



Preview: EU's trip to China between April 5-7th

OVERVIEW

- European Commission (EC) President von der Leyen (vdL) and French President Macron are scheduled to visit China between April 5th and 7th, as confirmed by the Chinese Foreign Ministry.
- This trip follows closely on the heels of Chinese President Xi Jinping's recent three-day visit to Moscow, where he met with Russian President Putin and the two nations deepened their ties across various sectors, such as military strategic communication and coordination.
- China's Commerce Minister Wang Wentao plans to visit Brussels in April, where he is expected to work towards stabilising the somewhat tumultuous China-EU relations, as reported by SCMP sources.

SCHEDULE (TIMINGS TBC)

- EC President vdL meeting with the EU Chamber of Commerce in China.
- Chinese President Xi and Premier Li are to meet French President Macron.
- Chinese President Xi and Premier Li are to meet EC President vdL.
- Trilateral summit between Presidents Xi, Macron, and vdL "in the afternoon".
- EC President vdL to hold a bilateral meeting with President Xi.

EUROPE'S STANCE

EUROPEAN COMMISSION: European Commission President VdL outlined the EU's new approach to China in her speech on March 30th.

- The new strategy aims to safeguard the bloc's interests, values, and citizens while addressing concerns over China's growing proximity to Russia.
- VdL outlined three main pillars: bolstering economic security, acting more assertively, and selectively cooperating
 with China, and emphasised the need for a new EU economic security strategy and urged the bolder and faster
 use of existing tools, including the Foreign Subsidies Regulation and the new anti-coercion instrument.
- She also proposed developing new defensive tools to screen exports of dual-use technology to systemic rivals' like China, and reassessing the stalled EU-China Comprehensive Agreement on Investment. FT reported that the "new defensive tools" will be used to monitor technology, including quantum computing, robotics, artificial intelligence, and biotech.
- The European Commission President also stressed that the bloc's approach is not about decoupling from China, but rather reducing risks and maintaining cooperation in specific areas.
- Analysts at RANE said the announcement demonstrates Brussels' intention to take a firmer stance on China while preserving economic and diplomatic relations, as export controls are currently enforced at the member-state level.
- VdL will reportedly say how China positions itself regarding Russia's invasion of Ukraine will determine EU-China relations in the future.

FRANCE:

- Desks suggest President Macron and Chinese President Xi will hold at least three meetings together.
- It is reported that France is hoping to dissuade China from supporting Russia's invasion of Ukraine "but without alienating a crucial trade and geopolitical player", according to France24 citing an official.
- Reports also suggest that Macron will take a firm stance towards Chinese President Xi on Ukraine, while taking "another path" from the directly confrontational tone the US is emanating, the official said.
- SGH Macro sources suggested Beijing will be meeting France's expectations to give large amounts of trade orders, "exceeding tens of billions of euros". The sources added that orders are to involve nuclear power plants, aviation and luxury goods.
- French President Macron will be travelling with representatives of some 50 companies including Airbus (AIR FP), Alstom (ALO FP), and EDF (EDF FP).





 Airbus is reportedly discussing a new round of plane orders from China ahead of French President Macron's visit to China, according to Reuters citing sources; China State Planner, after meeting with the Airbus CEO, said China will continue to help Airbus deepen its cultivation in China.

CHINA'S STANCE

- SGH Macro suggests President Xi will show his support for the EU's response to Washington's Inflation Reduction Act (IRA).
- A senior Chinese official cited by the advisors, said "von der Leyen has been the most hostile towards China among EU leaders since the Ukraine crisis began. We do not expect [her] upcoming trip to improve the relationship between China and the EU, nor...to be conducive to an early truce between Russia and Ukraine. [She] is also among the EU leaders who most advocates decoupling from China's resources and technology, and implicitly advocates abandoning the Comprehensive Investment Agreement [between China and the EU]."
- The desk also suggested that Chinese officials have approached top EU diplomats regarding the Xinjiang-related sanctions.

Disclaimer

The information contained within this document has been prepared and issued by Newsquawk Voice Limited ("Newsquawk") on the basis of publicly available information and other sources believed to be reliable. Whilst all reasonable care is taken to ensure that the facts stated are accurate, neither Newsquawk nor any of its directors, officers or employees shall be in any way held responsible for its content or your use of it. Neither the provision of any content herein nor anything on our website or any other media we use is intended to, and should not be construed as, providing advice and/or enticing an offer or solicitation to invest in, buy or sell securities or other financial instruments.