

MARCH 31-APRIL 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:

China's recent efforts to attract foreign investment, especially in high-tech and financial sectors, indicate a desire for greater international engagement. Meanwhile, the commercial ties between China and Europe are overshadowed by concerns lingering among foreign businesses operating within China, particularly in the EU, and the initiation of new probes into Chinese subsidies which add tension to the bilateral relationship. Despite these challenges, upcoming diplomatic engagements, such as the visit of Chancellor Olaf Sholtz to China and the anticipated summit between Chinese President Xi Jinping and French President Macron, offer the potential for reshaping power dynamics. Simultaneously, the EU and the US are moving towards closer cooperation to address shared concerns about China, although this remains delicate due to differing views between the two and among the EU member states.

## NEWS ROUND:



### **Ireland Welcomes New Chinese Enterprises**

Despite the warnings raised by some analysts on the possibility of backfiring, the Irish government is welcoming big Chinese-owned tech firms to help drive the country's economy and diversification.

### **Unease and Difficulties for Businesses Operating in China**

The EU Chamber of Commerce in China (EUCCC) and the China Macro Group consultancy have released a study urging Chinese leaders to do more to address the concerns raised by foreign companies operating in the country. The study presents the concerns shared by American and European companies, stating that doing business in China is becoming tougher and increasingly uncertain.

### **China Issues an Action Plan to Attract Foreign Investment**

China's State Council has issued a broad plan to attract foreign investment, with targeted measures including expanding market access in the high-tech and financial sectors, facilitating cross-border data flows and promoting international business travel. The plan comes as an effort to boost confidence and address the claims raised by foreign investors.

### **EU Says CRMA is not Aimed at China**

The recently adopted EU Critical Raw Materials Act (CRMA) is aimed at diversifying sources of supply rather than at antagonising China, declared a senior EU official. In the context of strengthening and diversifying the bloc's economic security.

### **EU Launches Probe into Chinese Wind Turbine Subsidies**

The Commission has announced a new investigation into Chinese suppliers of wind turbines and the potential of state subsidies allowing Chinese producers to undercut domestic turbine manufacturers under the auspices of the bloc's Foreign Subsidies Regulation (FSR). As a response, China has accused the EU of protectionism and "reckless distortion" of the definition of subsidies, and the CCCEU has named the decision as an act of economic coercion.

### **German Firms Believe to Face Unfair Competition in China**

A survey from the German Chamber of Commerce in China has found that a two-thirds majority of businesses believes it faces unfair competition when operating in China, Germany's largest trading partner. The results reflect the latest difficulties perceived by foreign businesses in the country, particularly around market access.

### **China Commerce Minister Visits Europe**

Stopping in France and Italy, Minister Wang Wentao reiterated Beijing's stance that Chinese EV makers did not depend on subsidies to gain a competitive advantage and highlighted the Chinese government would actively support firms to safeguard their legitimate rights and interests. Wang also profited from the visit to reiterate that the Beijing's cognac probe is not linked to the EU's EV case.

### **Dutch set to Comply with U.S. Demands in China Exports**

Despite some reluctance from the Dutch government, public statements and national security interests suggest the former will comply with US demands that ASML stops servicing some equipment sold to Chinese customers. If adopted, the decision would entail a setback for China's attempts to build up its domestic chip industry.

The logo for ASML, consisting of the letters 'ASML' in a bold, blue, sans-serif font.

---

## EU-CHINA RELATIONS

### **Vestager Says G7 Need Tech Trust Tests to Counter China**

European Commission Vice-President Margarethe Vestager stated that G7 countries, and other like-minded partners, will have to develop a list of trustworthiness criteria for critical clean technologies to counter Chinese influence.



### **EU Laws on Recycling and Human Rights to Sharply Affect Trade with China**

The EU Council has voted to adopt new rules requiring big businesses to conduct human rights and environmental audits of their overseas suppliers. Moreover, the body approved a de facto ban on the import of recycled plastics from outside the EU. Altogether, the legislations could damage Chinese business interests in Europe and complicate operations for European firms in China, causing consternation inside and outside the bloc.

### **France to Balance the EU-China Relationship in Upcoming Visit**

Before Chinese President Xi Jinping's expected visit to Paris in May, it was reported that China hopes to improve its relationship with the EU through France as France seeks to act as a balancing power influencing China to put pressure on Russia. France's objective has already been witnessed through Foreign Minister Séjourné's comments during the talks to discuss closer bilateral ties with his counterpart Wang Yi in Beijing.

### **EU-US 6th Trade and Technology Council Ministerial Meeting has China in mind**

In light of a potential Trump mandate, representatives from the two sides aimed to bolster the council's continuity by agreeing in advancing transatlantic cooperation on AI, 6G and critical technologies, promoting easier and more secure trade, and defending human rights amidst evolving geopolitical digital challenges. However, the event was marked by a lack of major announcements, and China's looming shadow, ranging from where and how to address the country, to committing to extend their cooperation on identifying disruptions in the semiconductor sector.

### **8th Trilateral EU-US-China Summit on Product Safety**

China, the US and the EU reached a new consensus on deepening cooperation on consumer product safety during the 8th Trilateral EU-US-China Summit on Product Safety held in Hangzhou, China. The three sides agreed to build common standards, deepen common supervision, focus on common protection of consumer rights and interests, and strive to protect the common safety of consumer products.

### **China Warns Dutch PM Rutte on Export Controls**

Answering to the decision of imposing export controls on microchips gear, Chinese President Xi Jinping has warned Dutch Prime Minister Rutte against creating "tech barriers". The Chinese leader added that nothing could stop the pace of China's technological development and progress. In turn, he offered to import more from the Netherlands as well as ramping up cooperation in areas such as AI.



---

## HAINAN



### **Hainan Showcases Green Transformation with Near-zero Carbon Demonstration Area**

The Boao near-zero carbon demonstration in Qionghai, Hainan, achieved self-sustaining electricity consumption and began operations on 18 March 2024. The site holds promise as a global showcase for China's green and low-carbon development concepts, technology and practices, and encourages tropical regions across the globe to follow.

### **Hainan Hosts the BFA Annual Conference 2024**

The Province of Hainan hosted the 2024 Boao Forum for Asia Annual Conference, setting the focus on how the international community can work together to address challenges in the areas of global economy, social development, international cooperation and scientific and technological innovation. The forum presents a unique opportunity for Asian countries to review and discuss common problems and develop common action plans and policies.



### **Hainan FTP to Implement New Negative List for Foreign Investment**

Authorities have announced that, in 2024, the Hainan Free Trade Port (FTP) will implement a new negative list for foreign investment and set up and operate multi-functional free trade account. The decisions stem from an attempt to increase the inflows of goods and capital in the Province of Hainan.

---

## RECOMMENDED RESOURCES

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

- Sebastian Contin Trillo-Figueroa and James F. Downes for SCMP - [Together, China and the EU can be better prepared for a Trump return](#)
- Global Times - [China-France cooperation to set example for EU](#)
- Jörn Fleck, Josh Lipsky, and David O. Shullman for the Atlantic Council - [Ursula von der Leyen set Europe's 'de-risking' in motion. What's the status one year later?](#)
- Tom Hancock for Bloomberg - [US-Europe Gripes on China Overcapacity Aren't All Backed by Data](#)
- Cornelius Welp for Worldcrunch - [China's Industrial Overcapacity Has Already Started To Hit Europe](#)
- Marius Zaharia, Pasit Kongkunakornkul, Riddhima Talwani and Sumanta Sen for Reuters - [What overcapacity? China says its industries are simply more competitive](#)
- Mr. Peng Gang at EURACTIV - [The Essence of China-EU Trade and Economic Relations is Mutual Benefit and Win-Win](#)
- Noah Barking for GMF - [Watching China in Europe—April 2024](#)
- Tongfi Kim for The Brussels Times - [The EU must step up in the South China Sea to deter China's gray-zone tactics](#)

---

## 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:



### **9 April 2024. PubAffairs. Reforming the Single Market and Fostering EU Competitiveness: Can the EU Regain Its Edge?**

The event gathered Outi Slotboom, Director for Strategy and Economic Analysis at DG GROW, Jacques Pelkmans, Associate Senior Fellow at CEPS, Frank Niederländer, Head of Governmental Affairs Europe at BMW, William De Vijlder, Group Chief Economist at BNP Paribas, and moderated by Paola Tamma, Brussels Correspondent for the Financial Times. Lucas Lenchant, Senior Advisor for the EIB, set the scene through a keynote speech. The speaker highlighted the potential and the benefits deriving from the Single Market but also remarked on the strong fragmentation that undermines said potential and deepens investment gaps. Then, the experts followed sharing their views on the achievements secured by the EU, such as the Digital Market and the unitary patent, as well as the major challenges and limitations the bloc faces, like budget allocation, market fragmentation, and risk-bearing capacities.

### **10 April 2024. Friends of Europe. A new era for defence: In Conversation With the President of the Republic of Finland, Alexander Stubb.**

With the moderation of Dharmendra Kanni of Friends of Europe, preceded by Geert Cami from the same organization, the event had Mr. Alexander Stubb, President of Finland speaking on the topic of his country's connection with both the EU and NATO. He also shared his views on European security. He pointed out that both the EU and NATO are security providers and should not be viewed in a binary fashion. According to him, Finland is a frontline country against Russia and will not only be a beneficiary but is going to contribute to the security of the continent. The president also pushed for a more geopolitical EU.

---

## CONNECT WITH US

If you want to stay informed on our events and publications do not hesitate to visit our website and follow us on social media:

LinkedIn: [Institute for China-Europe Studies \(ICES\)](#).

Twitter: [@ICES-EU](#)

*If you are interested in publishing your article on our website, email us at: [info@ices-eu.org](mailto:info@ices-eu.org), with the Subject 'Article Submission\_YourName\_YourSurname'.*

---

Thank you for being a part of our newsletter community! We appreciate your continued support and engagement. Stay tuned for more exciting updates in our upcoming editions. If you have any suggestions or feedback, we would love to hear from you.

Please note that all news and views cited in this bulletin, if not otherwise indicated, **do not represent the position of ICES.**

Copyright © 2023 ICES, All rights reserved.

Our mailing address is:  
[info@ices-eu.org](mailto:info@ices-eu.org)