

D2.5 FIRST PROGRESS REPORT ON RESEARCH CLUSTERS WP2

Project Information	
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Deliverable Information	
Title	D2.5 First progress report on research clusters WP2
WP number and title	WP2: China's Economic Dual Circulation & Economic Diplomacy
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Description	Summary of the activities of WP2 in months 1-11. Preparation for a roundtable discussion on EU-China economic ties featuring experts from various sectors to be organised by Center for East Asian Studies at the University of Groningen. Since the majority of the deliverables are not due until considerably later in the project, the description focuses solely on the upcoming workshop mentioned above.
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0.2	Revised version submitted by Roger Greatrex (29/10/2023)
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1 LIST OF ABBREVIATIONS

Abbreviation	Meaning
DoA	Description of the Action – annex 1 to the GA
EC	European Commission
EU	European Union
CEASG	Centre for East Asian Studies Groningen
CCCM	Centro Científico e Cultural de Macau
EGMONT	The Royal Institute for International Relations
ELCANO	Elcano Royal Institute
IFRI	Institut Français des Relations Internationales
ZSI	Zentrum für Soziale Innovation

2 EXECUTIVE SUMMARY

Planned CEASG Roundtable:

European Union market access in China after Covid: Derisking, Decoupling or Doubling down?

Brief Summary:

Europe is at a crossroads when it comes to its relationship with China. On the one hand, economic ties remain thick and it is clear that China remains an essential partner when it comes to furthering Europe's economic dynamism as well as its transition to a carbon-free economy. On the other hand, the political foundation of the relationship is eroding rapidly. The United States is leaning on Europe to adopt a more restrictive approach to sharing technology. European public opinion of China is increasingly negative. Furthermore, Beijing's ambivalent response to the Russian invasion of Ukraine as well as its increasingly aggressive posturing towards Taiwan has deepened suspicion in many quarters of Chinese geopolitical intentions.

This Roundtable in the context of the EU Horizon research project ReConnect China aims to bring together representatives from government, academia and the private sector to discuss these issues. It will take place on Friday 24 November 2023, at the University of Groningen, CEASG, and is organized by the Faculty of Arts together with the CEASG. The proposal deadline was established as 15/07/2023. The organization committee consists of Dr. Laurens Hemminga, Professor Jan van der Harst, and Professor Tjalling Halbertsma.

3 OVERALL INTRODUCTION

ReConnect China aims to answer the question in which domains collaboration of the EU with China is desirable, possible or impossible. The question in which domains EU collaboration with China is desirable, possible, or impossible starts from the acknowledgment that in the modern geopolitical and geo-economic world, the EU and China stand in a perpetual dynamic relationship with each other. This project therefore identifies the following key fields on which the EU should upgrade its independent knowledge: Science & Technology, Economy & Trade, Domestic Governance, and Foreign Policy. To carry out this project, a database which will provide access to new sources of information will be developed. The independent knowledge that will be generated in this project will bring together stakeholders and experts in a Europe-China Knowledge Forum. The project also envisages to enhance awareness on China among the general public and youth.

Deliverable scope

This report concerns the planned Roundtable, which will take place in November 2023.

4 WORK AND DELIVERABLES OF WP2

There are no other specific deliverables for WP2 due during the period M1 to M11 2023.

The key objective of WP2, which is divided into two sections, namely China's Economic Dual Circulation (T2.1) and China's Economic Diplomacy (T2.2), is to provide a clear and novel analysis of economic and trade policy issues existing between the EU and the People's Republic of China. This will be achieved by:

- Predicting which issues are likely to arise, based on analysis of decisions and actions taken in the short- and medium- term by both the China and the EU, and thereafter reevaluating these issues in the light of European and Chinese economic interests and values, taking into account the democratic underpinnings of the EU.
- Based on the results, WP2 will develop policy recommendations related to EU-China economic strategy and industrial policy, and China's economic diplomacy.
- During the eleven months of the project M1-M11, the WP2 partners, namely Egmont, Elcano, RUG, ZSI, IFRI and CCCM have been actively engaged in desk research, and monitoring and analysing recent and ongoing developments related to the topics established for WP2.
- Major achievements thus far in China's Economic Dual Circulation (T2.1) are the completion of a first draft of a literature review, and an analysis. Work carried out by the participants at Elcano include the literature review, and the preliminary design of a research methodology for the first academic paper focused on trade.
- A decision has been taken that a case study will focus on **electric vehicles**, which has emerged as a key topic in EU-China relations and European industrial policy.
- Forthcoming deliverables for WP2 are due in M32, M33, M36 and M37.

5 CONCLUSIONS

This report specifically concerns a forthcoming CEASG Roundtable with participation from consortium and other stakeholders. Its output will be finally decided during the final session of the Roundtable. Roundtables also benefitting policy paper output will be delivered from RUG participants.

The report also presents some indications of preparatory achievements achieved in ongoing research. As stated above, other dates for deliverables concerning WP2 are not yet applicable.