

A Study on the Development Trends of China Europe Economic and Trade Policies and International Relations under the New Situation

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Abstract: As the two most important economies in the world, China and the European Union (EU) have broad cooperation prospects and have become an important force in stabilizing the global economic and trade situation. They have played an important role in promoting international multipolarity and globalization. As an important trading partner of China, the economic and trade relationship between the EU and China directly affects the promotion of China's comprehensive opening-up strategy. After years of development, China and Europe have formed increasingly close economic and trade ties and occupy an irreplaceable important position in their respective foreign economic cooperation. In the past two years, the EU has faced many internal and external challenges, and its awareness and sensitivity to foreign investment have increased. China Europe economic and trade cooperation is facing new challenges. Although the current international cooperation in China EU relations has made significant achievements in strategic connotation, cooperation fields, and promoting the construction of new platforms, it still faces challenges such as the EU's strategic misgivings about Chinese Century's rise, the contradictions and frictions in the economic and trade relations between the two sides, and the impact of cultural and value differences between the two sides. This article studies the development of China Europe economic and trade policies and international relations under the new situation.

1. Introduction

China and Europe are the two major forces, markets, and civilizations in today's world, and their relationship has a significant impact on global politics and economy [1]. The EU is one of the economies with the closest economic and trade ties and cooperation with China. Over the past 40 years of China's reform and opening up, economic and technological cooperation with European countries has promoted China's economic and social development; At the same time, European countries have benefited greatly from seizing China's opening up opportunities and entering the Chinese market earlier [2]. After its fifth expansion in 2004, the EU has leapt to become the world's largest economy. However, due to the dual impact of the international financial crisis and the sovereign debt crisis in the eurozone, economic growth has been sluggish since 2014, not only being surpassed by the United States, but also gradually narrowing its leading advantage over China [3]. During the European debt crisis, China supported and helped European countries out of difficulties by purchasing European bonds, expanding economic and trade cooperation and other means, and China EU cooperation became closer [4].

At present, the global economy and trade are encountering a new situation of centennial changes intertwined with COVID-19 virus. Both sides have consensus and common interests in global anti epidemic cooperation, economic and trade cooperation and high-level opening up [5]. In this context, studying the development trends of China Europe economic and trade relations, as well as the challenges and opportunities faced in the new situation, is of great significance for the next step of promoting and optimizing China Europe economic and trade cooperation, and enhancing China's level of opening-up and development. Economic and trade relations are the "propeller" and "ballast" of China Europe relations, and also the closest interest bond between China and Europe [6]. In recent years, the industrial structure of the EU has undergone new changes, which have gradually formed a huge tension with China's industrial transformation and upgrading, followed by an

increase in competitiveness between each other. This is an important reason for the current active adjustment of the EU's economic and trade policies towards China. China and the EU are two actors with significant differences in development levels, social systems, ideologies, and other aspects, but also cooperate with each other. This determines that the process of communication and cooperation between the two sides is a continuous process of adaptation, adjustment, and learning. Although the cooperation between the two sides faces some challenges and difficulties, as well as some obstacles and external Confounding, the foundation for deepening economic and trade cooperation between China and the EU is deep and the prospect is very broad. Against the background of Sino US trade frictions, the strategic value of China EU economic and trade cooperation is more prominent, which is conducive to creating a good external environment for achieving the "Two Centenaries goals" [7].

The growth trend of major economies in the world in the next decade, as well as the declining strength of the EU, will continue to maintain its position as an important pole in the global economy, laying a global perspective on the connotation of the EU's new trade policy. In the post pandemic era, facing the uncertainty and instability of internal and external development situations, the necessity and importance of China Europe economic and trade cooperation have become more prominent, and it is possible to reach a higher level in the future. This requires both sides to maintain close communication and cooperation.

2. Opportunities and Challenges Faced by China Europe Economic and Trade Cooperation

2.1. Opportunities

The world today is in a great change that has not happened in a century. Under the influence of the COVID-19, the great change has accelerated its evolution, and the global political and economic environment has undergone unprecedented profound changes [8]. Since 2020, the COVID-19 has had a serious impact on the European economy. The International Monetary Fund (IMF) predicts that in 2020, the economies of the euro area and the United Kingdom will decline by 8.3% and 9.8% respectively, making them the most severely affected developed economies; China is expected to become the only country that can still achieve positive GDP growth. With the development of China's economy and society, although there has been an increase in competition between China and Europe in some fields, the overall complementarity of advantages is more obvious, and compared to the past, this complementarity has undergone significant structural changes [9].

Maintaining a rule-based international order and promoting trade and investment liberalization and facilitation are the common principles upheld by China and Europe in their foreign economic and trade policies. The improvement of trade facilitation in all aspects can overcome the reduction of trade barriers, gradually eliminate various mechanisms and technical trade barriers in cross-border transactions, thereby improving the export efficiency of exporting countries and expanding trade exchanges with other countries (as shown in Figure 1). China's propositions of promoting a new type of international relations featuring win-win cooperation, building a Community of Common Destiny, improving global governance, promoting trade and investment liberalization and facilitation, and actively responding to climate change have similarities or similarities with many of the EU's propositions; The new development concepts advocated by China, such as innovation, coordination, green, openness, and sharing, coincide with the concepts reflected in Europe's promotion of economic and social transformation. Since the establishment of the "Climate Change Partnership" in 2005, China and the EU have carried out a lot of practical cooperation on issues such as the carbon Emissions trading system, the construction of low-carbon Sustainable city, renewable energy, and energy efficiency improvement.

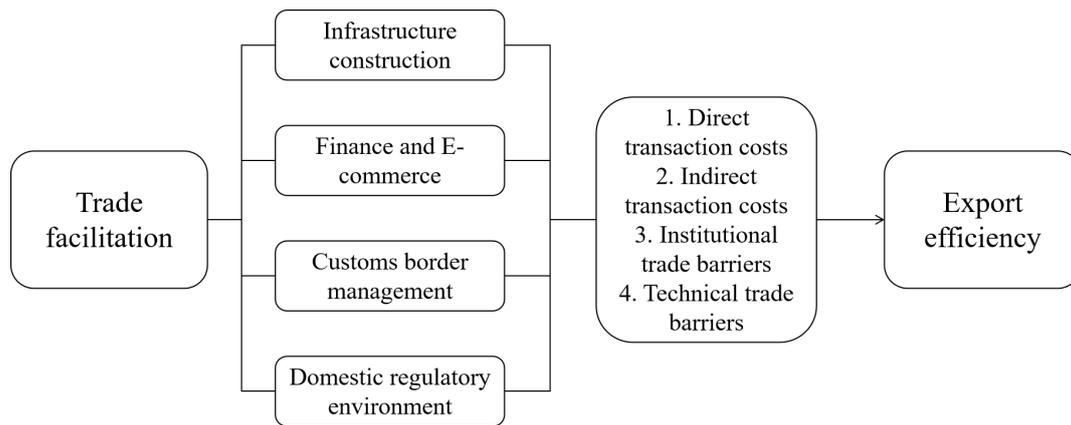


Figure 1 The role of trade facilitation

2.2. Challenges

At present, China Europe cooperation is greatly influenced by the geopolitical situation, and the lack of independence in Europe's security, defense, and geopolitics has posed some new challenges to the cooperation between the two sides [10]. Some conservative forces in Europe, based on false information, use so-called "human rights" and other issues to launch political and diplomatic attacks and smear China, and impose unilateral sanctions on individuals and entities related to China. China and the EU have in-depth cooperation in many economic and trade fields, but due to the different stages of development, their concepts of high-level openness and market rules are different in the process of cooperation. The main reason is that the two sides have different economic systems and development stages, and there is still a need to strengthen communication and coordination on the agenda of formulating market rules and promoting high-level openness. Under the impact of the COVID-19, the speed of economic recovery in EU countries is uneven, and there are obvious differences in the gains or losses of different classes, which may lead to the widening of income distribution gap within the EU and other problems, which will provide more space for the rise of anti globalization forces.

At present, the EU still regards China as a partner, competitor, and institutional opponent. However, due to external uncertainty, the positions of all EU parties will also change with the times, and in recent years, subtle changes have occurred due to the external shocks faced by the EU itself. The acceleration of data flow and the emergence of digital platformization are driving the accelerated expansion of the global digital economy. The pressure of global resource extraction and processing has led to the need for manufacturing to adopt a more sustainable approach, which means that past linear economic activities must develop in a recyclable direction, which will lead to new growth patterns. In the absence of a large-scale breakthrough in the Fourth Industrial Revolution, influenced by factors such as population, capital, and technology, the potential growth rate of the global economy will continue to show a weak trend in the coming years and even longer, leading to weak global economic growth.

3. Suggestions for Developing China Europe Economic and Trade Relations under the New Situation

3.1. Focus on Green and Digital Areas

Track and analyze the changes in the industrial chain and supply chain between China and Europe during and after the COVID-19 epidemic, and make timely response to stabilize the chain and reduce the negative impact on the economy of China and Europe. In addition to economic and trade, China and the EU also hold similar positions on global issues such as the prevention and control of global COVID-19, climate change, sustainable development, security issues, the rise of populism, and the shortage of natural resources. Expand high-level opening up to the outside world, promote the opening up of financial services and other fields, continuously improve the business

environment, and attract foreign enterprises from Europe and other regions to expand investment in China. Strengthen communication with the European side and jointly promote the formation of global carbon border regulation taxes and digital tax regulatory rules by the World Trade Organization, creating a convenient, fair, and stable environment for future world trade and economic growth driven by green and digital economies, and creating new growth points for China Europe economic and trade cooperation (as shown in Figure 2).

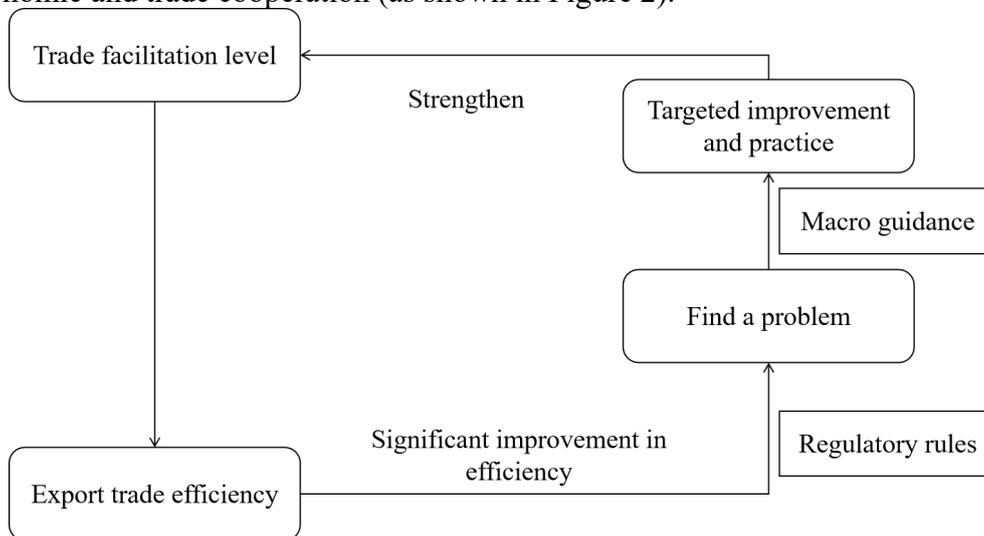


Figure 2: European Economic and Trade Cooperation

Deep economic and trade cooperation between China and the EU will help ensure interdependence between China and EU countries in the global industrial chain, value chain, global rule system, and global governance actions, thereby promoting the construction of a new type of China Europe relationship based on cooperation, coordination, and stability, and driving comprehensive cooperation through economic and trade cooperation. Combining the basic advantages of European industries and other industries with China's advantages in the field of information and communication, exploring cooperation in digitalization and digital industrialization of traditional industries between China and Europe, strengthening cooperation in key digital technology innovation and application fields, expanding cooperation in digital society fields such as public services, and creating digital cooperation partners.

3.2. Jointly Building an Open World Economy

Deep economic cooperation between China and Europe is conducive to sharing each other's advantages, boosting the world economy, maintaining the authority and representativeness of the multilateral trading system of the World Trade Organization, enhancing unity and trust between EU member states and China, and effectively responding to disharmonious voices and positions between China and Europe. China needs to use the concept of strengthening cooperation and win-win results to guide the healthy development of China Europe economic and trade relations, and actively shape the EU's "China view". We need to strengthen the research on relevant rules of international mechanisms such as the WTO and become proficient in world trade regulations and guidelines. We attach great importance to the EU's promotion of strategic autonomy, overall consistency, and external concerns. Based on the EU, we will implement policies in different categories to maximize the enthusiasm of cooperative member states within the EU. China should be good at taking advantage of changes in the external environment, turning challenges into opportunities and pressure into driving forces, and forcing itself to accelerate internal and external opening up, structural optimization, innovation driven and industrial upgrading, and improve the level of marketization and internationalization. Accelerate the construction of a Dual circulation with the domestic circulation as the main body and the domestic and international double circulation promoting each other.

Although the EU and the United States and Japan and other Western countries have common

interests in seeking to regulate and restrain China's development, there is no fundamental strategic conflict and geopolitical interest struggle between China and the EU. Instead, they have a clear common position on major issues such as opposing Unilateralism and protectionism, maintaining multilateralism and free trade, and supporting the building of an open world economy. Therefore, we should strengthen dialogue and communication with the EU, properly handle differences and their respective concerns, Not only feasible but also in line with the interests of both parties. Jointly promote the formulation of international rules for digital and cyberspace, promote the establishment of a democratic and transparent global internet governance system, and promote the healthy development of global digital economic governance.

4. Conclusions

Peace and development are still the themes of the world today, and they are even more precious in the special period when the century old changes and the COVID-19 epidemic are intertwined. In the context of globalization, China and the EU are important political forces and economies in the world, playing an important role on the international stage. China and the EU are located at both ends of the "the Belt and Road". As two major economies in the Eurasian continent, the sustainable development of the Eurasian region is not only in the interests of both sides, but also in line with the needs of the stable development of the world economy. Europe is the most important source of technology for China, and Chinese enterprises' investment in Europe is conducive to their own technological progress and industrial upgrading. The cooperation between China and Europe has a significant impact on the development of the international system and world peace, and exchanges and cooperation between the two sides will provide tremendous impetus for cooperation and diplomacy among other major powers. From the perspective of international social influence, economic aggregate size, and global trade share, cooperation between China and the EU will be a key force in promoting the resumption of post pandemic globalization. The relationship between China and Europe faces important opportunities. Deep economic and trade cooperation between China and Europe is mutually beneficial and win-win, which is in line with the actual situation of China and Europe. It will also contribute more and more wisdom to global economic governance. In order to facilitate the smooth progress of the cooperation process, both sides need to have closer contact, respect each other, strengthen policy communication with the government, and deepen bilateral economic and trade cooperation relations. China and Europe are important trade and investment partners for each other. Both sides should strengthen macroeconomic policy guidance, take more measures to create cooperation opportunities, and jointly continue to promote the continuous upgrading of cooperation.

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