Since 1975, China has established bilateral relations with the European Economic Community, and since then, China and the EU have begun various cooperation, China and the EU have become important global economies, the EU has become China's largest trading partner, and China is the EU's main export market and main source of imports.

In order to have a deeper understanding of China-EU interactions, we need to know in detail what the EU is and its history.

In December 1991, the Maastricht Summit of the European Community adopted the Treaty on European Union, commonly known as the Maastricht Treaty. On November 1, 1993, the Maastricht Treaty entered into force and the European Union was born. In 2012, the European Union was awarded the Nobel Peace Prize. There are now 27 Member States。In December 1991, the Maastricht Summit of the European Community adopted the Treaty on European Union, commonly known as the Maastricht Treaty. On November 1, 1993, the Maastricht Treaty entered into force and the European Union was born. In 2012, the European Union was awarded the Nobel Peace Prize. The President of the European Council is Charles Michel and the President of the European Commission is Ursula von der Leyen. The President of the European Parliament is Roberta Mazola. The EU Treaty has been amended several times and operates in accordance with the Lisbon Treaty. Politically, all member states are parliamentary democracies, and economically the third largest economic entity in the world, behind the United States and China. Militarily, except for Ireland, Austria, Malta and Cyprus, the remaining 23 EU member states are members of the North Atlantic Treaty Organization.

In the history, Hundreds of years ago, Europe was in great turmoil, with many empires waging war with each other to annex each other to benefit. And the creation of alliances is a means of peaceful territorial unification. At the beginning of the 19th century, Napoleon imposed a customs union on the European continent during the continental blockade. Originally formed in 1948, the customs union of the Netherlands, Belgium and Luxembourg was mainly exempt from tariffs and opened free trade in raw materials and goods. This custom union is significant because it played a huge role in laying the initial foundation for the establishment of the European Union. The devastation caused by wars on European soil led many to support some form of European unification. WWII brought a severe blow to Europe’s economy and manpower. So until after, The idea of European unity has reached its climax, Politicians from various countries have made statements one after another, countries finally started take actions. The Council of Europe, established in 1949, became the first pan-European organization. Later, the European Steel and Coal Organization, the Economic Community and European Atomic Energy Community successively established. On 1 November 1993, the Maastricht Treaty entered into force, the European Union was established, and the three European communities were integrated into the European Union, marking the transition of the Community from an economic entity to an economic and political entity, while developing a common foreign and security policy and strengthening cooperation in judicial and domestic affairs.

The organizational body of the EU consists of the Council of Europe, the Council of the European Union, the European Parliament of the European Commission, the European External Action Service, the European Court of Justice, Eurostat, the European Court of Auditors, the European Central Bank and the European Investment Bank, they each carry out their own duties.

The EU is one of the most economically developed regions in the world, and the gradual deepening of economic integration has contributed to the further prosperity of the region's economy. In 2013, the GDP of the 28 EU member states reached 12 trillion euros, with a GDP per capita of 23,100 euros. The EU is the world's largest importer and exporter of goods and services. In the EU's foreign trade, the United States, China, Russia and Switzerland are the main trading partners. The EU is also the world's largest export market and largest donor for the least developed countries, and an advocate and major leader of the multilateral trading system. The EU is an important economic force in the world. The 28 countries have an area of 2.420 million square kilometers and a population of 350 million. In 1992, the GDP of the 12 EC countries was $6,841.2 billion (at exchange rates and prices for that year). The European Community is the world's largest trading bloc, with a total foreign trade of about $2,972.2 billion in 1992, of which $1,451.86 billion was exported and $1,520.27 billion was imported.

About the diplomacy of the EU, The EU External Action Service (EUERI) is the competent authority for external relations of the European Union and consists of nine Directorate-General for Human Rights, Global and Multilateral Affairs, Directorate-General for Africa, Directorate-General for the Americas, Directorate-General for Asia and the Pacific, Directorate-General for Western Europe, Western Balkans, Turkey and the United Kingdom, Directorate-General for Russia, Eastern Partners, Central Asia, Regional Cooperation and the Organization for Cooperation and the Organization for Security and Security (OSCE), Directorate-General for the Middle East and North Africa, Directorate-General for Common Security and Defence Policy (CSDP) and Crisis Response, Directorate-General for Budget and Administration, and the EU Military Staff. His authority includes traditional foreign policy as well as development policy, human rights, military security, and civilian crisis management. EU member states make decisions in a cooperative intergovernmental manner. The EU plays an active role in the international arena. The EU has established diplomatic relations with most countries and regions in the world and concluded various economic and trade cooperation agreements. More than 160 countries have diplomatic missions to the EU, and the EU has missions to more than 120 countries and international organizations. In some international institutions, such as the World Trade Organization, the EU gives voice and exercises rights on behalf of member States. The EU also participates in the Organization for Economic Co-operation and Development (OECD) and has observers in the United Nations and some professional bodies.

So, the question is, how the specific relationship, diplomacy and trade between EU and China be like? And how the two characters’ cooperation built and develop?

On May 6, 1975, China established diplomatic relations with the European Economic Community. On November 1, 1983, China established diplomatic relations with the European Coal and Steel Community and the European Atomic Energy Community respectively, and China and the European Community officially announced the establishment of comprehensive diplomatic relations.

In 1998, China and the EU established a long-term and stable constructive partnership geared to the 21st century. In 2001, the two sides established a comprehensive partnership. In 2003, China and the EU established a comprehensive strategic partnership, and the Chinese government issued its first policy document towards the EU. In 2013, the two sides published the China-EU Cooperation 2020 Strategic Plan. In 2014, China and the EU proposed to build four major partnerships of peace, growth, reform and civilization, and the Chinese government issued its second policy paper towards the EU. In 2018, the Chinese government published its third policy paper on the EU. So far, the two sides have established more than 70 consultation and dialogue mechanisms, covering various fields such as politics, economy and trade, humanities, science and technology, energy and environment.

In the aspect of trade relationship. In 2022, China and the EU are each other's second largest trading partners, China is the EU's third largest export market and the largest source of imports, and the EU is China's third largest export market and second largest source of imports. In 2022, the total trade between China and the EU was US$847.32 billion, a year-on-year increase of 2.4%. In 2022, the EU will invest US$10.03 billion in China, up 96.6% year-on-year, and China's new investment in the EU will be US$6.99 billion, up 23.7% year-on-year. In 2014, China and the EU launched investment treaty negotiations, and in December 2020, China and the EU completed investment treaty negotiations. In May 2021, the European Parliament passed a resolution to "freeze" discussions on ratification of the agreement under the pretext of human rights issues in Xinjiang.

The China-EU High-level Economic and Trade Dialogue is the highest-level dialogue mechanism in the field of China-EU economy and trade, established in 2008. In July 2022, Vice Premier Liu He and Executive Vice President of the European Commission Dombrovskis co-chaired the 9th China-EU High-level Economic and Trade Dialogue via video. The two sides have also established dialogue mechanisms such as the Mixed Economic and Trade Commission, trade policy, intellectual property rights and competition policy. All in all, The EU is committed to open trading relations with China and wants to ensure that China trades fairly, respects intellectual property rights, and meets its obligations as a member of the World Trade Organization.

Trade in goods

In 2016, the EU-China bilateral trade in goods were €514.8 billion. Machinery and vehicles dominate both exports and imports. The top five exports of China are computers, broadcasting equipment, telephones, office machine parts and integrated circuits. China's top five imports are crude petroleum, integrated circuits, iron ore, gold and cars. For what concerns the EU imports of AMA/NAMA product groups the part for industrial products counts for a value of €343.725 million and gets the impressive percentage of 98.1% (of a total of €350.535 million). The same applies for exports to China where industrial products keep the highest ranking in the list and count for €159,620 million (93.7% of the total export volume).

Trade in services

Trade of services play an important role in all modern economies. A resilient tertiary service sector, as well as an increased availability of services, may boost economic growth and enhance industrial performance. In an increasingly localised world, services such as finance, insurance, transport, logistics and communications deliver key intermediate inputs and thereby provide crucial support to the rest of the economy. The European Union representing its 27 Member States and China are both members of the World Trade Organization (WTO) and participate in the ongoing discussions about the Trade in Services Agreement (TISA). The volume of trade in services of all participating countries corresponds to 70% of the world's total volume. TISA is an important tool to increase the share of services trade by tackling the existing barriers. With TISA new opportunities for service providers will be offered while fostering growth, jobs and prosperity at all participating Members. According to the latest statistical information from Eurostat, the EU trade in services balance with China in 2015 present a surplus of €10.3 billion due to a surge of exports (exports reached €36 billion while imports €25.7 billion).

Smart and Secure Trade Lanes (SSTL) project

The SSTL project was launched in 2006 as a pilot project between the European Union and China as the first Asian country. The participating EU member states at the time were the Netherlands and the United Kingdom. As from 2010 (when the second phase of the project was launched) other EU member states joined: Belgium, France, Germany, Italy, Poland and Spain. This project tests safety and security related recommendations of the World Customs Organization Framework of Standards applied to containers, facilitating the "Customs-to-Customs" data exchange, risk management cooperation, mutual recognition of customs controls and trade partnership programs. The 120 trade lanes involving 200 economic operators between 16 maritime ports will undoubtedly facilitate trade between China and EU participating countries as loading and unloading of containers will require less controls and intervention of Customs authorities.

There have been some disputes, such as the dispute over textile imports into the EU (see below). China and the EU are increasingly seeking cooperation, for example China joined the Galileo project investing €230 million and has been buying Airbus planes in return for a construction plant to be built in China; in 2006 China placed an order for 150 planes during a visit by French President Jacques Chirac.[42] Also, despite the arms embargo, a leaked US diplomatic cable suggested that in 2003 the EU sold China €400 million of "defence exports" and later, other military grade submarine and radar technology.[43]

Science and technology

China and the EU launched their first science and technology cooperation program in 1983. They also drafted an Agreement on Scientific and Technological Cooperation in 1998 which was renewed in 2004 with the aim of linking research organizations, industry, universities and individual researchers in specific projects supported by the EU budget.[44] The current cooperation of the EU and China in the area of science and technology has been made available by the Horizon 2020 program. The Horizon 2020 initiative by the European Commission addresses the following areas: (i) food, agriculture and biotechnology (FAB); (ii) sustainable urbanization; (iii) energy; (iv) aeronautics; (v) and other areas including ICT, water, health, society, polar research, SME instrument, and space.

The other two key areas of cooperation between EU and China are economic relationship (involving trades), and investments.These are some data of investments between China and EU.

China-EU two-way investment grew rapidly. In 2022, EU investment in China increased by 92.2% year-on-year, of which German investment in China increased by 52.9%. According to EU data, China's direct investment in Europe reached 9 billion euros in 2021, a year-on-year increase of 38.5%, a significant increase over 2020. However, due to issues such as resistance to additional investment reviews in Europe, the level of Chinese investment in Europe is lower than in 2019.

In order to further develop China-EU economic exchanges and trade cooperation, China has launched the Belt and Road Initiative and opened the China-Europe Express.

One of the lines is called the Yixin Ou train. Yixinou refers to this train departing from Yiwu, China, leaving Xinjiang, and finally passing through Russia, Germany, France and other countries to reach Madrid, the capital of Spain. The train is the focus of the One Belt, One Road initiative, strengthening links between China's eastern coast and Central Asia and Europe. The Yixin Europe China Europe trains have been developing continuously. During the COVID-19, Yixin Europe has played a huge role in providing material support. Since the regular operation, Yixin Europe has also been developing constantly. The return trains have been gradually stepped up to realize the transformation from single export to two-way mutual aidThe train has established business cooperation with China Merchants Group, Sinotrans, and other companies to tap into the supply of goods in Europe, Central Asia, and other regions. Imported products have shifted from being primarily consumer goods to adding production materials such as mechanical accessories, plastic, cotton yarn, and plastic. In addition, the launch of the new transportation system composed of Yixin Europe Express has improved transportation efficiency. This system has changed the previous mode of manually obtaining the arrival report of goods upon arrival before customs declaration can be carried out. It relies on a single window to automatically collect the arrival information of goods, and enterprises can conduct customs declaration before customs clearance, improving the efficiency of transportation。

Yixin Europe is the longest China Europe train in China, which has been continuously developing since its launch. It has now become an essential carrier for economic and trade cooperation and cultural exchange among countries along the route, promoting economic exchanges between China and Europe, and greatly enriching the consumption lives of people along the route. I believe that Yixin Europe will continue to develop, promote trade between China and Europe to enter a new stage, and build a mutually beneficial, constructive, and shared relationship between China and Europe

The opening of the "Yixinou" China-Europe Express undoubtedly provides Yiwu foreign trade export enterprises with another safe, efficient and economical transportation option in addition to sea and air. In May last year, a batch of photovoltaic panels produced by "Risen Energy" was about to be delivered to European customers, and it was necessary to ship to the Netherlands at the end of July according to the delivery date, but at that time, the epidemic spread abroad, especially in Europe, resulting in a sharp reduction in air capacity to Europe, a sharp rise in transportation costs, and maritime transportation capacity was also in the shutdown stage, and the timeliness was not guaranteed.

"If the goods are not shipped in time, it will have an impact on the customer and the company." Just at the critical juncture of "Risen Energy" full of anxiety, the relevant departments of our city contacted the enterprise and actively coordinated the delivery of the "Yixinou" train. On July 4, with the full assistance of Yiwu Yitong Ou Logistics Co., Ltd. (hereinafter referred to as "Yitong Ou"), the photovoltaic panels delivered by "Risen Energy" successfully took the "Yixinou" China-Europe train to Duisburg, Germany, and arrived 18 days later. Subsequently, after terminal logistics and distribution, it was delivered to customers on time on July 29, which once again highlighted the advantages of railway transportation and export sources, and highlighted the influence of the "Yixinou" brand.

Before the opening of the "Yixinou" China-Europe train, more than 90% of Yiwu's export commodities were exported through coastal ports such as Ningbo and Shanghai, and a small number of commodities were transported by air. Compared with sea freight, railway transportation time is short, arrival time is controllable, and safety is better; Compared with air freight, although the railway runs longer, the freight cost is only 1/4 of that of air freight.

The China-Europe Express is only a representative project of China-EU economic and trade cooperation, which has brought huge benefits to a large number of countries, so what advantages are there in China's cooperation with the EU?

First, China and EU cooperation can have a positive impact on trade investment and economic growth for both regions. Through cooperation, business in both regions can benefit from increased market access and reduced barriers to trade, which can lead to increased exports and job creation. Additionally, cooperation in areas such as infrastructure, clean energy, and innovation can promote sustainable development and contribute to global economic stability. Overall, China and EU cooperation has the potential to be mutually beneficial and contribute to stronger economic ties between the two regions.

Here are some details of the impact and achievement of China and EU cooperation.

Over the past decade, the two-way trade volume between China and Central and Eastern European countries has increased by 142.6%. According to statistics, in 2012, the trade volume between China and Central and Eastern European countries was 56.08 billion US dollars, accounting for 1.35% of foreign trade, 7.62% of trade with Europe, and in 2021, it reached 133.55 billion US dollars, accounting for 2.2% of foreign trade volume and 16% of trade with Europe. In the first half of 2022, the China-Europe Land-Sea Express with the port of Piraeus as its hub reached 88,000 TEUs, a year-on-year increase of 38.3%.

The construction of the Hungarian-Serbian railway progressed in an orderly manner, with the Benoy section in Serbia opening in March 2022, the groundbreaking ceremony of the Nosu section in November 2021, and the southern section in Hungary under construction in May 2022. The China-Europe Express has opened to more than 190 cities in 24 European countries, including 8 Central and Eastern European countries. In terms of agriculture, Central and Eastern European countries have a wide range of agricultural products, relatively high quality, green, organic, ecological and environmental protection, and are deeply loved by the Chinese people. Up to now, China has approved nearly 200 kinds of food, live animals and agricultural and sideline products from Central and Eastern European countries that are subject to access management. Trade in agricultural products has increased by 61.34% in the past decade. The cooperation between China and Central and Eastern European countries is very rich, including investment and trade, infrastructure construction, new energy, education and medical care, culture and tradition comuunication and other fields. In terms of tourism cooperation, the number of Chinese tourists to Central and Eastern European countries increased from 458,000 in 2013 to 2,165,500 in 2013, an increase of 373%. Think tank exchanges have also entered a historically active period, and the level, scale, depth and breadth of exchanges have reached the highest level in history. So far, more than 40 think tanks related to Central and Eastern European studies have been established in China. There are many highlights of SME cooperation. Small and medium-sized enterprises in Central and Eastern European countries are relatively developed, contributing more than 90% to the economic growth of Central and Eastern European countries. There is great potential for cooperation between small and medium-sized enterprises in China and Central and Eastern European countries. Croatia took the lead in establishing the China-CEEC SME Federation, and Cangzhou has made important contributions to the cooperation between SMEs in China and CEECs.

These details included most major areas of successful cooperation, however there are still many areas of contention in economic cooperation between China and EU，here are the introduction of these areas.

According to the factsheet, over the past year, EU-China bilateral relations have deteriorated due to a number of factors such as China’s countermeasures to EU sanctions on human rights, economic coercion, trade measures against the European single market as part of the diplomatic dispute with Lithuania, and China’s positioning on the war in Ukraine.

The EU and China both view the post-pandemic economic recovery as a top priority following more than two years of international efforts to combat COVID-19. Moreover, the EU does not want to lose its influence in Africa to new actors like China.

“The EU and China are both important partners of Africa. China’s increasing impact in the past decades has created fear in the EU and other western countries. In my opinion, if we cease to use the Cold War mindset, if we focus on coopetition instead of rivalry that may have both cooperative and competitive elements, this would be more helpful. Increasing multilateral cooperation between Africa, China, and the EU is indispensable for joint development projects, and they could be realized,” emphasized Dr. Zang, reflecting a Chinese perspective.

The EU continues to recognize the “One China Policy” as the cornerstone of the bilateral relations with China. However, on September 15, members of the European Parliament restated their stance that the Taiwan Strait status quo cannot be changed unilaterally and that they oppose the use of force. The EU overwhelmingly still views China as an economic partner in cooperation and negotiation, an economic competitor, and a systemic rival all at the same time.

On April 1, Chinese President Xi Jinping met President Charles Michel of the European Council and President Ursula von der Leyen of the European Commission via video link. President Xi stated China and the EU share extensive common interests and a solid foundation for cooperation. Only through cooperation and coordination can the two sides resolve problems and rise to challenges, President Xi added.

The Ukraine conflict doesn't have the power to define China-EU relations. There are indeed differences of approaches to the issue on both sides. The EU, given its innate relationship with NATO and close alliance with the United States, has been firmly against Russia's actions in Ukraine and have stepped up their own military presence in Eastern Europe to counter that.

China, on the other hand, has neither the interest in joining the EU against Russia nor helping Russia to evade international sanctions. As President Xi pointed out during the summit, China and the EU, two major forces, big markets and great civilizations, should play a constructive role in adding stabilizing factors to a turbulent world. Differences between China and the EU could be characterized as vast. But, intense disagreements and even occasional confrontation have been a part of the China-EU relations. There are many areas where China and the EU don't see eye-to-eye. On the matter of Taiwan, for example, EU member Lithuania has been crossing the lines which led to China downgrading ties with the country. When it comes to sovereignty issues concerning the Xinjiang Uygur Autonomous Region or the Hong Kong Special Administrative Region, the EU has been following the United States' propaganda and interfering in China's domestic politics.

No single relationship is smooth sailing. It's childish and dangerous to define relationship in just one or two aspects or saying that it's either working perfectly well or it's collapsing. Even through all the differences, China and EU have one of the strongest economic ties.

Those are the general situation of relationship between China and EU as a whole. Germany and France are the two most important members of EU, thus, here are the specific details of the economic cooperation between China and these two countries.

First, Germany and China;

Germany and China once worked closely together. Now their relations are dominated by conflict. At the latest talks, profitable economic relations collide with systemic rivalry.

There are conflict between the two countries on political issues, like the massive persecution of the Uyghur minority in Xinjiang; the suppression of democracy in Hong Kong; Beijing's aggressive actions in the South China Sea and the Chinese government's threats against Taiwan. For Germany, the sources of conflict with China are growing.

But at the same time, economic relations continue to flourish and intensify. In 2019 (the most recent year with complete statistics), China was Germany's largest trading partner for the fourth year in a row. German car manufacturers sell more vehicles in China than domestically.

According to research, Germany’s dependence on China is increasing ‘at a rapid pace.’ According to a recent study, direct investment and its trade deficit are now reaching new heights. Despite the fact that Berlin’s political leadership has been under pressure to leave Beijing, it has chosen not to leave. Furthermore, German exports to China grew at a much slower rate than in previous quarters. Since the turn of the millennium, a record half-year value has been set for German investment in China. Chinese goods imports to Germany increased by 45.7% in value terms during the six-month period. By mid-2022, a study predicts that the gap between Germany and China will have swollen to nearly 41 billion euros.

Diplomatic relations between the Federal Republic of Germany and the People’s Republic of China were established in 1972. Since then, Germany and China have developed a strong relationship that has spanned all aspects of their relationship. While China is a partner, competitor, and a competitor in the eyes of both the European Union and the German government, it is also a competitor in the eyes of both Germany and the EU. In 2020, China will be Germany’s largest export market, with a total value of $106 billion. Cars accounted for 16.6 billion dollars of Germany’s total exports to China, followed by motor vehicles (13 billion dollars), parts and accessories (9.5 billion dollars), and packaged goods (3.19 billion dollars).

And then, is the introduction of economic relationship between France and ChinaSince diplomatic relations were established 59 years ago, China and France have enjoyed close cooperation in a wide range of areas and have worked in the same direction over the years, making a series of pioneering achievements.

In 2021, the bilateral trade volume between China and France exceeded $80 billion and the figure between China and Europe increased by 27.5 percent, exceeding $800 billion.

The latest statistics from France showed that bilateral trade in goods exceeded the 100-billion-euro ($109.5 billion) mark for the first time in 2022, reaching 101.8 billion euros, a year-on-year increase of 14.6 percent. Infrastructure has been one of the most significant areas of cooperation between China and France. French companies have been involved in several major infrastructure projects in China, such as the Beijing-Shanghai high-speed rail line and the Shanghai metro system. France is China's third largest trading partner and third largest source of actual investment in the European Union (EU) while China is the largest trading partner of France in Asia and the seventh largest in the world.

Significant achievements have been made in cooperation between the two countries in the fields of economy and trade, science and technology, aviation and infrastructure. France is the first major Western country to officially establish diplomatic relations with China, and also the first major Western country to establish a comprehensive strategic partnership and conduct strategic dialogue with China. As two major forces, big markets, and great civilizations in the world, Xi stressed China-EU relations bear on the wellbeing of both sides and the stability and prosperity of the world at large.

At last, EU and China will continue to develop their cooperation in different areas. Priority areas for future EU-China cooperation actions for the period 2021-2027 include promoting global public goods and addressing global challenges, underpinning EU values, and exploring innovative ways of cooperation between the EU and China in developing regions and countries.

In the final analysis, in the future, in the field of industrial manufacturing, China and EU trade will maintain steady development. Two-way investment will also continue to grow under challenges. The representative project of China-Europe trade cooperation-China Europe train gradually expanded. China-EU scientific and technological cooperation continue to develop, the scale of patent cooperation has increased, and high-tech industries continue to be interdependent. Therefor, the prospect of scientific and technological cooperation is still broad, and so is the economic and trade cooperation.

In conclusion, looking forward to the future of China and EU relations, China and EU should conform to the trend of the times of peace, development, cooperation and win-win policy. Deepen strategic cooperation between the two sides, strengthen communication and coordination in international affairs, and contribute to promoting a new type of international relations with win-win cooperation as the core and building the community with a shared future of mankind.

I believe that as long as China and EU work together and continue to move forward along the road of mutual benefit and win-win results, China-EU relations will surely usher in a better future. The economy and other aspects of China and Europe will also usher in a better future and make great contributions to the world economy and the development of human civilization.

References:

https://www.britannica.com/topic/European-Union

https://www.eeas.europa.eu/delegations/china/european-union-and-china\_en https://en.wikipedia.org/wiki/China–European\_Union\_relations

www.china.org.cn/opinion/2021-03/19/content\_77328445.htm

https://en.wikipedia.org/wiki/Yiwu\_International\_Trade\_City

www.sciencedirect.com/science/article/abs/pii/S0965856419309164

https://www.euronews.com/2023/04/07/macron-and-von...

www.china.org.cn/world/2022-12/21/content\_85020486.htm

https://news.cgtn.com/news/2023-04-06/China-France-relations-full-of-vitality...

chinaobservers.eu/eu-china-relations-in-the-coming-decade-what-do-european-c…