

China Celebrates Surpassing US in Trade with EU for the First Time

China has welcomed its new status as the top trading partner of the European Union, another achievement of the fast-rising People's Republic whose ascent in the international order has drawn concern and criticism from the United States and, to some degree, other Western powers as well.

Speaking at a press conference Friday, Chinese Foreign Ministry spokesperson Hua Chunying hailed the latest EU trade figures, which were released last month, as "good news for both China and the EU."

The statistics, shared with *Newsweek* by the EU's official European Statistical Office, showed that the volume of Chinese-EU trade from January through September of this year to be 425.5 billion euros, or roughly \$516.8 billion, overtaking the U.S. and EU's 412.5 billion euros, or about \$501 billion, from those same first three quarters of 2020.

The pivotal month was July. A report accompanying the figures went into brief detail.

"In the first nine months of 2020, China was the main partner for the EU," it stated. "This result was due to an increase of imports (+4.5%) while exports remained unchanged. At the same time trade with the United States recorded a significant drop in both imports (-11.4%) and exports (-10.0%)."

Back in Beijing, Hua saw the shift as a sign of robust ties between China and Europe, noting how the EU has for years been China's largest trading partner, with room for even greater development.

"As important trade partners to each other, China and the EU are highly complementary in economies and boast huge potential in broad cooperation areas," Hua said.



President of the European Commission Ursula von der Leyen speaks to a media briefing after an EU-China Summit on June 22 in Brussels, Belgium. She said: "The COVID pandemic and a number of major bilateral and multilateral challenges show clearly the EU-China partnership is crucial, be it in terms of trade, climate, technology, and the defence of multilateralism. But for our relations to develop further, they must become more rules-based and reciprocal, in order to achieve a real level playing field." THIERRY MONASSE/GETTY IMAGES

The fluctuation plays out during a difficult time for the global economy, which has been assailed by the COVID-19 pandemic. The disease was first observed in China, but the country has experienced an early recovery, allowing it to quickly resume trade while the disease has ravaged other countries, especially in the West and worst of all in the U.S., which continues to see daily record-breaking infection and fatality figures.

China and the U.S. both made a point to provide global assistance to demonstrate their status on the international stage, sometimes disparaging one another's position.

But with European countries also hit hard by a disease that has induced national lockdowns and various disruptions to everyday life, Hua said the latest trade figures were "fully demonstrating the resilience and potential of China-EU economic and trade relations."

She argued this bodes well for both of them.

"The fast growth of China-EU trade has strongly boosted the socio-economic development and improved the well-being of the people on both sides," Hua said.

She referenced how in September, the latest year included in the relevant EU trade numbers, China and the EU signed the China-EU Geographical Indications Agreement to promote mutual agricultural trade, and how talks are progressing on how to promote additional investment to "scale China-EU economic and trade cooperation to new heights."

This model of cooperation with China, she said, applied not only across Europe but the world.

"Going forward, while fostering a new development paradigm, China will expand opening-up and provide more opportunities to the EU and other countries," Hua said. "We also hope the EU will keep its trade and investment market open, and work with China to uphold economic globalization and the open and free environment for trade and investment."

The pace at which China has moved to reclaim its 19th-century title as the world's largest economy has caused consternation among many in the West. Currently, at second and having lagged as low as fifth when the Chinese Communist Party took over in the wake of World War II and civil war with nationalist forces now exiled to Taiwan, China is projected to top the list in about a decade or so.

In Europe, countries such as France, Germany, and the United Kingdom - which has formally exited the EU - have accused China of abuses in economics, human rights, and geopolitical disputes in Asia.

But Paris and Berlin have also had a difficult relationship with Washington under

President Donald Trump, who has adopted a combative stance against Beijing and has sought to redefine the transatlantic relation with European allies as well. With the current administration set to leave office next month, the EU has already begun formulating a new strategy to work with President-elect Joe Biden.

The European Commission released on Wednesday an 11-page document entitled “A new EU-US agenda for global change.” The report lays out a framework urged to be the “lynchpin of a new global alliance of like-minded partners.”

The strategy mentions China specifically as “a negotiating partner for cooperation, an economic competitor, and a systemic rival.”

And while it calls for measures to address an increasingly powerful Beijing, the EU also offered a rebuke of the Trump administration’s approach, which launched a trade war that rocked the international market.

“As open democratic societies and market economies, the EU and the US agree on the strategic challenge presented by China’s growing international assertiveness,” the report said, “even if we do not always agree on the best way to address this.”



An airport employee checks boxes as he unloads a cargo of 25 tons of material

arriving from China, including thousands of masks, in the international airport of the French Riviera city of Nice, southern France, on April 13, after nearly a month of France's first lockdown in an attempt to stop the spread of COVID-19, which at the time had 94,382 confirmed cases in the country. Today, as France is once again in lockdown, reports about 2,205,212 cases, the most of any country in Europe. VALERY HACHE/AFP/GETTY IMAGES

Biden has offered little on his prospective China strategy, but in an interview with *The New York Times* also published Wednesday, he suggested there would be no sudden decisions made in the short term, including toward his predecessor's trade policies against China.

"I'm not going to make any immediate moves, and the same applies to the tariffs," Biden told the *Times*. "I'm not going to prejudice my options."

Rather, he would aim to "develop a coherent strategy" alongside U.S. allies, with whom he wanted "to get us back on the same page" in the opening weeks of his term.

A day after the report and Biden's interview was released, the Chinese Communist Party-run *Global Times* outlet published an editorial expressing skepticism as to the ability of the U.S. and the EU to produce a joint approach to tackling China due to their diverging positions and priorities.

"Europe may be reluctant to promote new Western unity with the US at its center, and on the basis of the Trump administration's radical policy toward China. New frictions will be inevitable," the article read. "But if, on the other hand, Europe gets to define Western unity and the US makes fewer decisions and provides more resources, then Washington will never accept it."

The publication ultimately dismissed the concept of a "so-called China challenge and the threat brought about by China" as "to a large extent, imaginary."

But that threat appears as real as ever in political circles in Washington, where the U.S.-China Economic and Security Review Commission released a 575-page report as part of its annual review presented to Congress on the challenges to the relationship between the two countries. The report's authors said the focus of this year's edition for the first time in the commission's two-decade history was China "surpassing" the U.S. rather than "catching up."

The report identified Europe as one of the key arenas in which China was looking to expand its influence.

As for Hua, responding to a long list of allegations of Chinese economic and political misconduct in comments sent to *Newsweek* by Beijing's embassy in Washington, she railed against a commission that she argued on Thursday "has always been ideologically biased against China," asserting that "there is no factual basis for the vilification and smear of China in various reports it has fabricated."

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