

JANUARY 31, 2024

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.

NEWS ROUND:



German Businesses Remain Reluctant to 'de-risk' from China

Twenty years after encouraging businesses to cooperate with Chinese firms, the change in the tune of the German government embracing the de-risking strategy is still received with reluctance by major German companies. From Pfeifer to BMW or Mercedes-Benz, their sales in the Chinese market remain strong and relevant. And despite stating the importance of being sensitive to China, these industry representatives remark on the need to keep engaging and understanding China to ensure an efficient and beneficial de-risking.

China Extends Visa-Free Entry to Swiss and Irish Nationals

After granting visa-free entry for citizens of France, Germany, Italy, the Netherlands, Spain, and Malaysia in December 2023, Chinese Premier Li Qiang announced that Beijing will extend the scope to Irish and Swiss nationals. The visa-free policy will be granted for up to 15 days during the one-year trial program, in an attempt to boost tourism.



Sharp fall of German Exports to China and the US

Exports to Germany's most important overseas trade partners, including the United States and China, fell significantly at the end of 2023. Even though trade with non-EU countries accounts for about under half of all German exports, the IfW economic institute has predicted that these are likely to stagnate in 2024.

EU-CHINA RELATIONS

World Leaders Gather for the World Economic Forum

World leaders met in Davos from January 15-19 to discuss major concerns at the World Economic Forum, covering topics like Ukraine, the Red Sea crisis, and debt restructuring. Chinese Premier Li Qiang profited the opportunity to explain China's five-point plan to rebuild trust, recall that the country's economy remains open for business, and highlight its potential for foreign investment. Moreover, the premier remarked China's commitment to its partnership with the EU.



The Commission Advances EU's Economic Security

The body presented a Communication to the European Parliament and the Council introducing five initiatives related to trade, investment, research and innovation, seeking to strengthen and advance the Economic Security Strategy presented in June 2023. The document tackles FDI screening mechanism, export controls, outbound investment, research and development concerning dual-use technologies and research security. Despite not mentioning any specific target, it has been argued to have China in mind. The Chinese Chamber of Commerce to the EU voiced its concerns, adding that about half of the members it surveyed were worried about its negative impact. Chinese foreign ministry spokesman Wang Wenbin warned that the bloc's image was at stake and urged against taking "anti-globalisation" steps.

EU Suspends WTO Dispute Against China's Trade Restrictions on Lithuania

The EU has suspended its dispute against China at the WTO over a de facto trade embargo against Lithuania. The European Commission's spokesperson announced that the decision constituted a procedural step, leaving the bloc with a year to resume the process. Otherwise, the proceedings will stop.



HAINAN



Sanya Leads the Way as Base for Plant Breeding

A growing number of plant breeding experts are spending their time in Hainan as the central authorities seek to remould Sanya into a global agricultural research hub. With its visa-free policy, tropical climate, biodiversity and cutting-edge research facilities, the Island is becoming a major draw for rice researchers from around the world — and especially those from Africa.

Opening Ceremony of the ASEAN-China Tourism & Culture Promotion 2024 Held in Hainan

On January 17, 2024, Hainan hosted the opening ceremony of the ASEAN-China Tourism & Culture Promotion 2024. The event sought to deepen and consolidate Hainan-ASEAN cooperation in tourism and culture.

Hainan Received Over 90 million Tourists in 2023

Over 92,000 tourists entered the province of Hainan in 2023 since the policy allowing nationals from 59 countries to enjoy visa-free entries resumed in March. The increase was reflected in the province's GDP, which grew by 9.2%, showcasing the island's economic rebound. For this upcoming year, Hainan aims to welcome 99 million tourists in its objective of transforming Hainan into an international tourism and consumption centre by 2025 and a globally influential tourism and consumption destination by 2035.



Hainan Set to Promote Cultural and Tourism Cooperation with France

In celebration of the 60th anniversary of China-France diplomatic ties, the two countries have agreed to jointly host the Year of Culture and Tourism to provide cultural experiences to the two peoples. In this context, Hainan has been elected as the region responsible of organising said cultural exchanges and tourism cooperation.

RECOMMENDED RESOURCES

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

- Finbarr Bermingham for the SCMP - [Are the EU and China hurtling towards a trade war?](#)
- China's Mission to the EU - [Transcript of Ambassador Fu Cong's Exclusive Interview with Bloomberg](#)
- Tsvetana Paraskova for Oilprice.com - [China Overtakes Europe in Clean Energy Tech Research](#)
- Grzegorz Stec and Claus Soong for MERICS - [Bracing for geopolitical competition – insights from the MERICS China Forecast 2024](#)

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:



January 17-19, 2024. Visit from a Hainan Delegation

For a few days, we had the pleasure of receiving a visiting delegation from the National Institute for South China Sea Studies (NISCSS) based in Hainan and headed by Mr. Wang Sheng. Together, we engaged in several enriching debates, discussions, and exchanges with other organisations, broadening the mutual understanding of matters pertaining to the EU-China relationship.

January 30, 2024. EIAS. Briefing Seminar on "Sri Lanka-EU Relations: Potential for Stronger Ties and New Economic Opportunities – A Vision for Sri Lanka"

On this occasion, we had the chance to listen to Hon. M.U.M. Ali Sabry PC, MP, Minister of Foreign Affairs of Sri Lanka, providing expert insight on the political, economic, and social context faced by the island. The Minister listed the main challenges to be tackled by the government, namely devolution of powers, accountability, and the PTA, and outlined the areas of opportunity Sri Lanka offers. On this second aspect, Hon. M.U.M. Ali Sabry emphasized the island's strategic location and the good relationship it shares with its neighbours and other members of the international community. In this context, he recalled the benefits stemming from EU-Sri Lanka cooperation and acknowledged the positive effects of the EU's assistance in moving forward. After the keynote speech, Ms. Lin Goethals, Director of the EIAS, posed several questions concerning the EU-Sri Lanka relationship, the priorities and benefits the former holds, the challenges it also entails, and the relevance of the upcoming Indo-Pacific Forum. Together with the questions raised by the audience, the overall conclusions are that despite the several challenges Sri Lanka must overcome domestically, the island holds a lot of potential, not only to improve and move forward but also to engage in deeper relations with its partners, the EU and China included.

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