

**Viktor ESZTERHAI – Zoltán VÖRÖS: EU-China détente:
A strategic shift or just a return to pragmatism?¹**

Executive Summary

- The tariff measures and unilateral geopolitical steps announced by the United States in the spring of 2025 prompted the European Union and China to set a new direction for their diplomatic and economic policy dialogue.
- The easing of relations does not signify a genuine strategic shift. The rapprochement is more the result of reactive pragmatism arising from economic self-interest and geopolitical pressure, rather than the realization of a comprehensive, pre-planned China policy.
- The rapprochement encounters institutional and political constraints: a significant part of the EU's political elite has been socialized in anti-China rhetoric, public opinion is distrustful, and transatlantic relations continue to fundamentally shape the EU's foreign policy maneuvering space.
- The renegotiation of the frozen Comprehensive Investment Agreement could be one of the key elements for a substantial shift in the relationship. Under the current framework, however, at most a green and technology-focused partial agreement seems realistic.

In recent weeks, the relationship between the European Union and China has gained new momentum due to increasing trade tensions and the impact of U.S. tariff measures. Following a long period of stable economic partnership, relations have reached a significant low point since 2020, but recent developments – such as high-level diplomatic consultations and industry negotiations – suggest the possibility of normalization. The analysis seeks to answer the question of whether these events are signs of a genuine strategic shift in EU foreign policy or merely indications of a return to pragmatic cooperation. The study, by weighing the arguments and counterarguments, concludes that the current détente is not a sign of a comprehensive strategic shift, but rather a pragmatic response to the current geopolitical and economic pressures.

1. Introduction

Recent developments in the past few weeks suggest that a new phase may be beginning in the relationship between the European Union (EU) and China. This process is particularly noticeable in the context of recent years, as after December 2020 – when the EU and China conceptually accepted the Comprehensive Agreement on Investment (CAI)² – bilateral relations significantly deteriorated. The previously stable and mutually beneficial economic partnership has gradually been replaced by political tensions, sanctions, distrust, and strategic differences. However, the

current events suggest that the parties on both sides are seeking ways to restore dialogue and are cautiously considering possible areas of cooperation. What specific signs indicate this changing dynamic?

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² [EU-China Comprehensive Agreement on Investment](#), European Commission, n.d. [online, 2025.04.25.]

- On April 8, 2025, Ursula von der Leyen, President of the European Commission, and Li Qiang, Premier of the People's Republic of China, held a phone conversation during which they discussed the potential impacts of the tariff measures, announced by the United States at the end of March 2025, which could reach up to 145%. The measures targeted Chinese solar panels, lithium-ion batteries, electric vehicles, and other technological products. The EU fears that these American tariffs could cause trade diversion, and due to overproduction pressure, these Chinese goods might appear at dumping prices in the European market, distorting competition and endangering the European industry. Li Qiang emphasized that China is committed to maintaining markets and the multilateral regulatory system, while also being ready for dialogue and cooperation to restore trade balance.³
- On April 10, 2025, the European Commission confirmed that preliminary negotiations had begun with China to avoid import tariffs on Chinese electric vehicles under so-called "minimum price agreements." The goal is to avoid the imposition of 20-30% punitive tariffs that the EU has considered due to Chinese dumping. Chinese manufacturers such as BYD, NIO, and SAIC are participating in the negotiations, while the European side is represented by Renault, Stellantis, and the Volkswagen Group.⁴
- On April 11, 2025, Spanish Prime Minister Pedro Sánchez made an official visit to Beijing, where he was received by President Xi Jinping. At the meeting, Xi emphasized that the EU and China must jointly oppose unilateral protectionist measures, clearly referring to the United States' trade policy. Sánchez confirmed that Spain supports the balanced and constructive development of EU-China relations, particularly in the areas of green and digital transition.⁵

2. The driving forces behind European-Chinese rapprochement

The rapprochement is clearly driven by American foreign and trade policy actions. On the one hand, the EU-hostile behavior of the American political leadership at the Munich Security Conference⁶ or in the leaked Signal conversation regarding the bombing of Yemen⁷, on the other hand, the active interference in elections⁸, and finally the resumption of American-Russian communication have surprised the European political elite. Regarding the latter development, Beijing also reacted with disapproval to Washington's efforts to ease Chinese-Russian relations. The principle of reciprocal tariffs fundamentally calls into question the rules of the international trading system and harms the economic interests of both European states and China. The economic relations with the United States are of paramount importance for both parties, thus avoiding uncertainty and resolving the situation created by Washington appear as common interests: these two developments collectively conveyed the message to the EU and China that the United States is willing to unilaterally rewrite the rules of the game – which does not serve the interests of either party. Both the EU and China find it crucial to be part of the rule-making processes, rather than just suffering the consequences.

Therefore, it is worth asking the question: is there a genuine, strategically significant shift occurring in the EU-China relationship – in line with the EU's efforts towards reinforced strategic autonomy – or are we rather witnessing the first signs of a return to pragmatic relations? This analysis argues in favor of the latter.

³ [Read-out of the phone call between President von der Leyen and Chinese Premier Li Qiang](#). European Commission, 2025.04.08. [online, 2025.04.25.]

⁴ [EU, China will look into setting minimum prices on electric vehicles, EU says](#). Reuters, 2025.04.10. [online, 2025.04.25.]

⁵ [Xi Jinping Meets with Spanish Prime Minister Pedro Sánchez](#). Ministry of Foreign Affairs The People's Republic of China, 2025.04.11. [online, 2025.04.25.]

⁶ [JD Vance stuns Munich conference with blistering attack on Europe's leaders](#). The Guardian, 2025.02.14. [online, 2025.04.25.]

⁷ [Disdain for Europe in US Signal chat horrifies EU](#). BBC, 2025.03.25. [online, 2025.04.25.]

⁸ MOMTAZ, Rym: [Taking the Pulse: Is Elon Musk Meddling in European Politics?](#) Carnegie, 2025.01.23. [online, 2025.04.25.]

3. Arguments in favor of the strategic shift

Those expecting a turnaround assume that there could be a lasting break in Atlantic relations, which would allow the EU to become an independent pole in an increasingly multipolar international system.

- The argument is strengthened by the fact that the main reason for the deterioration of Chinese-European relations was the increasingly competitive nature of American China policy. Since the 1990s, the relationship between the EU and China had been harmonious, based on economic cooperation. During the first Trump administration, however, the most committed American allies (the United Kingdom, Poland, the Baltic states) began to distance themselves from Beijing. During the Biden administration, the anti-China rhetoric intensified further: the securitization of economic relations and the emphasis on ideological confrontation became more pronounced, and Washington's policy globally strengthened its stance against China. The relationship further deteriorated when the European Parliament froze the ratification of the CAI in the spring of 2021⁹, and the tensions were only exacerbated by the COVID-19 pandemic and Russia's invasion of Ukraine. Moreover, at the 2022 NATO summit in Madrid, member states named China as a systemic challenge for the first time¹⁰ – marking another level in the transformation of the EU's position. A potential distancing from the United States could also make the EU's foreign policy manifestations independent from American interests.
- Another argument worth highlighting is that the actual geopolitical conflicts of interest between the EU and China are relatively limited. China has primarily remained an economic player on the global stage, and this presence does not necessarily pose a challenge for the EU; in fact, in certain cases, it can even play a supportive role. A good example of this is China's infrastructural presence in the Western Balkans¹¹, where Chinese investments can also support European integration by encouraging trade between states and towards the EU.
- Both parties are also interested in maintaining the stability of the international system – and this applies not only to trade and WTO membership but also to security and participation within the UN. The EU and China are both interested in protecting current trade processes and maintaining global processes, and they also find common ground in addressing global challenges (climate change, terrorism, other security challenges). In this regard, multilateralism could also be a common interest, while China has been interested in building such a world for years, the EU has taken more limited foreign policy steps in this direction.
- The European effort towards strategic autonomy envisions a more independent entity from the United States, which, due to the currently cool transatlantic relations, could gain further momentum and the EU could continue to build its role aimed at achieving global political balance, emerging as a third force alongside China and the United States. In such a position, the strategic cooperation creates opportunities – but at the same time generates challenges for the EU, for example, due to more favorable trade processes for China or their technological dominance observed in certain sectors.
- Finally, but not least, we must not overlook the ongoing technological revolution and the green transition, which intertwine the relationship between the two actors. The cooperation of leading powers in the field of environmentally friendly solutions can provide an obvious platform for a broader strategic agreement, but technology and trade related tensions are also present here.

⁹ [MEPs refuse any agreement with China whilst sanctions are in place](#). *European Parliament*, 2021.05.20. [online, 2025.04.25.]

¹⁰ SIMÓN, Luis: [The Madrid Strategic Concept and the future of NATO](#). *NATO*, 2022.06.02. [online, 2025.04.25.]

¹¹ For example, the Serbian section of the Belgrade-Budapest railway, the Belgrade-Niš railway line as part of the trans-European transport network (TEN-T) Corridor X, or the Kichevo-Ohrid highway in North Macedonia as part of Corridor VIII.

4. Arguments against the strategic shift

At the same time, the obstacles and structural constraints that fundamentally challenge the feasibility of such a strategic shift cannot be overlooked, as they highlight the political, institutional, and social difficulties associated with its implementation.

- Key actors within the institutions of the European Union and among national political elites largely assumed power during a period when a China-critical approach was becoming dominant across Europe, particularly following the 2019 European Parliamentary elections (e.g. the strengthening of Renew Europe and the Greens) and the establishment of the new European Commission.¹² This political shift was shaped partly by American foreign policy pressure and partly by public expectations, but certain provocative actions in Chinese foreign policy also contributed (e.g., Hong Kong laws¹³, military expansion in the South China Sea¹⁴, wolf warrior rhetoric¹⁵). The perspective of treating China as an adversary has also become institutionalized in key positions such as the European Parliament, certain directorates-general of the European Commission, and the foreign policy committees of national parliaments. A critical perspective on China has since become institutionalized in key positions, such as within the European Parliament, the directorates-general of the European Commission, and the foreign affairs committees of national parliaments.¹⁶ This approach is reflected not only in official institutional documents, but also in the communication of leading political figures. One prominent example is Ursula von der Leyen, the re-elected President of the European Commission, who has repeatedly expressed public criticism of China during her tenure. Particularly significant was her speech delivered on 30 March 2023 at the MERICS Institute in Berlin, in which she described China as “a regime becoming more repressive,” and “an increasingly assertive competitor and systemic rival” for the EU.¹⁷ This political and institutional legacy presents a substantial obstacle to any rapprochement strategy toward China, as strategic decisions require not only governmental intent, but also broad institutional consensus. Moreover, numerous EU resolutions have been adopted in recent years that contain specific political stances against China (e.g., human rights statements¹⁸, support for Taiwan¹⁹, exclusion of Chinese technology companies from 5G network developments).²⁰ Reversing these would not only pose technical but also political risks.
- The middle classes of Western European societies – especially the politically active groups that have a significant presence in elections – have strong reservations about China. This distrust stems from multiple sources.²¹ The European (and particularly influential Anglo-Saxon) media predominantly portray China in a critical light – emphasizing the lack of civil liberties, the extent of digital surveillance, human rights issues, and non-transparent foreign trade practices. Above all, the Biden ad-

¹² SAARI, Sinikukka – HELWIG, Niklas – JOKELA, Juha – MATTLIN, Mikael: [EU-China Relations in an Uncertain World: Walking a Geopolitical Tightrope](#). *FIIA Briefing Paper* 376, Finnish Institute of International Affairs, 2023.11. [online, 2025.04.25.]

¹³ [Hong Kong national security law: What is it and is it worrying?](#) *BBC*, 2024.03.19. [online, 2025.04.25.]

¹⁴ CAMPAGNOL Lorenzo: [China's Rising Assertiveness in the South China Sea](#). *iari.site*, 2022.03.04. [online, 2025.04.25.]

¹⁵ YUAN Shaoyu: [Tracing China's diplomatic transition to wolf warrior diplomacy and its implications](#). *Nature*, 2023.11.18. [online, 2025.04.25.]

¹⁶ GARCÍA-HERRERO, Alicia – VASSELIER, Abigaël: [Updating the EU Strategy on China: Co-Existence While De-Risking Through Partnerships](#). *Policy Brief* 27/2024, Bruegel, 2024.10.31. [online, 2025.04.25.]

¹⁷ VON DER LEYEN, Ursula: [Speech on EU-China Relations at the MERICS](#), 2023.03.30. [online, 2025.04.25.]

¹⁸ European Parliament: [The Human Rights Situation in Xinjiang](#). Delegation for relations with the People's Republic of China, 2022.06.09. [online, 2025.04.25.]

¹⁹ European Parliamentary Research Service: [Taiwan: A Key Partner in the Indo-Pacific](#), 2024.02.28. [online, 2025.04.25.]

²⁰ The Wall Street Journal: [Germany to Remove Huawei From Mobile Networks](#), 2024.07.13. [online, 2025.04.25.]

²¹ TURCSÁNYI, Richard Q. – GERSTL, Alfred – KIRONSKÁ, Kristína – DUBRAVČÍKOVÁ, Klára – IOCOVOZZI, James – GRIES, Peter – ŠIMALCÍK, Matej – TSIMONIS, Konstantinos – MAGANO, José – DOĞAN, Erhan – ESSA, Jony – TOETTOE, Benjamin – RUEHLIG, Tim – BĚRZIŇA-ČERENKOVA, Una Aleksandra – JIANG, Diya – AUBIE, Hermann: [Trans-Atlantic public opinion on China: Great power competition amidst Russian invasion of Ukraine](#). *CEIAS*, 2022. december. [online, 2025.04.23.]

ministration's framing of the world as a divide between "free democracies" and "authoritarian regimes" has had a particularly detrimental impact on European societies' perception of China. The COVID-19 pandemic and the Russian-Chinese strategic partnership, particularly the Chinese support during the war against Ukraine, have also significantly contributed to China's negative perception. In the eyes of many Europeans, this has morally compromised China, and the news from Ukraine about captured soldiers of Chinese nationality fighting on the Russian side has not helped China's image either. Finally, China's foreign policy style has also caused minor damage (albeit in a less significant way than in the United States): a 'wolf warrior diplomacy' that often strikes an open, confrontational tone, alien to Western European negotiating and diplomatic culture. As a result of all this, policymakers – although driven by pragmatic intentions – have only limited room for maneuver, as public opinion may punish excessive openness at the ballot boxes. Elected politicians are thus forced to follow a cautious and defensive China policy, even if the optimal direction from an economic standpoint would be different.²²

- The Federal Republic of Germany, as the strongest economic power and foreign trade center of the European Union, is an indispensable player in any substantive development of EU-China relations. China has been one of Germany's most important foreign trade partners for years, especially in key sectors such as the automotive industry, machinery manufacturing, and the chemical industry, which significantly depend on the accessibility and stability of the Chinese market. At the same time, the rearrangement of the German domestic political environment raises questions about whether the country will be able and willing to take a leading role in establishing a new, more balanced EU-China relationship. The current Chancellor, Friedrich Merz, and the leadership of CDU-CSU are decidedly Atlantist in orientation and have not yet made any foreign policy gestures that would indicate a move towards closer cooperation with China. Although the Christian Democratic government is expected to pursue a more pragmatic policy – especially under the pressure of industrial and business lobbies – compared to the previous value-based foreign policy of Scholz's 'traffic light coalition', it is unlikely that Germany will be the initiator or driving force behind the future recalibration of European China policy. Rather, it will adopt a moderately cautious stance based on economic rationality, but politically defensive, which allows for certain bilateral industrial cooperations but does not create a foundation for a strategic shift at the EU level. This, in turn, refers back to the element mentioned during the green transition: while the technological shift may support European interests, the Chinese dominance and the resulting losses for European industry will continue to caution EU member states. In the context of the Chinese electric vehicle industry mentioned in the introduction, we can observe the European dilemmas and conflicting interests.
- We cannot overlook the fundamental global roles and thus interests of both parties: while China is an economic player in trade relations, the EU is interested in protecting its own markets, while also acting globally as a defender of human rights.²³ Strategic cooperation from both parties would come at the expense of these interests, and moreover, the EU's vision of a 'third power' role could also become questionable with the establishment of a more significant Chinese economic-trade dependency – thus, for the EU, it is uncertain what depth of cooperation it could develop with Beijing.
- We must also address the security policy situation of the EU, which continues to be guaranteed by NATO and thus by the United States. European states, no matter how optimistic they are about their own security capacities and their development, are not ready to break away from Washington;

²² HUTT, David: [The numbers behind Europe's anti-China sentiment](#). *Asia Times*, 2021.07.09. [online, 2025.04.25.]; JOHNSON, Luke: [What Europe Thinks ... About China](#). *IP Quarterly*, 2023.03.24. [online, 2025.04.25.]

²³ All of this action is defined by the Union's foundational document. As stated in the first paragraph of Article 21 of the TEU, "The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law." All this is reaffirmed by Article 3, paragraph 5: "In its relations with the wider world, the Union shall uphold and promote its values and interests." Treaty on European Union. EUR-Lex, n.d. [online, 2025.04.25.]

they still depend on NATO, and this dependency will continue to define the community's foreign policy options in the coming years.

- Finally, it must be emphasized that the internal fault lines and differing perspectives on foreign policy among EU member states continue to hinder the formation of a unified China policy on the European level. And here, it is not only the different positions on China that are decisive, but primarily the relationship with the USA, because several member states see China policy as a kind of pressure tool through which they can leverage with the American administration, annoy or please Washington.

Overall, we see that although there are efforts pointing towards strategic cooperation, the inherent characteristics and considerations opposing them are often more significant. Among these, the historical significance of transatlantic relations, which also influences the thinking of European citizens, the foreign and security policy of the United States that has guaranteed security since World War II and, with this capability, has kept the European Community safe, as well as the impact of American soft power on Europe, must be highlighted. As a result, the establishment of a deeper agreement is currently unlikely, and thus one can expect not a genuine strategic turnaround, but merely a pragmatic adjustment of the existing policy.

5. The prerequisite for the strategic turnaround

For a real turning point – taking into account the previously mentioned political, institutional, and social characteristics – significant compromises would be necessary from both parties. Deepening the rapprochement and establishing a sustainable, strategic-level relationship would require the fulfillment of two fundamental conditions:

- The European Union should partially abandon its critical political-legal stance towards China. This would involve reviewing the statements and resolutions adopted in recent years, which, among other things, pertained to human rights issues, Taiwan, or the exclusion of Chinese technology companies. Their withdrawal would not only enable the resumption of political dialogue but could also facilitate the lifting of the sanctions imposed by the Chinese side in 2021, which target EU politicians and research institutions in response to the EU's sanctions on Chinese human rights violations.
- China should primarily make substantial concessions in the economic and trade sectors, especially in a way that reduces the structural competitive disadvantages perceived by the EU. This could include, for example, curbing Chinese overcapacity, ensuring fair market competition in the electric vehicles and batteries market, or strengthening technological transparency.

One of the most important indicators of a deeper turnaround between the two parties could be the initiation of the renegotiation of the previously mentioned Comprehensive Agreement on Investment (CAI). Although the agreement was theoretically accepted at the end of 2020, the European Parliament froze it in 2021—because Beijing imposed sanctions on European politicians and institutions in response to the EU's human rights sanctions addressing the situation of the Uyghurs. Beijing has kept the issue on the agenda since then, indicating that the agreement remains a priority for them.

The potential renegotiation of the CAI would not only be an economic but also a symbolically significant geopolitical step amidst the increasingly unpredictable trade policy decisions of the United States. Such a step could convey the message that the EU and China are capable of cooperating within bilateral frameworks, especially in the protection of the multilateral trade system.

From a technical standpoint, the European Commission has the institutional mandate to initiate the resumption of negotiations. At the same time, significant political and legal conditions would need to be met, including:

- the lifting of Chinese sanctions against European political and scientific actors;



- as well as the development of a kind of political consensus among EU member states that it is worthwhile to return to the negotiations of the agreement for economic and strategic reasons.

In light of all this, a more realistic scenario seems to be the partial, sectoral renegotiation of the CAI, primarily in the areas of green investments and technological cooperation. Due to the investment framework nature of the agreement, it offers a certain degree of flexibility, thus providing the opportunity to incorporate targeted, updated agreement elements without having to rewrite the entire agreement.

Even such a limited, targeted agreement could represent the first step in repositioning relations and an important indicator of a future strategic shift. This could not only provide an opportunity for the gradual restoration of trust but also create a structural basis for re-framing EU-China cooperation in the face of global challenges.

6. Summary

The analysis points out that we cannot speak of a strategic turnaround, but rather political gestures aimed at giving more space to pragmatic, economically focused cooperation. Unilateral American economic policy, tariffs, and specifically their unpredictability can steer both parties towards new relationships and deepening existing collaborations. This could particularly yield results in the economic sphere, primarily in the community regulation of trade and in certain areas such as the green economy.

The EU's China policy is also a litmus test for the extent to which the principle of strategic autonomy can be implemented in practice. Achieving strategic autonomy would require the EU to be able to develop a China policy independent of Washington. For this, however, it is essential that the European elite do not merely view the Trump era as a temporary mistake, but see the trend-based change in transatlantic relations in American foreign policy.

Finally, even if no real turnaround occurs in the EU's China policy, the skillful playing of the China card could be an important element in negotiating with Washington. However, this would require skillful maneuvering and, beyond mere gestures, real progress in certain areas. Playing the China card poorly would only diminish the EU's value in the eyes of the USA and portray it as an even weaker negotiating partner.



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