedrock that empowers mutually beneficial partnerships and the foundation for fruitful collaborations. In this biweekly newsletter, we identify and highlight the latest ideas and developments in a variety of fields, in view of improving cross-continental communication and understanding.

## The ICES' Takeaway from this edition:

Despite a shadow of a potential trade war between the EU and China hanging around due to the newly announced EU anti-subsidy probe into EVs from China, late September also witnessed an upsurge of high-level bilateral dialogues and communications on trade, digital regulation, and ocean governance. Showing the efforts to remain engaged in spite of the divergences, the round of High-Level Dialogues and Talks that took place over the last two weeks can be perceived as a positive step forward in the maintenance, and even strengthening, of their bilateral relationship. In the meantime, although the anti-subsidy investigation is supposed to be a technical procedure, it might not be perceived in an isolated way, but rather be placed against the overall picture of an unfolding “de-risking” scheme from the EU toward China. The uncertainties are there. Maybe it is up to the following strategic dialogue in October and, more importantly, the summit by the end of this year to mark a clear path that EU-China relations would follow in the coming years.

## NEWS ROUND:

### BUSINESS & TRADE



#### Impacts of EU's announcement of the probe against EV from China

The concerns and potential consequences deriving from the Commission's announcement for a probe on EVs from China are diverse: from the retaliation and adoption of punitive countermeasures from China against EU-manufactured cars and the potential undermining of global decarbonisation efforts through the pursuit of a de-risking strategy and narrative from the EU to the warning against protectionism.

from Germany's Scholz. In addition, the tariffs increase not only is expected to impact Chinese manufacturers but go beyond them, thus affecting foreign brands producing in the country like Tesla, Renault, and BMW.



### **A “trade war” that isn’t about semiconductors**

A competition over cosmetics between China and the West seems to be gaining traction. Foreign companies have expressed their frustration when faced with the barriers set by Beijing’s rules introduced in 2021, framing the requirements to access the Chinese market and its animal-testing mandate. The former has led a group of nations, led by the French government, to push Beijing to repeal many of the requirements in 2023.

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## **EU-CHINA RELATIONS**

### **EU-China High-Level Digital Dialogue**

Hosted in Beijing on 18 September 2023, the EU and China resumed their high-level digital dialogue, co-chaired by Vera Jourova, Commission Vice-President for Values and Transparency, and Vice-Premier of China, Zhang Guoqing. The representatives discussed crucial areas of digital policy and technologies and provided an update on their respective policy and regulatory developments. Moreover, both sides agreed to keep the communication channels open and resume the China-EU ICT Dialogue.

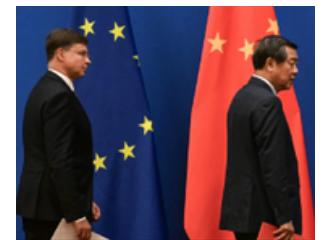


### **Chinese top diplomat talks with French President’s diplomatic advisor**

During a phone conversation with French President’s Diplomatic Advisor Emmanuel Bonn, Beijing’s top diplomat Wang Yi urged the EU to uphold openness, inclusiveness, and market principles, support free trade and avoid falling into the trap of protectionism. Wang declared that China is committed to resolving mutual concerns through dialogue and consultation with the EU and with France playing a constructive role. On the topic of the Commission’s anti-subsidy investigation on Chinese EVs, Bonn said that the former was not targeted at China and that the French side would uphold mutual benefit for both the EU and China.

### **EU-China High-level economic and trade talks**

On his four-day visit to China, EU Trade Chief Dombrovskis was set to find more balanced economic ties between China and the EU. Despite recalling that the EU has no intention of decoupling from the country, Dombrovskis warned the EU is to become more assertive if the lack of reciprocity in their economic relationship is not addressed, and highlighted the barriers found by European companies seeking to access the Chinese market. In turn, the Chinese Vice-Premier stated that the country remains willing to expand its imports from the EU, but that China hopes for the removal of restrictions on exports of high-tech products to the country. Both agreed on the relevance of the EU-China trading relationship, on trying to safeguard resilient and stable industrial and supply chains, and on continuing with bilateral discussions and exchanges.



## **European Commissioner Virginijus Sinkevičius visits China**

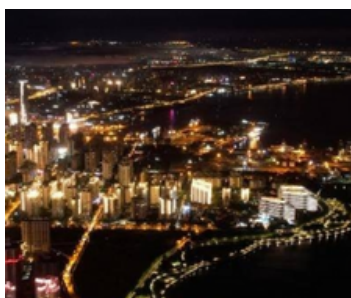
The European Commissioner for Environment, Oceans and Fisheries visited China for the 9th EU-China Environment Policy Dialogue. The dialogue revolved around the need to maintain the ambitions set by the Kunming-Montreal Global Biodiversity Framework in the run-up to COP16, and stressed the importance of advancing international negotiations to tackle plastic pollution. The meeting also provided an opportunity to reflect on the successful EU-China cooperation during the March UN Water Conference. At the same time, the second EU-China Blue Partnership Forum was convened in Shenzhen, China.

## **HAINAN**



### **UAE and Hainan sign several deals to boost cooperation in priority sectors**

The UAE and China's Hainan Province have signed four major private-sector agreements aimed at boosting the expanding bilateral trade and investment ties at the Hainan Promotion Conference in Dubai. The ceremony highlights the growing relationship and synergies that have been established between Hainan and the UAE that not only have deepened but also diversified, presenting a major opportunity for both sides.



### **Haikou presents a taste of Italy**

Haikou, the capital city of the province of Hainan, got a step closer to Italy through the city's celebration of Italy Day. The event welcomed Italy's consul general in Guangzhou Valerio de Parolis, who noted the importance of the exchanges and cooperation established between Italy and Hainan and expressed his hope for a deepening of their relationship in terms of economy, trade, culture, and art.

## **RECOMMENDED RESOURCES**

For this edition, we suggest you check the following materials:

- ACEA: [Fact sheet: EU-China vehicle trade](#)

## **PREVIOUS EVENTS**

Over the past two weeks, the ICES has actively participated in a series of events, and we are delighted to share some insights from a couple of them:



### **September 19, 2023. EURACTIV: The Belt & Road Initiative - Where are we 10 years on?**

Celebrating the 10th anniversary of China's Belt and Road Initiative (BRI) a panel discussion was organised to discuss the initiative, gathering



### **September 28, 2023. EPC Policy Dialogue. EU-Asia Economic Future: Growth, Innovation, and Trade**

Focusing on the economic future of Asia and its relationship with the EU, the panel, moderated by

China's Ambassador and Head of the Mission to the EU Mr. Fu Cong, Kazakhstan's Deputy Head of the Mission to the EU Mr. Timur Sultangozhin, Bruegel's Senior Fellow Ms. Alicia García-Herrero and Deputy Dean and Professor of the Silk Road School Mr. Wang Wen. Ambassador Fu introduced the topic with some opening remarks covering the achievements of the BRI since its initiation in 2013, highlighting the potential in China-EU cooperation. The intervention was followed by the inputs from Mr. Sultangozhin, who delved on the Kazakstani experience and perspective of the BRI, Ms. García-Herrero, who tackled the change in the sentiment towards the BRI as well as in the initiative's narrative, and the overall fragmentation of the world and its deriving ecosystems. Mr. Wang highlighted the potential for cooperation and mutual learning between China and the EU.

Ms. Shada Islam, Senior Adviser at the EPC, was composed of Mr. Simon Commander, Professor at IE Business School & Managing Partner, Altura Partners, Mr. Danny Quah, Dean of the Lee Kuan Yew School of Public Policy & Professor of Economics, National University of Singapore, Ms. Elena Suárez, Senior Adviser at BusinessEurope, Mr. Joseph E. Sveglich, Deputy Chief Economist at the Asian Development Bank, and Mr. Marco Chirullo, Deputy Head of Unit at DG TRADE, providing a diverse representation from political and financial institutions, businesses and academia from Europe and Asia. The dialogue was opened by the presentation of the main findings from the book *The Connections World: The Future of Asian Capitalism*, and then the panellists delved into a conversation on the economic and business models in Asia, the opportunities and disadvantages found by European businesses in the Asian market, and the economic exchanges established between the EU and Asian countries. The EU's de-risking strategy was also highlighted, particularly regarding the Asian perception of the motivations. Yet, in general terms, the sentiment surrounding the relationship between Asia and the EU in terms of economy, innovation, and trade remained positive.

We also had the opportunity to participate in another round of the [EIB Lunch Dialogues](#) and attend the EIAS' event on [EU-China Relations and Climate Mitigation](#).

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