

SEPTEMBER 15, 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 -

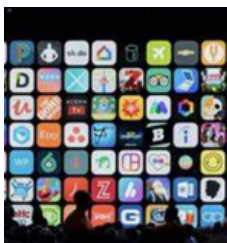
Few relations are as crucial and valuable as the ones, past present and future, connecting Europe with China. At the ICES, we believe regular knowledge-sharing can be the bedrock that empowers mutually beneficial partnerships and the foundation for fruitful collaborations. In this biweekly newsletter, 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:

On the eve of a new round of EU-China high-level economic and trade dialogue, as well as in the run-up to the EU-China summit by the end of this year, the bilateral relations are growing more eventful, with both positive communications and negative uncertainties. The initiation of an anti-subsidy investigation against EVs imported from China announced by EU Commission president Ursula von der Leyen in her State of the Union address, which sparked grave concern and grudge from the Chinese side, would complicate the subsequent interactions between EU and China. It seems that the reasoning behind the EU Commission's decision at this time was due to political pressures, and it would be interesting to observe how the investigation will proceed amid complex technical issues and political considerations. Whether the problem could be addressed diplomatically and professionally or would lead to an escalation of a trade war is likewise a major question at stake both for EU-China relations as well as for the world economy at large.

NEWS ROUND:

BUSINESS & TRADE



Big Techs to face EU's Digital Markets Act requirements

Through its new Digital Markets Act (DMA), the EU has picked out 22 "gatekeeper" services, belonging to six of the world's biggest tech companies, including TikTok owner ByteDance, to face new rules as part of its latest Big Tech crackdown.



Solar industry calls for EU bailout to compete with China

Chinese mass production of solar panels, together with a slowing demand in Europe deriving from rising interest rates and permit-related bottlenecks has led to the plummeting of prices, according to a BloombergNEF senior analyst. The situation has left EU manufacturers, unable to sell their stocks, urging the EU for an “emergency acquisition” of their inventories, as the industry needs 80 to 100 million euros in the upcoming weeks if the bloc wants to achieve production targets of its Net Zero Industry Act proposal.

EU-CHINA RELATIONS

The Netherlands follows US’ lead in export controls of chips to China

The Netherlands has started enforcing new export controls restrictions on advanced microchip production machines to China, siding with Washington. The measures put a target on the back of Dutch semiconductor champion ASML and have raised criticism, accusing the Dutch government of bending to US pressure too easily. Yet, the company is aware that restrictions on the Chinese market could threaten its unique position in a global supply chain and incite China to accelerate its own production ecosystem for advanced chips.



China: bitter medicine for Europe’s EV while target of a new anti-dumping investigation

Paris seems to have succeeded in pressuring Von der Leyen to announce a new probe against Chinese EV during her State of the Union address. The launching of an anti-dumping investigation against Chinese e-carmakers opens the way for Europe to impose additional levies against Chinese vehicles. The announcement led to both mixed feelings and reactions. Beijing blasted the launch and warned of serious disruptions and distortions the decision could lead to, a concern shared by Germany’s car industry despite the German economy minister’s welcoming of the action. Beijing also remarked on the negative impact it will have on the China-EU economic and trade relations. While some fear the investigation will snowball into a trade war, as some analysts warned of Beijing’s likely decision to impose countermeasures, the EU insisted that its economy could survive any retaliation from China.

Italian FM visits China amidst discussions of leaving the BRI

Tajani’s “damage control mission” to Beijing sought to ensure a smooth relationship with China in case Italy finally decides to leave the BRI. Some experts have pointed out the unlikelihood of Beijing to start a new fight with a European capital at a time when it is seeking to attract investment from the very same region, while others remain wary of a potential retaliation from Beijing. In the meantime, Prime Minister Meloni declared that there was more to Italy’s relationship with China than the BRI, adding that the issue lay on how to guarantee a mutually beneficial partnership beyond the country’s final decision.



G20 Summit: the meeting between EU leaders and Chinese Premier

Profiting from the G20 Summit held on September 9-10 in New Delhi, India, EU leaders met on the sidelines with Chinese Prime Minister Li Qiang. The main highlights from the meeting between the Premier and Commission President Von der Leyen lay on Li's remark on China and Europe's need to unite and cooperate against global uncertainties given the win-win nature of their relationship, and von der Leyen's observation on the continuous strengthening of EU-China exchanges and the respective positive results. The exchange with European Council President Michel shed light on the shared interest in holding the EU-China Summit by the end of the year. Michel remarked on the relevance of holding high-level sectoral dialogues to foster mutual understanding and address the various challenges in the context of bilateral relations and global issues. Meanwhile, Li communicated Beijing's readiness to work with the European side while welcoming more European businesses to invest and operate in China.

HAINAN



The Wenchang Space Launch Site plans building a new manned lunar rocket launch site

The Wenchang Space Launch Site in the Hainan Province, set to become the mother port for China's space station construction, is now planning to build a new generation of manned lunar rocket launch sites.

Over 23,000 foreign visitors benefit from Hainan's visa-free policy

More than 23.000 foreign visitors have enjoyed Hainan's preferential policy of visa-free entry for tourists from 59 countries since the island resumed the policy on March 15 after its suspension due to COVID-19. The policy resumption, allowing individuals from the qualifying countries to remain in the province for up to 30 days for business, tourism, family visits, medical treatment, exhibitions, or sports competitions, demonstrates Hainan's welcome to the world.



Queen Mary University launches new transnational education programme in Hainan

The Queen Mary University of London has launched a new transnational education programme in Hainan with the Beijing University of Posts and Telecommunications (BUPT). This new transnational education programme builds on the 20-year partnership between both institutions.

Hainan sees total import, export value of goods up in first eight months

The total import and export of goods in south China's Hainan Province hit 152.07 billion yuan (about 20.89 billion U.S. dollars) in the first eight months of this year, increasing 21.8 percent year on year, according to official data released recently by local customs.

RECOMMENDED RESOURCES

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

- Andrew Hammond for SCHMP: [As EU's Africa plan is undermined by coups, China, the US and Russia sense an opportunity](#)
- Gregoire Lory for Euronews: [Do not panic: the EU is still firmly in the global race for green tech leadership, says new study](#)
- CEPS: [The EU's aim to de-risk itself from China is risky... yet necessary](#)
- Karl Mathiesen and Joshua Posaner for POLITICO: [How China schooled the West on climate change](#)

PREVIOUS EVENTS

Over the past weeks, the ICES has not participated in any event.

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info@ices-eu.org