



EU-China Relations in the Light of the American Elections

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The outcome of the U.S. elections could significantly impact the European Union's global position, as well as the development of EU-China relations. In this new situation, the EU will need to manage its relations with China even more carefully. It may be worthwhile to review the current China policy and aim to establish a mutually beneficial relationship, where elements of both competition and cooperation are present.

The second Donald Trump administration is expected to widen further the economic divide between the United States and the EU. President-elect Trump's significant victory in November has already fueled a market frenzy in America, as investors are reassured by the clear election outcome and his business-friendly economic policies. While Trump is expected to cut taxes, support American industry, and deregulate markets, the EU faces internal divisions, low competitiveness, and serious dependencies in several strategic sectors. If Trump keeps his campaign promises, the EU will likely face continued high trade tariffs and increased pressure for member states to raise their contributions to NATO.

This may provide more room for cooperation between China and the EU. According to some sources, in response to President-elect Donald Trump's pledge to restrict Chinese goods from the U.S. market, China is exploring strategies to strengthen ties with American allies in Europe and Asia. This approach, termed "*unilateral opening*," involves offering tariff reductions, visa exemptions, and increased Chinese investments in these regions. China's aim is to buy time and gain leverage while navigating the challenges of a strained U.S. relationship. However, Beijing faces skepticism from Europe and Asia, as many countries are wary of China's support for Russia, concerns over technology theft, and unmet trade promises. Although Xi Jinping sent Trump a congratulatory message, cautioning against economic conflicts, China is still working to diversify its markets away from the U.S., hoping to apply pressure and potentially divide U.S. allies. Europe's economic ties to the U.S. are crucial, but Chinese market access offers could provide Europe with leverage in future

negotiations with Trump's team. Still, European leaders seek more concrete changes from China, such as curbing low-cost exports and ending its support for Russia, which China may not yet be prepared to address.

This year, it has become evident that the EU relationship has gained greater importance for China. The number of Chinese delegations on the continent has noticeably increased, and Chinese President Xi Jinping went on a European tour this year, visiting France, Serbia, and Hungary. Given the outcome of the U.S. election, Beijing's renewed interest is likely to intensify further. China's internal economic challenges may also encourage Beijing to place greater emphasis on improving its relations with Europe, as it still depends on access to the EU market.

The European economy is also struggling, and the additional tariffs promised by Donald Trump could put European manufacturers in an even tougher situation. The EU simply cannot afford to engage in a trade war with China while its products are simultaneously kept off the U.S. market by protective tariffs. This situation creates an opportunity for Beijing and Brussels to reset their relationship, establishing a new foundation. Ideally, the model for coexistence between these two blocs could be a blend of competition and cooperation that keeps tensions manageable and maximizes benefits for both sides.

It is inevitable that the EU and China will compete in many areas. For a long time, the two blocs were not rivals, as their economies were more complementary, with cooperation marked by China's role in low-value assembly work and European companies supplying high-value products. However, China has now caught up with—and even surpassed—its European competitors in many high-tech sectors, such as electric vehicles and solar panels, where it dominates the global market. In these areas, Europe has no choice but to step up and compete with China. Here, the EU's competitiveness issues pose a serious challenge—no coincidence that this has become a central focus during Hungary's EU presidency. The EU must find ways to make its own companies more competitive, including against their Chinese counterparts.

At the same time, inevitable economic competition does not need to extend to other areas, nor should it necessarily turn into a geopolitical or ideological conflict. The EU has no territorial disputes with China and no irreconcilable geopolitical interests, as the EU is not a traditional great power. The EU has always aimed to act as a normative power in international affairs, but this has only been effective as long as it could support its values with economic strength and attraction. Europe should

not abandon its values, but emphasizing ideological differences is unnecessary and can only strain relations without achieving any real impact. Therefore, it is wise to limit competition to the economic domain and enhance Europe's soft power by strengthening the continent rather than engaging in ideological battles.

There are critical technological areas from which it may be wise to keep Chinese competitors at a distance. However, this does not mean that cooperation should be excluded in other fields. The "small yard, high fence" approach should also be adopted in the EU—outside of protected areas, cooperation could be increased. This is particularly justified by the fact that in many fields, the Chinese are already ahead of their European counterparts, so there is less need to fear the transfer of European technology; instead, European companies can learn from their Chinese counterparts. In these segments, collaboration does not weaken but rather strengthens the EU's competitiveness.

A potential second Trump presidency could provide an opportunity to reinvigorate the concept of European strategic autonomy, as it might compel the EU to stand on its own feet in an increasing number of areas. This will not be an easy process, but it could expand the EU's room for maneuver in the long term and enable a more independent China policy.

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