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Perspectives for EU-China Relations

Introduction

This year (2025) marks the 50th anniversary of the establishment of diplomatic relations between the EU and China. The 25th EU-China summit, which took place in Beijing in July 2025, witnessed the two sides exchange views on the bilateral relationship in an era of uncertainty and geopolitical turmoil. The EU currently views China as a partner, competitor and strategic rival but finds it hard to formulate policies that simultaneously correspond to these three different perspectives. China, for its part, realises the scepticism of the EU towards employing a ‘business as usual’ approach but is eager to find ways to foster collaboration despite existing problems. The concrete outcome of the 25th EU-China summit was [the joint statement on climate](#) that reiterated the recognition of both the central role of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement on international climate cooperation.

In September 2025 President of the European Commission Ursula von der Leyen and Prime Minister of China Li Qiang met on the sidelines of the UN General Assembly in New York. The former [posted in her X account](#) that she ‘appreciated China’s willingness to engage with ‘the EU’ in a spirit of mutual understanding’ and discuss Europe’s concerns regarding export controls, market access, and overcapacity. While market access and overcapacity are typical European concerns, the EU is currently eager to intensify dialogue with China for two main reasons. The first is the flow of numerous Chinese products into the European market as the result of tariffs introduced by US President Donald Trump. And the second is [the European reliance on China’s critical minerals](#). Within this context, [Brussels and Beijing agreed in November 2025 to establish a ‘special line of communication’](#) to secure the flow of rare earth materials that is vital for EU industries.

From Nadir to Some Stability

The Covid-19 pandemic and the war in Ukraine have significantly impacted on EU-China relations in the last five years. From 2020 until the beginning of 2023, when China started to slowly re-open after the pandemic, relations were marked by disagreements on several issues. The most characteristic example was perhaps [the adoption by the European Parliament of a resolution in May 2021](#) that put the Sino-European comprehensive agreement on investment (CAI) on hold. The European Parliament demanded that the Chinese government lift Chinese counter sanctions to EU human rights sanctions against selected Chinese officials. Subsequently, the work conducted by European and Chinese diplomats for circa ten years did not lead to the realisation of CAI, although [CAI had been agreed in principle by Brussels and Beijing in December 2020](#).

The Presidency of Joe Biden, who succeeded Donald Trump in January 2021, brought the EU very close to the American position on China. Harmonious transatlantic coordination together with the establishment of new bodies, such as the Trade and Technology Council, enabled Brussels and Washington to align their positions and view China more as a growing threat for the collective West. The lack of physical meetings between European and Chinese leaders due to the pandemic fueled misunderstandings which harmed Sino-European relations. At this time of crisis the EU decided to solidify ties with like-minded partners, principally its diachronic ally. However, European policymakers had not reckoned with Donald Trump’s return to the White House!

The outbreak of the war in Ukraine in February 2022 further exacerbated Sino-European misunderstandings. The return of war to the Old Continent as a means to achieve political objectives has naturally affected European thinking. The EU blames Russia for the invasion and has applied sanctions in a bid to weaken the Russian economy, while supporting Ukraine militarily and economically. China, for its part, looks at the conflict from another perspective.

It believes that the root causes of the war should be addressed before a solution is reached, continues to value its partnership with Russia on all fronts, and sees mutual benefits in its relations with the EU, irrespective of the war.

The nadir monitored in Sino-European relations from 2020 until early 2023 was followed by some elements of stability after China's re-opening following the Covid-19 lockdowns. The visit of french President Emmanuel Macron in Beijing in April 2023 was highly significant. During this visit [France and China signed a 51-point joint declaration](#). Ursula von der Leyen also visited the Chinese capital in the same period. A few months later, in December 2023, [the 24th EU-China summit was held in Beijing](#). Certainly, the improvement witnessed in Sino-American relations (principally in the second half of 2023) impacted on the EU re-engagement with China. Presidents Biden and Xi [met in San Francisco in November 2023](#) and decided to give bilateral cooperation a chance. Before the San Francisco meeting Sino-American relations were undergoing a difficult and dangerous phase after House Speaker Nancy Pelosi landed in Taiwan in August 2022, provoking anger in Beijing. Among the prominent figures who travelled to China to soothe tensions was Henry Kissinger. In July 2023, [he met with Chinese President Xi Jinping at the Diaoyutai State Guesthouse](#). This was the last international trip made by Kissinger. Four months later the architect of the establishment of diplomatic relations between the USA and China in the 1970s passed away.

Since the 24th EU-China Summit, the two sides have sought to recalibrate their partnership. Trade has played a major role in the interests of both parties for many years. Between 2014 and 2024, for example, [European imports from China increased by 101.9% and exports grew by 47.0%](#). According to Eurostat, the EU exported goods worth €213.3 billion to China and imported €519 billion in 2024, resulting in a trade deficit of €304.5 billion. In 2024, China was the EU's largest trade partner for imports (21.3% of all imports outside the EU) and the third-largest partner for exports (8.3% of all exports outside the EU), preceded by the USA and the UK. Compared to 2023, both imports and exports decreased by 0.5% and 4.5%, respectively. While trade matters for both the EU and China, the deficit the EU has suffered has publicly become a source of friction. [The Rhodium Group explains](#) that the EU – as opposed to the USA and Japan – is open to imports of Chinese clean tech products and looks

favorably at low-priced Chinese chemicals. Moreover, the operation of many European enterprises in China has played a role in the increase in Chinese exports over the years. Against this backdrop, the EU has inaugurated a new policy called 'derisking', which aims at helping European firms to diversify away from the Chinese supply chain. The task is complicated, difficult and its success cannot be taken for granted. In the first three months of 2025, [EU FDI amounted to €3.06 billion](#), marking the strongest first-quarter performance since 2022.

The Second Presidency of Donald Trump

The US presidential election of November 2024 heralded a new epoch in transatlantic relations. While President Trump had already expressed his scepticism about the EU's role in the world during his first term, his attitude has become more painful for most European countries during his second term. The EU disagrees with President Trump on several issues, more importantly on the war in Ukraine and his mediation initiative. It therefore now finds itself at a crossroads. It is striving to emerge as a strategically autonomous player in the international system but can hardly make crucial steps outside the US security umbrella. This awkward situation cannot but affect the trajectory of Sino-European relations, at least to some degree.

The world is currently different from the 2017-2021 period. As former President of the EU Council President Herman von Rompuy said [in his inaugural CIFE lecture for the academic year 2025/26](#), 'the normalisation of [the EU] relationship with China depends in part on the outcome of the war which is existential for the Union'. While the Chinese leadership [understands the repercussions of the Ukraine crisis on the people of Europe](#), the two sides have not managed to work together in finding a reasonable way out of the crisis or in contributing to this end. Although China is not the main actor in the Ukraine conflict, nor is it responsible for the outbreak of the war in February 2022, its strong relations with Russia, a natural development to further its own interests in exercising foreign and economic policy, are viewed in Europe with suspicion. Theoretically, an agreement between Russia and Ukraine to be brokered by President Trump could be beneficial, not only for world peace and stability, but also for EU-China relations. But the main priority for the EU is now to prevent a situation

where Russia might be politically vindicated for invading Ukraine. In that regard, Chinese financial institutions have been included in the European sanctions against Russia, [a decision that has not pleased the Chinese government](#).

Beyond Ukraine, tariffs introduced by President Trump on the import of Chinese goods by the USA have pushed Chinese exports toward other destinations, such as the EU. From January until November 2025, Chinese exports to the EU [witnessed an increase of 8,1% in comparison to the same period the year before](#). It is in the interest of the EU to increase its exports to China, not only to reduce the trade deficit, but also to help China's internal pivot toward consumption. The faster the Chinese government manages to deal with the problem of weak domestic consumption, the faster external imbalances will be addressed. The role the EU needs to play – together with its partners – in the rebalancing of China's national economy should be carefully discussed in Europe. Opportunities ought to be grasped.

President Trump's unilateral policies serve as a reminder to both the EU and China of the significance of working together and preserving elements of multilateralism in the world order. This common objective does not automatically guarantee synergies as disagreements do exist. The EU and China, for instance, agree in principle that the World Trade Organisation (WTO) remains central in the world trading system but regularly challenge the consistency of some of each other's policies with WTO provisions. These disputes, together with a new wave of policies, such as the strengthening of the EU legal framework, are making it hard for Chinese companies to invest in Europe and China's export controls on rare earth technologies complicate matters in the bilateral relationship.

The second administration of Donald Trump is putting pressure on the EU to move forward with its 'strategic autonomy' concept. While the 2025 US National Security Strategy criticises the EU (again), the latter endeavours to act, to overcome internal divergences and respond to the challenges of a changing world. European attention is naturally directed toward the

future of transatlantic relations and the Ukraine war, but the Sino-European partnership also matters. China remains an indispensable actor the EU needs to approach in its effort to strengthen its position in the international system. More dialogue with China may or may not lead to a solution to problems, but can, at least, bring relations back to some form of normality and predictability as well as safeguard long-term stability. The two sides need each other in a globalised world – and the negative experience of the early 2020 to 2023 phase is edifying.

Conclusion

The EU is committed to deepening its engagement with China and enhancing cooperation to address joint global challenges. It simultaneously pushes for a more balanced and mutually beneficial relationship with the country, and criticises its industrial policies and trade practices, while attempting to support European industries and companies in withstanding competition. The EU position is fair. Of course, the European approach needs to be paired with the acknowledgment of some basic facts. China's growing competitiveness in hi-tech, green energy and Artificial Intelligence fields, [its technological advancements and improvements in product quality](#), its economic resilience amid wars and the tariff storm and its emerging geopolitical clout are the product of systematic policies patiently implemented for decades. It is the success of these policies which render the Chinese government adamant, confident and powerful in its negotiations with the EU and others. The acknowledgment of this reality would seem wiser than wishful thinking in working toward co-existence.