

OCTOBER 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:

If there is one event to highlight from the first two weeks of October, it would be Borrell's visit to China. One of the important messages he stressed was that the EU and China could be both partners and rivals and that the EU takes China seriously and expects the same in return. Although China does not agree in defining the EU-China relationship with rivalry, as it might at least create some uncertainties from the Chinese side on how partnership and rivalry could co-exist in practice, the two sides clearly found common grounds on the necessity to strengthen dialogues, to expand areas of cooperation and to manage their differences effectively. Another point that the two sides seem to have agreement on is that the EU-China relationship has, or should have, its own logic and dynamics. Even more so against the rising global challenges and intensification of regional conflicts.

## NEWS ROUND:

### BUSINESS & TRADE



#### China plans to ease one of the biggest data hurdles for foreign business

Chinese authorities are indicating a softer stance on once-stringent data rules among recent moves to ease regulation for business, particularly for foreign ones. The EU Chamber of Commerce in China welcomed the decision.

### **EU's CBAM Enters into Application**

On 1 October, the EU launched the initial phase of its CBAM (Carbon Border Adjustment Mechanism), the world's first system to impose CO2 emissions tariffs on carbon-intensive imports. The mechanism, obliging exporters in six carbon-intensive industrial sectors to report their emissions to EU authorities, has caused unease among the bloc's trading partners. China has expressed its disagreement with the tariff, urging countries not to resort to unilateral measures such as the EU levy, and calling on the World Trade Organization to assess the measure.

### **EU's List of Critical Technologies**

On 3 October 2023, the Commission unveiled a preliminary list of the technology areas possessing the highest risk of being misused, constituting the first tangible result of the EU's "de-risking" strategy. A final list of high-risk technologies is expected by spring 2024. So far, among 10 key technologies listed, the Commission, in conjunction with the member states, has set the focus on four: advanced semiconductors, Artificial Intelligence, quantum technology, and biotechnology. Despite not officially mentioning China, analysts point out that the intention to protect the EU from the risk said technologies pose in rival hands concerns principally China.



### **The EU Launches its Anti-subsidy Inquiry over China-made EVs**

On 4 October, the EU proceeded with the launch of its official investigation into Chinese subsidies for EV. The decision with received strong objections from China, accusing the EU of failing to ensure due process and alleging a lack of adequate evidence and conformity to WTO rules.

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## **EU-CHINA RELATIONS**

### **Third China-Germany High-Level Financial Dialogue**

Chinese Vice-Premier He Lifeng and German Finance Minister Christian Lindner met for the third China-Germany High-Level Financial Dialogue taking place for the first time in four years. It was reported that the encounter took place in a context where the two countries are struggling to manage the risk of economic downturn and experiencing a widening of their disagreements. Yet, both sides agreed on their commitment to an open world economy and multilateralism, as well as to maintaining global economic interconnectivity.

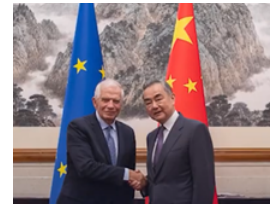


### **EU Energy commissioner travels to China**

From 11 to 13 October, Commissioner for Energy Kadri Simson visited China to participate in the 11th EU-China Energy Dialogue. On the speech delivered at the North China Electric Power University, the Commissioner highlighted the relevance of engaging in close collaboration with China and pointed out the geopolitical and policy-related sources of division and tension. The Dialogue resulted in an agreement between the two sides on closer collaboration to counter climate challenges.

## **HRVP Josep Borrell Visits China for 12th Strategic Dialogue**

On his long-awaited visit to China, Josep Borrell met with Chinese Foreign Minister Wang Yi and discussed bilateral topics between EU and China to international and regional issues. The representatives appeared in a press conference afterwards commenting respectively on the outcome of the meeting. On a speech delivered at Peking University, Borrell reiterated again the highlights of this visit, with an emphasis on the broadening of the scope for working together.



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## **HAINAN**



### **Hainan Hosts International Cycling Race**

Qionghai, at the province of Hainan, welcomed 20 high-level professional teams from around the world to compete for the 2023 Tour of Hainan, the 14th edition of the prestigious international road cycling event, for five days. The trail passed through 11 cities and counties, following a route of 781.1km.

### **UK Expert Hails innovative model of international education pilot zone in Hainan**

The presentation of the Lingshui Li'an International Education Innovation Pilot Zone in Hainan received the praise from a British foreign education consultant. The expert emphasised the sharing spirit and integration model of the pilot project, as it allows the integration of Chinese education with international education systems.

### **DFS Group to Open Luxury DFS Yalong Bay in Sanya by 2026**

DFS Group, the world's leading luxury travel retailer, is set to open the first world-class, seven-star luxury retail and entertainment destination, the DFS Yalong Bay, in Sanya, Hainan, by 2026. The group's objective is to lead and grow the market share of luxury in Hainan across fashion, beauty and fragrances, watches, and jewellery. The project is estimated to attract over 16 million visitors per year by 2030 and is expected to create sizeable economic opportunities in said bay.



### **Boom in Duty-free Consumption in Hainan during the Mid-Autumn Festival and the National Day Holiday Period**

The province of Hainan recorded a boom in duty-free consumption during the Mid-Autumn Festival and National Day holiday period. According to Haikou Customs, offshore duty-free sales have reached 1.33 billion yuan (\$182 million), an increase of 117 percent compared with the same period last year.

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## **RECOMMENDED RESOURCES**

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

- Tobias Gehrke for ECFR: [De-risking in action: How the EU can build on its critical technology list](#)
- Noah Barkin for GMF: [Watching China in Europe - October 2023](#)
- SCMP editorial: [Germany and China set an example for cooperation](#)
- Anh Nguyen for the European Journal of International Law: [Questioning the EU Anti-Coercion Instrument – Conflating the Curtailment of ‘Strategic Autonomy’ with the Erosion of Sovereignty?](#)

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## 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:



### **1October 10, 2023. Hessen Representation: Shaping the Digital Decade in Business and Employment**

The event, moderated by Mr. Hendrik Kafsack, Correspondent for the Frankfurter Allgemeine Zeitung, focused on the discussion held between Mr. Dirk Meyer, Chief Executive Officer for the HessenChemie Employers' Association, and Mr. Max Uebe, Head of Unit at the DG for Employment, Social Affairs and Inclusion at the European Commission. The main points presented by both speakers revolved around the question of how to shape and integrate the digitalisation and green transition goals and requirements in Germany most efficiently and successfully. A complex tax bearing in mind the issue of skilled labour shortage, the need for reshaping the business environment, and the fact that time keeps running, and action needs to be taken before it is too late.

### **October 11, 2023. Hessen Representation: Europe after the elections - Luxembourg has voted**

On this round of Europe After the Elections, EU correspondent for Radio 100,7 Ms. Danièle Weber provided insight on the election results in Luxembourg. She shared her shock at the bad results for the Greens and delved into the reasons behind such performance. Ms. Weber also outlined the causes, tensions, crises, and elements that led to the final results to provide a broader context and understanding, briefly covering the different candidates and the peculiarities of the Luxemburgish elections. The correspondent then shared a forecast for the future, stating that the new coalition was likely to adopt a more neoliberal approach with a particular focus on the economy.

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