

Global trade: In the age of Trump, Beijing pivots to Europe

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China's aim in Brussels this week is to undercut US leadership in global trade.

The most important person at this week's EU-China summit won't be in attendance.

After a decade in which China largely regarded the EU as a pool of rich consumers, Beijing suddenly senses an opportunity in Brussels.

The reason? In no small part, it's Donald Trump.

China has responded to the U.S. president's promises of "America first" protectionism with cross-continental overtures and an effort to present itself globally as a champion of free trade and openness. If the transatlantic tide is to recede, China wants to be able to take advantage of the vacuum.

After a robust defense of globalization by President Xi Jinping in Davos, the annual high-level summit in Brussels was brought forward a month. Taking place on Thursday and Friday, it is expected to be used as a forum by China to emphasize what it says is a mutual commitment to international cooperation in trade, and also fighting climate change.

Beijing's pivot toward Europe comes at somewhat of an awkward time for the Chinese. Relations between Brussels and Beijing are first and foremost about trade. And Europe is showing signs of frustration over imbalances in that relationship.

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The two sides may have temporarily back-burnered a fierce disagreement over Chinese dumping and market economy status at the World Trade Organization, but European concerns about Chinese restrictions on foreign investments are threatening to turn into an uproar. This week's gathering follows China's showcase "one belt, one road" summit in May in Beijing aimed at boosting cross-continental Eurasian trade that several European leaders declined to attend.

In the age of Trump, Beijing might be forgiven for believing it has a message it can sell to Brussels. Both prefer working through multilateral institutions (unless it comes to the South China Sea) to unilateral action (at least when it's being carried out by Washington). And both China and Europe — Germany in particular — are in Trump's crosshairs when it comes to trade balances and alleged currency manipulation.

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billion, a 77 percent jump from 2015, according to the Mercator Institute for China Studies and Rhodium Group.

And while China might not spend much time thinking about the “European project,” it does value predictability and stability — especially in a region that has become an increasingly important destination for investment. Where Moscow considers the EU and NATO as rivals to be divided and weakened, China sees European integration as something to be encouraged, and Europe as a potential, if highly unlikely, multipolar rival to the U.S.

Having established a base in a trade-friendly and financially sophisticated U.K. to exploit opportunities in continental Europe, China was firmly opposed to Brexit. Now that Britain is leaving, Beijing has already shifted the focus of its attention from London to the Continent. That’s why, in a meeting with EU foreign policy chief Federica Mogherini in Beijing, Chinese Premier Li Keqiang said China “supports European integration and expects the EU to remain united, stable and prosperous.”

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Just over a decade ago, amid geopolitical tensions caused by the 2003 U.S. invasion of Iraq, Chinese geopolitical strategists entertained the notion that Beijing and Brussels could form a “comprehensive strategic partnership” that would serve as a counterweight to American hegemony. This time, the ambitions are much more modest.

Trump notwithstanding, there are few in Washington, Beijing or Brussels who believe China would be a more reliable ally to Europe than the United States. China, in any case, doesn’t see the EU — preoccupied with a litany of problems (terrorism, uneven growth, migration, Brexit) — as a serious geopolitical player.

What Beijing wants from Brussels is simple. Its mission this week: to undercut U.S. leadership in global trade, and to make sure that rising levels of European anxieties don’t turn into a problem.

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P.S.

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