

MARCH 15, 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.

## The ICES' Takeaway from this edition:

Amidst a changing paradigm framed by a widespread tendency to securitization and politicisation of matters, the EU appears to be shifting its attention to enhancing its strategic autonomy by bulking up its security capabilities. And the EU in the implementation of its economic security is trying to keep a balance between safeguarding security and maintaining an open economy, under the concept of open strategic autonomy, and with an eye on the coordination as well as competition with the US. In this context, despite disagreements over trade, engagement between China and the EU continues to persist, reflecting the underlying importance of their multifaceted relationship. But more dialogue and understanding will be needed to face the upcoming toughening stance towards China witnessed in political groups and research centres working on critical issues.

## NEWS ROUND:



### **Europe's Chips Research Champion is Cutting China Ties**

Belgium-based Imec, a world-leading research centre in microelectronics, was reported to have drastically reducing its Chinese partnerships and continuing to phase out ongoing obligations on more mature technology. The former adds to the latest trend, encouraged by US' pressure, in which European governments closely scrutinise the contacts their chip companies have with China.

### **EU trade in goods deficit with China decreased**

According to Eurostat figures, looking back at 2023, the EU trade deficit in goods with China stood at €291 billion, which was €106 billion lower when compared with 2022.

### **EU will start customs registration of Chinese EV imports**

The European Commission will start customs registration of EV imports on Thursday, implying retroactive tariffs if the EU's trade probe on Chinese EV concludes on receiving unfair subsidies. The China Chamber of Commerce to the EU (CCCEU) expressed disappointment and concern with this move.

### **China to Select Martell, Hennessy and Remy Martin Brandies for Anti-dumping Probe**

The Chinese Commerce Ministry announced its plans to select Martell & Co, Societe Jas Hennessy & Co, and E. Remy Martin & Co as sample companies for China's anti-dumping investigation into brandy imported from the EU. The French cognac industry association disclosed in January it would fully cooperate with Chinese authorities, despite believing the probe is linked to a broader trade row rather than the liquor market.



### **Mercedes-Benz Chief Calls for Reduction of Tariffs on Chinese EVs**

Mercedes-Benz chief called for a reduction on the tariffs imposed on Chinese EVs in the EU market. The chairman of the Board of Management of the automotive group said protectionism will not lead to long-term success. On the contrary, the chief stated that increased competition from China could pressure European carmakers to produce better cars.

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## **EU-CHINA RELATIONS**

### **China Expands Its Visa-Free Travel Policy to 6 European Countries**

China has decided to expand its 15-day visa-free travel policy to Switzerland, Ireland, Hungary, Austria, Belgium, and Luxembourg on a trial basis, during the period between March 14 and November 30, 2024. Under the measure, citizens from the listed countries will be able to stay in China for business, tourism, family visits and transit purposes.



### **EEAS Senior Officials meet Chinese Special Envoy**

On 4 March EEAS Senior Officials met Special Envoy of the Chinese Government for Eurasian Affairs Li Hui. The EU representatives welcomed Special Envoy's upcoming visit to Kyiv, hoping for substantive engagement by China with Ukraine, while the Chinese envoy firmly opposed the EU's inclusion of Chinese enterprises in the latest list of sanctions. Both sides agreed to remain in touch on these critical issues.

### **Council and Parliament Strike a Deal to Ban Forced Labour-made Products**

Council and the European Parliament have reached a provisional deal on the regulation prohibiting in the EU market products made with forced labour. Though softer than the US approach, the regulation, which introduces significant modifications and establishes a risk-based approach, largely targets China with regard to Xinjiang.

### **Chinese Foreign Minister talks about China-EU relations during the annual “Two-Sessions”**

China held its “Two Sessions”, the annual meetings of the National People’s Congress and the Chinese People’s Political Consultative Conference, in early March. The event presented China’s main goals for 2024, aiming for a GDP growth of 5% by 2024. Chinese Foreign Minister Wang Yi took the opportunity to express his hope for a strong and smooth China-EU relationship, arguing that the common interests between the two outweigh the differences by far.

### **Swedish PM Mentions Less Dependency on China as it Joins NATO**

On March 7, 2024, Sweden officially became NATO’s newest addition, increasing its membership to 32 countries. Shortly after, Swedish Prime Minister Ulf Kristersson identified two key elements in Europe’s agenda, these being building a strong defence, first, and lessen the continent’s dependency on China in strategic sectors, second.

### **14th China-EU Defence Consultations**

On 11 March, the EU and China held their annual consultations on security and defence in Beijing. The two exchanged their assessments on regional security issues in Europe, the Red Sea, and the Indo-Pacific and discussed China-EU defence cooperation. Despite some EU remarks on the impact of China’s stance towards the war in Ukraine affecting their bilateral relationship and sharing diverging views and assessments, the two actors valued the candid exchanges taking place.



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## **HAINAN**



### **Mourad Alami: Hainan to Be Famous 'Jewel' in World**

A German professor working the province of Hainan declared he was confident that “Hainan will be a very famous jewel in the world”.

### **Promotion of Hainan in Paris**

Through a combination of picture, physical, and video exhibitions showcasing the essence of Hainan’s tourism, culture, and its innovative products, Paris hosted the ‘Bonjour! Chine Soleil Hainan’ international image exhibition and a Hainan Tourism and Cultural Promotion Event. The event featured various exhibition areas, bringing Hainan closer to the French public.

### **Hainan Trials Program to Streamline Payments for Foreigners**

The Province of Hainan has started testing a programme designed to resolve payment issues for foreign nationals visiting China. The programme has seen significant participation from several tourist attractions in Hainan, including businesses in sectors such as catering, accommodation, travel and entertainment.



### **Hainan commercial spacecraft launch site under smooth construction**

The construction of the Hainan commercial spacecraft launch site in Wenchang, China’s first of its kind, remains underway. The first launch pad has been completed and is now under a debug phase, while the second launch pad is still in the construction stage.

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## RECOMMENDED RESOURCES

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

- Stuart Lau for POLITICO - [China Watcher](#)
- China Daily Editorial - [EU trade limits put shackles on itself](#)
- Noah Barking for GMF – [Watching China In Europe](#)
- Fabrice Fourcade for ModernDiplomacy - [China's energy transition inspiring European investments](#)
- Fu Cong for ChinaDaily - [Belt and Road cooperation: A smart 'de-risking' option for Europe](#)
- Thomas Moller-Nielsen for Euractiv - [EU-China trade slips as Beijing 'de-risks' from the West](#)
- Neil Winton for Forbes - [If Europe Penalizes China's EV Imports, Unintended Consequences Loom](#)
- Yifan Ding and Alice Ekman for Carnegie - [China-Europe Relations, Two Years After Russia Invaded Ukraine](#)

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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:



### **March 7, 2024. Bruegel. Two Years Later: Addressing Long-term Consequences of Russia's Invasion of Ukraine.**

The event, divided into three sessions covering sanctions, accession, and energy issues, delved into some of the long-term consequences arising from Russia's invasion of Ukraine. Through his welcome words, Mr. Vsevolod Chentsov, Ukraine's Head of Mission to the EU, provided a general portrait of the current situation in Ukraine and the areas where the country, the UE, and other partners can work together to move forward. In the first session, Impact of sanctions against Russia, the speakers discussed the effectiveness of the series of sanction packages developed by the EU targeting Russia, the problems embedded in the Commission's inability to set a clear framework outlining the objectives and effectively implementing them, and the political message sent by the bloc by engaging in punitive measures ...



### **March 11, 2024. EPC. EU-Japan Cooperation on Economic Security: Parallel Paths, Shared Problems.**

This policy dialogue, gathering speakers from Japanese universities, EU institutions, and research centres, was opened with a keynote speech from H.E. Kazutoshi Aikawa, Japan's Ambassador to the EU, addressing the concept of "economic security", the efforts in developing a sound economic security strategy, the potential for cooperation between Japan and the EU and the need for engaging with businesses and academia in this quest for achieving security. The intervention from the Ambassador was followed by an exchange of views from the experts. These pointed out the central motivation behind the promotion of such a strategy and the pursuit of cooperation, China, and the challenges found in the way of achieving said economic security. The speakers also identified areas for further EU-Japan collaboration, the ...

... answering to the Russian aggression. Session two, Ukraine's path to EU accession, explored the demands linked to the accession process, emphasising the rule of law and the importance of enhancing governance. In this session, one of the experts identified the three areas in need of development for Ukraine, and other countries stirring towards accession, to go all the way through with the process: 1. rule of law; 2. consistency from the EU, and 3. progressive integration of the candidate countries. Lastly, session three, Increasing investment into Ukraine's energy sector, provided insight into the deficiencies faced by the country's energy sector, and the investment challenges found in balancing the short-term versus the long-term needs and incorporating the plans of the EU.

... challenges faced at the EU level when implementing this economic security strategy, and the need to incorporate businesses and academia to enhance understanding among all the actors involved and thus increase the benefits and efficiency of developing such a strategy.

We also had the pleasure to attend ECIPE's seminar '**Liberalism versus Populism – How can Liberalism Fight Back?**' and Bruegel's discussion '**Defence as Europe's trump card: strategies to safeguard EU against potential American retrenchment**' held on 7 and 12 March respectively. Moreover, we had the chance to attend the '**2024 Hainan Free Trade Port – Belgian Food Sector Cooperation Workshop**' on 15 March, in which the visiting Vice Governor of Hainan Province, Mr. Chen Huaiyu, made a keynote speech.

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