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Report on:

China-EU Summit 2018 – Implications for Europe

Broader question

The 2018 China-EU Summit was held in Beijing on 16-17 July. It marked an inflection point in heretofore difficult bilateral relations between the two trading giants. For the first time in three years, Beijing and Brussels managed to issue a joint statement after the summit. In 2016, there were disagreements over the South China Sea while in 2017 the contentious point was the question of market economy status. Some observers view the 2018 China-EU Summit as a turning point, since there have been some concessions made, in particular by the Chinese side which was unusually open to compromise, ready to offer the Europeans things that had always refused to concede. However, the picture is more nuanced.

Focused summary

- At the 2018 China-EU Summit the two sides succeeded in issuing a joint communiqué for the first time in three years, though problems of the past are still hovering over EU-China relations;
- The changing factor this time was Trump's trade wars which have opened a rift in the transatlantic alliance;
- The split between Trump and the rest at the Group of Seven summit in June confirmed that the Europeans are losing a long-time ally, at least in trade policy. On the eve of the 2018 EU-China summit, US President Donald Trump designated the EU as "a foe" on trade issues - an astonishing remark for a US President;
- Trump is also hitting at China which is now seeking new friends, and the EU looks like the best of all possible candidates;
- The EU is now China's most important trading partner, while China ranks number two for the EU, after the US. Today, China and the EU trade around €1.5 billion in goods each day;
- Both China and the EU are responding in kind to Trump's unilateral moves. China is penalizing US exports, focusing on products coming from constituencies that support Trump. The EU is not following a tit-for-tat strategy for the moment, out of hope that further negotiations will put transatlantic relations back on track.