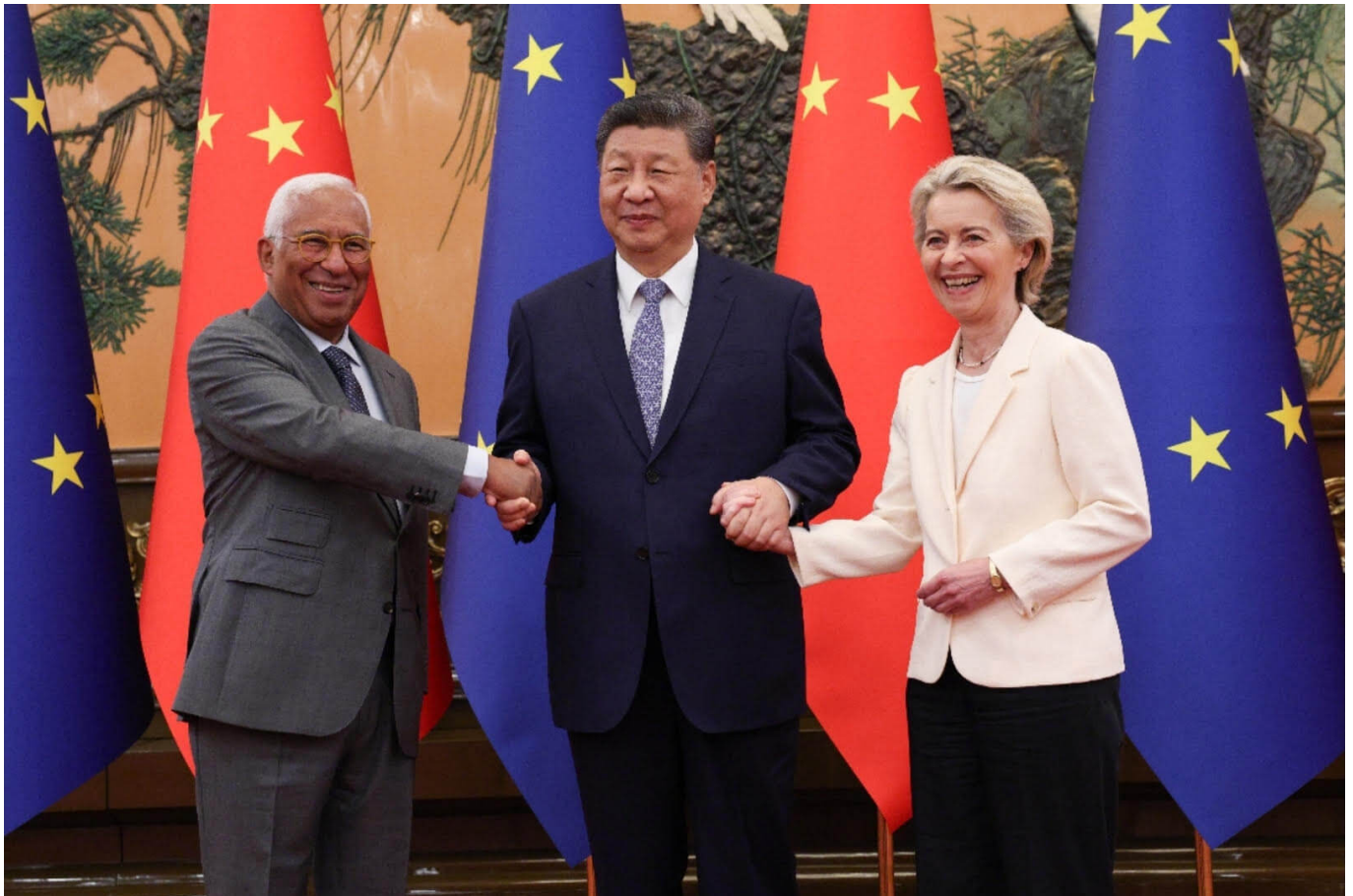




By: Tomorrow's Affairs Staff

Europe is seeking its own place between Washington and Beijing



The EU-China **summit**, held in Beijing on 24 July, did not resolve any outstanding issues, but it did confirm an essential truth: relations have reached a point where there is no return to the previous level of trust.

"We have reached an inflection point," **said** the President of the European Commission, Ursula von der Leyen, after the one-day meeting, although it was originally planned as a two-day political format. It ended in silence and without a joint press conference.

The tone of the meeting was in keeping with its duration. The European delegation travelled with a list of demands that pointed to a deep structural imbalance.

The EU's trade **deficit** with China stood at a record 305.8 billion euros in 2024, by far the highest balance in the history of bilateral relations.

The delegation was dominated by the call for a "rebalancing of trade" - which in Brussels' language means reducing Chinese subsidies, abolishing export restrictions, and opening up access for European products, primarily in the automotive and pharmaceutical industries.

Chinese President Xi Jinping made no secret of his displeasure at the tones coming from Europe. He called on the EU "to make correct strategic choices" and avoid politicising the economy.

Xi reiterated Beijing's old position - trade relations should remain open, without restrictive measures, and not be used as leverage in other political issues.

However, the EU now views trade as more than just an economic matter. It has become an instrument of political struggle.

The EU-China summit's symbolic outcome

There are many concrete examples. In recent months, China has **restricted** exports of rare

minerals, especially clays rich in scandium and yttrium, which are important for the production of batteries, optical devices, and military components.

European battery and car manufacturers have been struggling with shortages. In June, under pressure, China **increased** its exports of these raw materials by 245 per cent compared to May, but the volume was still 35 per cent lower than the previous year.

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In Beijing, the European leaders called for a stable and transparent system for future export licences. They also **called** for the abolition of subsidies for Chinese manufacturers of electric vehicles, which have an unfair advantage on the market under the current conditions.

In parallel, the European Union is developing a strategy to diversify the supply of critical raw materials and strengthen resilience in the energy sector to reduce dependence on external factors.

Although this is an internal stabilisation measure, the Chinese authorities interpret it as a signal of political distancing, further exacerbating already tense relations.

The issue of Ukraine remains one of the deepest divergences. European leaders are increasingly openly **disputing** China's stance on the war and believe that its declared neutrality is in fact a political favouritism towards Moscow.

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Ursula von der Leyen called on the Chinese leadership to use its influence as a member of

the Security Council to contribute to the cessation of hostilities. Beijing has not given a concrete response.

What should have been a diplomatic step became a formality. The summit ended without a joint declaration. The only document agreed upon by both sides **relates** to cooperation on climate change - joint commitments to reduce methane emissions, share technologies, and prepare for the next COP30 meeting in Brazil.

However, this is only a symbolic result compared to the depth of systemic disagreements.

Approach driven by risk assessment

The European capital is openly expressing its lack of patience. In recent months, Brussels has already imposed provisional anti-dumping duties on imports of Chinese vehicles and solar panels.

A new package of measures is in preparation, which could **include** restrictions on access to European tenders, additional controls on foreign investments, and new tariff quotas.

At the same time, European companies are increasingly diversifying their supply chains – they are not completely abandoning China but are opening up alternative supply chains to India, Vietnam, and Mexico.

Risk assessment, not mutual trust, now drives the European approach to China. Instead of opening up further, Brussels is focusing on control and limiting dependence in sectors it considers strategic.

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China remains an important market for major

European industries, especially for German automotive and engineering companies. This economic fact makes it difficult to make politically tough decisions.

Brussels has so far avoided a confrontation following the example of the United States, but developments show that the dividing line is rapidly approaching.

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In recent years, Chinese diplomacy has systematically built relationships with European governments, particularly Hungary, Serbia, and Italy, through bilateral agreements, investment funds, and infrastructure projects. It is now trying to cash in this capital at a time when relations with Berlin and Paris are becoming fragile.

Europe between two powers

The European Union is entering a phase of controlled separation from China. The focus is no longer on preventing the split but on its speed and extent.

Brussels is preparing new rules that would allow the introduction of tariffs on goods from high-emission countries. Although they are presented as climate measures, in practice they would hit Chinese industry the hardest.



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In the background of all this remains a political question that neither Beijing nor Brussels are willing to openly formulate - whether the world is entering an era of strategic bloc trade in which there is no longer a universal platform such as the WTO, but relations are redefined by bilateral terms and regional blocs.

In this context, the meeting in Beijing was not unsuccessful because it did not produce any concrete results.

It was unsuccessful because it highlighted the difference between two worlds that were once able to work together but no longer trust each other, even if they are guided by economically rational interests.

For the European Union, the next step is not in Beijing, but in Brussels. The challenge lies in crafting an economic approach to China that avoids both passivity and fear.

And how to position Europe between two global powers that are increasingly ignoring the rules in favour of power.