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New CER pamphlet

## **EMBRACING THE DRAGON**

### **The EU's partnership with China**

**By Katinka Barysch**  
**with Charles Grant and Mark Leonard**

EU-China relations look troubled: the EU is having second thoughts on lifting its arms embargo on China and it is considering a clampdown on Chinese textile imports. But such disagreements are to be expected as the two sides broaden and deepen their relationship. The EU is now China's most important market. For the EU, only the US still ranks higher as a trading partner. The Europeans are offering to help China reform its economy, write better laws and clean up the environment. They work with China in the United Nations, the WTO and other international forums. They want to build a genuine 'strategic partnership'.

Yet most Europeans are hardly aware of China's growing importance. While Americans are fuming about their \$160 billion trade deficit with China, most West Europeans worry more about low-cost competition from Eastern Europe. But China's economic rise is turning up the heat on the EU, and not only in textiles. Moreover, China's growing economy and voracious appetite for energy are turning it from a regional into a global power. Wherever the EU is likely to look in coming years – Africa, Central Asia or the Middle East – China will be there too. And whatever the EU wants to achieve on global issues – from climate change to weapons proliferation – it will need China's consent or co-operation.

However, the EU often finds it difficult to think about China in strategic terms. The EU's policies do not always contribute to its objectives of making China more stable and democratic, and turning it into a reliable global partner. Short-term commercial rivalry between EU countries sometimes frustrates long-term goals. And the EU's lack of interest in Asian regional security is likely to lead to conflict with the US. This pamphlet argues that the EU and China share a lot of interests and objectives. But it warns that they need to be aware of their differences to avoid tensions and disappointments. It concludes with some ideas on how EU-China relations can be improved.

#### Notes for editors:

1. Katinka Barysch is the chief economist, Charles Grant is the director and Mark Leonard is director of foreign policy at the Centre for European Reform.
2. For further enquiries, please contact us on + 44 20 7233 1199 or [pressoffice@cer.org.uk](mailto:pressoffice@cer.org.uk).
3. This pamphlet can be ordered from the CER website ([www.cer.org.uk](http://www.cer.org.uk)) or by contacting Kate Meakins at [kate@cer.org.uk](mailto:kate@cer.org.uk) or on + 44 20 7233 1199.

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