INSTITUT Montaigne

CHINA Trends #25

Dealing with a Two-Faced China: From Global Trade to Russia

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About China Trends:

China Trends seeks understanding of China from Chinese language sources. In an era where the international news cycle is often about China, having a reality check on Chinese expressions often provides for more in-depth analysis of the logic at work in policies, and needed information about policy debates where they exist. China Trends is a quarterly publication by Institut Montaigne's Asia Program, edited by Pierre Pinhas, and with each issue focusing on a single theme.

François Godement

Special Advisor and Resident Senior Fellow - Asia and United States at Institut Montaigne

Prof. François Godement is Institut Montaigne's Special Advisor on Asia and the United States. Until the summer of 2024, he was also a Nonresident Senior Fellow at the Carnegie Endowment for International Peace, and an external consultant at the French Ministry for Europe and Foreign Affairs. He graduated from the École normale supérieure de la rue d'Ulm, where he specialized in history, before studying at Harvard University.

Introduction

Perceptions of China are changing, if not among its neighbors—who directly face security concerns ranging from territorial and maritime issues to ongoing influence operations—at least among more distant partners, where public opinion does not perceive an immediate and direct geopolitical challenge from China. This is above all the case in Europe, for several reasons.

First, while Europe continues to discuss "de-risking" and debates, whether or not it would be realistic to "decouple" from the Chinese economy for security reasons or to prevent competition under asymmetric and unfair trade conditions, **the reality of China's export tsunami has not abated**. Figures show that it may in fact even be increasing speed in early 2026. A 2025 Eurobarometer survey found that 83 percent of Europeans were in favor of diversifying trade relations,[1] an opinion that clearly targets China since another poll by Pew finds a slim majority of Europeans now regard China as the world's first economic power, surpassing the United States.[2]

European public opinion is sensitive to the drama of the continent's deindustrialization. And yet, as consumers, Europeans increasingly endorse Chinese products, given the rock-bottom prices and increasing appeal, with little regard to the issue of unfair competition. This, therefore, pits consumers' against producers' interest, and creates a schizophrenic public opinion. Overall, China's year-on-year exports to the European Union have increased by 28 percent in January and February, with Italy (36 percent), France (32 percent) and Germany (31 percent) leading the march.[3]

This schizophrenia is not unique to Europe—the same trends prevail in America, and also exists on environmental and energy taxation issues. The strongest industrial societies—Northern Europe or Japan and South Korea—do not experience it, as they are more loyal to strong domestic brands. **This European schizophrenia is also divided along geographical lines**. Southern Europe opinion, and generally countries where industry is not a major driving force, remain more open to China.

[1] *"EU Challenges and Priorities," European Barometer, November 2025, https://europa.eu/eurobarometer/surveys/detail/3380.*

[2] *Laura Silver, Laura Clancy, Jonathan Schulman, William Miner, and Christine Huang, "China's Economic Power and Economic Relations," Pew Research Center, July 15, 2025, https://www.pewresearch.org/global/2025/07/15/chinas-economic-power-and-economic-relations/.*

[3] *"前2个月我国货物贸易进出口增长18.3%" [China's Goods Trade Imports and Exports Grew by 18.3% in the First Two Months], General Administration of Customs of the People's Republic of China, March 10, 2026, http://www.customs.gov.cn/customs/2026-03/10/article_2026031009495081423.html.*

This gives confidence to Chinese authorities that Europe cannot do without Chinese imports, much beyond its near monopoly on clean technologies. **China is therefore both a powerful industrial rival and a desirable provider of attractive goods in ever expanding sectors**.

Second, **China's public diplomacy has**, with exceptions, **been mellowing for quite some time**. All stars are now aligned for a soft power push. Much media attention in Europe is focused on the duty onslaughts of the Trump administration and its recurring rants against the European Union and many European leaders. U.S. criticism may have a point in some cases, such as Europe's desperately slow return to a credible defense posture that hurts its case with the United States on Ukraine. But there is undoubtedly a clash in values in the open, and China's public standing benefits from the projection of U.S. cultural wars on the European continent.

Here, of course, China presents a dual face. **While it praises pragmatism and calls for compromise, it has shown no actual flexibility on the burning issues in its relations with the European Union: trade rebalancing, and its support for Russia in its war against Ukraine**. On economic flows, Europeans are clearly signaling through the planned Industrial Accelerator Act (IAA) their interest in an investment deal with China, ushering in **an epochal reversal of China's joint-venture strategy from the Deng Xiaoping era**. This position is, so far, much more open than that of the U.S. administration. China's policy response, whether at the political level or through the future behavior of its companies, is unknown at this point. But for the time being, little is changing, and one can pinpoint the strong asymmetries and the uneven level playing field that contrast with China's praise of free market competition.

On Russia and Ukraine—which the European Union and Member States such as France and Germany have repeatedly flagged as the top priority in their diplomatic interactions with Xi Jinping—it is essential to read the kind of open arm-twisting that China practices in its Track 1.5 dealing with Ukraine. It is brutal language, and if there was **a need to disprove China's professed neutrality between Russia and Ukraine, this is a smoking gun** as much as its dual-use exports, energy imports, and Russia's access to financial markets.

Third, this same bifurcating approach—verbally restrained toward the European Union as a whole, while arguing, lobbying or applying pressure at the Member State level—is well exemplified by published analyses and narratives on European affairs. It may in fact be more openly expressed than on Russia-Ukraine issues. Chinese commentaries welcome the rising theme of **European strategic autonomy playing alongside tongue-in-cheek comments and, at times, biting irony regarding the obstacles facing European politics and policymaking**. This brings to mind a famous quip by Charles Péguy,[4] often attributed to Hegel regarding Immanuel Kant: "Kantianism has clean hands, but it has no hands."

At this point, China does tread more carefully with U.S. Western partners—in contrast to the public drubbing it has directed at Japan, a tactic that has yielded a strong blowback in Tokyo at election time. With the advent of war in the Middle East, China is equally careful. Balancing Iran with its large material stakes in Saudi Arabia and the Gulf states, while avoiding open antagonism with the United States. Although China's strategic reserves and its ability to trade under the radar remain assets,[5] a degree of dependence on Middle Eastern oil helps explain this caution. **China sells pragmatism and stability in general, but in practice it has stuck with its traditional "wait-and-see" approach in that case**—something many tend to overlook, if not forget, amid the current wave of China-related hype.

[4] *Charles Péguy, "Œuvres en prose complètes", Pléiade, T.3, pp.331-332".*
[5] *Pierre Pinhas, "China's Stockpiling: Domestic Resilience, Global Influence," Institut Montaigne, January 2026, https://institutmontaigne.org/ressources/pdfs/publications/note-chinas-stockpiling-domestic-resilience-global-influence.pdf.*

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Yurii Poita

Head of the Asia-Pacific Section at the Center for Army, Conversion and Disarmament Studies

Mr. Poita specializes in China's involvement in the Russian-Ukrainian war, Ukrainian-Chinese relations, the mutual influence and connections between the European and Indo-Pacific theaters, as well as the security situation surrounding China and Taiwan. He is also a Senior Associate Fellow at the Mercator Institute for China Studies (MERICS) and was a Visiting Scholar at the Taipei-based Institute for National Defense and Security Research.

Behind a Veneer of Stated Neutrality, An Ever-Increasing Chinese Drift Towards Moscow

China's official position on the Russia-Ukraine war remains largely unchanged since 2022. But on the ground, China's real stance—rather than declared stance—has shifted significantly in a pro-Russian direction over the past four years. China now provides massive economic, informational, diplomatic, and technological support to Russia, including assistance aimed at circumventing sanctions and sustaining Russia's war machine, and possibly at creating an existential threat to European security and NATO.[1]

China consistently promotes pro-Russian narratives about the war across various platforms, including diplomatic channels, media outlets, social networks, and expert forums, placing the blame on the West while entirely absolving Russia of any responsibility.[2] The share of **Chinese components and equipment in Russian weaponry** and within Russian military production facilities **has increased at least tenfold since February 2022**.

Meanwhile, Chinese diplomats have attempted to undermine Ukrainian peace initiatives. During meetings with European counterparts, **Chinese experts have persistently and systematically sought to convince Europe to stop supporting Ukraine** and instead concede to Russia's demands in order to build "a stable security architecture" that considers Russia's "legitimate security concerns". Anti-Ukrainian content on Chinese social media, sourced from Russian outlets or independently generated, has increased significantly.

> Anti-Ukrainian content on Chinese social media has increased significantly.

This piece looks into Chinese expert debates on the Russia-Ukraine war, and the involvement of Europe and the United States, but it is also complemented with insights gained from participation in Track 1.5 and Track 2 exchanges with Chinese experts. It concludes that despite formal calls for a peaceful settlement and its declarative neutrality, **China may prefer a Russian victory—or at least a strategic upper hand over Ukraine**—as this outcome could pose an existential threat to Europe.

[1] *Natalie Sabanadze, Abigaël Vasselier, and Gunnar Wiegand, "China–Russia Alignment: A Threat to Europe's Security," MERICS, June 26, 2024, https://merics.org/en/report/china-russia-alignment-threat-europes-security.*

[2] *Yurii Poita, "China's 'Formal Neutrality' on the Russia-Ukraine War: Implications for Ukraine," New Geopolitics Research Network, September 2022, https://analytics.intsecurity.org/wp-content/uploads/2022/09/NGRN_09_ENG_China-formal-neutrality.pdf.*

The Nature of the Russia-China Rapprochement

To move beyond China's declared position and understand its genuine perception of the Russia-Ukraine war and its own interests, one can examine Chinese publications or consider discussions with Chinese experts. Numerous publications by Chinese academics indicate that China views the invasion as a conflict between Russia and the West, one in which Moscow is defending its legitimate interests. From this perspective, **Ukraine largely disappears as an autonomous actor with interests of its own**. They also tend to interpret the West's response as a projection of how it might react to a potential crisis around Taiwan, and assess the conflict in terms of opportunities to weaken the West while strengthening China's own power and self-reliance.[3]

> Chinese experts are convinced that China absolutely made the correct choice three years ago by not severing trade ties with Russia.

At present, **Chinese experts are convinced that China absolutely made the correct choice three years ago by not severing trade ties with Russia**, thereby securing support in the face of Western pressure.[4] While they believe that the continuation of the war is not entirely detrimental for China, a peaceful resolution of the conflict—obviously on Russia's terms—would be more beneficial for Beijing.[5]

Skepticism More Than Support Over the Peace Negotiations and Europe's Capacity to Defend Itself

Regarding the current stage of peace negotiations involving the United States, Russia, and Ukraine, Chinese scholars take a dim view of Europe's prospects for ensuring its own security. They discuss the possibility that the "Ukraine crisis" could escalate into a direct military confrontation between Russia and NATO. Lang Jiazereng of the Chinese Academy of Social Sciences' Institute of European Studies considers such a clash fairly probable given the military buildup by both Russia and Europe.[6]

Others argue that **"Ukraine fatigue" is increasing in Europe** and that, due to the weakness of the European position, **Europe may begin to adopt a "pragmatic position" toward Russia**—a view expressed by Dong Yifan from the Beijing Language and Culture University's Institute of National and Regional Studies.[7] In any case, Zhou Bo, a military commentator, considers that, should a peacekeeping mission be needed, it should exclude NATO European states and rather promote the participation of countries like Ireland, Austria and Switzerland—countries rather adverse to peacekeeping operations historically.[8]

[3] *Alicja Bachulska and Mark Leonard, "China and Ukraine: The Chinese Debate about Russia's War and its Meaning for the World," European Council on Foreign Relations, July 11, 2023, https://ecfr.eu/publication/china-and-ukraine-the-chinese-debate-about-russias-war-and-its-meaning-for-the-world/.*

[4] *Cheng Yawen, "如果三年前中国与俄罗斯割席...想想都后怕" [If China Had Cut Ties with Russia Three Years Ago… Just Thinking About it Is Frightening], Guancha, February 25, 2025, https://web.archive.org/web/20250226181854/https://www.guancha.cn/ChengYaWen/2025_02_25_766215.shtml.*

[5] *Huang Jing and Jia Qingguo, "俄乌冲突若能和平结束对中国整体更有利" [A Peaceful End to the Russia-Ukraine Conflict Would Be More Beneficial to China as a Whole], Guancha, December 13, 2025, https://web.archive.org/web/20251226120048/https://www.guancha.cn/huangjing/2025_12_13_800284.shtml.*

[6] *Lang Jiazereng, "俄欧爆发直接军事冲突可能性多大?" [How Likely Is a Direct Military Conflict Between Russia and Europe?], China.com, November 19, 2025, https://web.archive.org/web/20260306104605/http://www.china.com.cn/opinion2020/2025-11/19/content_118182543.shtml?utm_source=chatgpt.com.*

[7] *Dong Yifan, "欧洲推和平计划争取'安全感', 难度不小" [Europe's Push for a Peace Plan to Secure 'Safety' Faces Great Difficulty], Global Times, November 25, 2025, https://web.archive.org/web/20260306104646/https://opinion.huanqiu.com/article/4PI5HmKOT2u?utm_source=chatgpt.com.*

[8] *Zhou Bo, "慕安会上, 鲁比奥给了欧洲一个'糖霜苹果'" [At the Munich Security Conference, Rubio Offered Europe a 'Sugar-Coated Apple'], Guancha, February 15, 2026, https://web.archive.org/web/20260309164645/https://www.guancha.cn/ZhouBo3/2026_02_15_807265_s.shtml.*

Some experts state that the prospects for European defense independence, such as the creation of a unified army, remain unrealistic. Zhu Junwei, Director of the U.S. Research Center at the National Observation Think Tank, is one who shares this view. Yan Xiaoxiao from the Shanghai Academy of Social Sciences further predicts that Europe will be unable to ensure its security politically and militarily, leading individual countries to orient themselves more strongly toward the United States, which would also result in the failure of European defense integration.[9] Notably, **the idea of deploying multinational European forces in Ukraine is viewed unfavourably**. Indeed, some in China believe it could create a precedent for deploying foreign troops in the Taiwan Strait.[10]

When Bluntness Takes the Lead: Direct Insights into Official and Non-Official Exchanges

An even more detailed and perhaps more truthful picture of China's perception can be derived from closed-door expert discussions. During 2022 and 2023, this author participated in a number of such meetings with representatives of Chinese think tanks affiliated with government structures, including the Ministry of Foreign Affairs and the military, up to the rank of major general (retired). The discussions were held under the Chatham House Rule, which allows reference to the substance of the discussions, albeit without attribution.

During exchanges lasting three to four hours, **Ukrainian representatives deliberately adopted a confrontational and hawkish position toward China**, directly accusing it of supporting Russia, of inconsistency between its statements and actions, and of divergence from the norms of the UN Charter and international law. This pushed the Chinese representatives out of their comfort zone. They started justifying themselves, speaking emotionally, and often going beyond their prepared remarks. Their psychological state, body language, and behavior were also analyzed, which, in the view of the Ukrainian participants, helped reveal a more realistic Chinese attitude toward the situation.

In particular, during discussions in 2022, **Chinese participants expressed regret over Russia's defeats on the battlefield**. They stated that Russia had made a mistake in the war against Ukraine, not by starting it, but **by misjudging the opponent's strength**, preparing poorly, and failing to secure a quick victory. They expressed disappointment at the resilience of the Ukrainian military, the strengthening of transatlantic unity, and the consolidation of the broader Western bloc, which in their view needed to be weakened.

> Chinese participants expressed regret over Russia's defeats on the battlefield.

Statements by the Ukrainian side that Russia was also suffering a military defeat and that the Russian Black Sea fleet would be completely destroyed were received by the Chinese side with astonishment and shock. They also sought to understand how long Europe would continue supporting Ukraine and when "Ukraine fatigue" would emerge. Chinese repeated arguments about "five minutes of NATO missile flight time to Moscow," claiming that Ukraine's potential accession to NATO would pose a threat to Russia. **Chinese experts also raised questions on Ukraine's decision-making system, specifically the role that President Zelenskyy plays in it**. This further

[9] *Yan Xiaoxiao, "俄乌和平新计划凸显欧洲尴尬" [The New Russia-Ukraine Peace Plan Highlights Europe's Embarrassment], SASS Institute of International Relations, November 27, 2025, https://web.archive.org/save/https://iir.sass.org.cn/2025/1127/c443a584931/page.htm?utm_source=chatgpt.com.*

[10] *Wang Wanying and Ma Xiaolin, "警惕! 欧洲'援乌多国部队'开危险先例, 台海或成下一个目标" [Be Careful! The European Multinational Force Aiding Ukraine Would Set a Dangerous Precedent; The Taiwan Strait May Become the Next Target], Phoenix News, December 23, 2025, https://web.archive.org/save/https://news.ifeng.com/c/8pJZOkUgOQb?utm_source=chatgpt.com.*

echoed Russian narratives claiming that Zelenskyy was not independent, that he was a puppet of the West helped by foreign advisers in Kyiv. Through this question, the Chinese side seemed to be implicitly alluding to this.

At the same time, **Chinese commentators ignored Ukrainian arguments**, while accusing NATO of starting the war. Instead, they argued that the "keys to the conflict" were held by the United States, which, through Ukraine, intended to weaken Russia and thereby ignored any Ukrainian agency in the dynamic of escalations. Their overall conclusion was that China understands Russia's actions against Ukraine because Russia had been humiliated by the West and excluded from the European security architecture, a narrative that resonates in Beijing. In their view, **China has experienced a similar humiliation and occupies a comparable structural position**.

At the end of 2022, Ukrainian experts attempted to persuade the Chinese side to adopt a more pro-Ukrainian position by referring to Russian war crimes in Bucha and to Russia's efforts to destroy Ukraine's energy infrastructure that caused a humanitarian catastrophe in major cities. Notably, Chinese experts remained completely indifferent and insensitive to these arguments. **They did not consider Russian missile strikes on Ukrainian cities to be war crimes, instead describing them as an effective way to undermine civilian morale and force the opponent to capitulate**. When accused of supporting Russia, the Chinese side responded emotionally and angrily, rejecting Ukrainian arguments. They stated that China could not afford a Russian defeat, otherwise the United States would redirect all its resources against China.

They also rejected any possibility of distancing themselves from Russia. They used the metaphor of two tigers: if they fight, one will inevitably be wounded, and **China has no intention of being the wounded tiger**. Experts said China and Russia have, therefore, formed a new type of relationship based on friendship, good-neighborliness, and mutual respect—an approach also grounded in historical experience, when China and the Soviet Union had contradictions that led to military confrontation.

> China has no intention of being the wounded tiger.

These and subsequent discussions led to several conclusions. First, China will not adopt a position that would worsen its relations with Russia, even if this contradicts the UN Charter and international law. Second, China views Russia's war against Ukraine exclusively through a geopolitical lens and as an instrument to weaken the West. Third, China will keep disregarding Russian war crimes and will assist Russia in gaining the upper hand over Ukraine. Fourth, China will study Western reactions in light of its future actions regarding Taiwan. Finally, the possibility of constructive dialogue between Ukraine and China is low, since China holds a radical and similar view to that of Russia. Indeed, **both see Ukraine as lacking full autonomy and being subject to "external control" or "Western-managed chaos"**.

Quantity and Quality: China's Technological and Dual-Use Support for Russian War Efforts

From 2022 to 2026, **China's technological support to Russia's war has increased significantly**, both quantitatively and qualitatively. It has effectively enabled Russia to produce weapons for its war against Ukraine and to sustain the technological development of its defense industry, turning China into a "decisive enabler" of the war.[11]

[11] *"NATO Washington Summit Declaration," NATO, July 10, 2024, https://www.nato.int/en/about-us/official-texts-and-resources/official-texts/2024/07/10/washington-summit-declaration.*

As a result, China has become a key supplier, both as a manufacturer and as a platform for sanction circumvention of components and critical materials for Russian precision weapons, including missile systems and strategic and tactical Unmanned Aerial Vehicles (UAVs). In quantitative terms, the share of microelectronics and critical components in Russian weaponry originating from China, either Western-made items routed through China or products manufactured in China, reached 75 to 80 percent as early as 2023.[12] In addition, China was supplying up to 67 percent of critical components that same year, including processors, microchips, and navigation modules, for key battlefield UAVs such as Orlan-10, Lancet-3, and Shahed-136 and Shahed-131.[13]

Beyond the quantitative dimension, Chinese assistance has expanded qualitatively. China moved from supplying basic and simple components to providing far more advanced and technologically sophisticated elements for Russian weapons systems. For example, the Shahed-136, also known in Russia as Geran-2, which Russia produces in the hundreds per day and uses to terrorize Ukrainian cities, was initially equipped with Chinese-made MD550 engines produced by Beijing MicroPilot UAV Flight Control Systems.[14] Subsequently, Russia established its own production line for these engines on its territory. Chinese XK-F358 radio modems manufactured by Xingkay Tech, designed for video transmission and flight control, have become core communication components in Russian reconnaissance and strike drone networks, including the newest jet-powered Geran-5 drone.[15] The jet engine of this drone, the Telefly TF-TJ2000A, is also produced in China by Telefly Telecommunications Equipment Co.[16]

China has also become a **key supplier of high-precision industrial equipment to Russian defense plants**, particularly computer numerical control machine tools used in weapons manufacturing. From February 2022 to July 2023, supplies of such equipment increased at least tenfold, from $6.5 million (€5.9 million) to $98 million (€89.2 million). As a result, China became the leading supplier for Russia in this category, accounting for 57 percent compared to 12 percent before February 2022.[17] This equipment was delivered to Russian defense enterprises, including facilities producing warheads for Russian nuclear-capable hypersonic missiles such as Oreshnik.[18]

Regarding finished weapons, **Ukraine has not publicly reported the discovery of Chinese-made arms on the battlefield**. However, China has assisted in other ways. For example, the Chinese company Shandong Odes Industry, also known as Aodes, supplied the Russian Ministry of Defense with up to 1,590 Desertcross 1000-3 all-terrain vehicles as of the first quarter of 2024. These vehicles are already being used by Russian forces to transport personnel and ammunition and to evacuate wounded soldiers.

[12] *Olena Bilousova, Benjamin Hilgenstock, Elina Ribakova, Nataliia Shapoval, Anna Vlasyuk, and Vladyslav Vlasiuk, "How Russia Continues to Import Components for its Military Production," Kyiv School of Economics' Institute and Yermak-McFaul International Working Group on Russian Sanctions, January 26, 2024, https://sanctions.kse.ua/wp-content/uploads/2024/01/Challenges-of-Export-Controls-Enforcement.pdf.*

[13] *Olena Bilousova, Agiya Zagrebelska, Vladyslav Vlasiuk, and Nataliia Shapoval, "Foreign Components in Russian Military Drones," Kyiv School of Economics, June 19, 2023, https://kse.ua/wp-content/uploads/2023/06/Russian-import-of-critical-components.pdf.*

[14] *Andrii Rudyk, "Останні модифікації дронів Shahed можуть свідчити про спроби РФ налагодити їх масове виробництво" [Latest Modifications of Shahed Drones May Indicate Russia's Attempts to Establish their Mass pPoduction], Suspilne, September 28, 2023, https://suspilne.media/582271-ostanni-modifikacii-droniv-shahed-mozut-svidciti-pro-sprobi-rf-nalagoditi-ih-masove-virobnictvo-rudik/.*

[15] *Main Intelligence Directorate of the Ministry of Defence of Ukraine (GUR), "Geran-5," https://war-sanctions.gur.gov.ua/page-geran-5/6870.*

[16] *Main Intelligence Directorate of the Ministry of Defence of Ukraine (GUR), "Geran-5 (Components and Capabilities)," https://war-sanctions.gur.gov.ua/page-geran-5/6872.*

[17] *Chris Cook, Max Seddon, and Max Harlow, "China's Advanced Machine Tool Exports to Russia Soar after Ukraine Invasion," Financial Times, January 2, 2024, https://www.ft.com/content/d16c688d-9579-4f1d-a84f-ca29ca2f0bc0.*

[18] *"China's Position on Russia's Invasion of Ukraine," U.S.-China Economic and Security Review Commission, June 26, 2024, https://www.uscc.gov/research/chinas-position-russias-invasion-ukraine.*

Despite their limited protection against firepower, the use of Desertcross 1000-3 vehicles enhances the logistical and maneuver capabilities of small Russian units and, in an environment of intensive First Person View (FPV) drone use, serves as an effective alternative to infantry fighting vehicles and armored personnel carriers.

China and Russia were already negotiating in 2024 the deployment of production lines and joint weapons manufacturing for the war against Ukraine—according to information from representatives of Ukraine's security sector requesting anonymity. This reportedly included UAVs, counter-drone systems, electronic warfare systems, command and control systems, and survivability upgrades for armored vehicles. The work was conducted covertly through defense companies in Hong Kong, Beijing, Shenzhen, and Shenyang, under the direct supervision of individuals affiliated with China's state security and the CCP. Besides, the same Ukrainian government representatives reported recorded activity of Chinese intelligence officers in Russian-occupied territories of Ukraine, indicating close coordination between their respective intelligence services.

China is also building weapons production capacity for Russia in third countries. In particular, the Chinese company China National Electronics Import and Export Corporation is establishing a production line in Belarus, a military ally of Russia, for the manufacture of 122mm rocket munitions, likely intended for the BM-21 Grad multiple launch rocket system. Installation at the Belarusian defense enterprise ZTEM Precise Electro-Mechanics Plant is scheduled for completion in July 2026, with an initial production capacity of 120,000 rockets per year. Given that Belarus supplies weapons to Russia for use in the war against Ukraine and that the quality certification body for these munitions is Russian, this indicates that the **rockets are intended for delivery to Russia and that China has become a key element in supplying weapons to the Russian army**.[19] Whether such a process, which blurs the line in terms of weapons supply, is beneficial for China only economically or also geopolitically remains an open question.

> China is building weapons production capacity for Russia in third countries.

Finally, according to Ukrainian intelligence, in 2025 China began providing Russia with satellite data for strikes against Ukraine's energy infrastructure, effectively becoming part of Russia's kill chain.[20] A correlation was reportedly recorded between Russian missile strikes and the presence of Chinese reconnaissance radar and optical satellites over Ukrainian regions, including Yaogan-33, Yaogan-33-03, Yaogan-33-04, and Yaogan-34.[21]

It is **evident that the Chinese government possesses information about the volume and range of technologies, components, and materials supplied** for the production of Russian weapons, and that these volumes have significantly increased despite the threat of Western sanctions. Given that China has not imposed meaningful export restrictions and has instead expanded military-technical assistance to Russia both quantitatively and qualitatively, this suggests that China's actions in support of the Russian defense-industrial complex are government-approved and deliberate.

[19] *Takayuki Tanaka and Natsuki Kaneko, "Chinese State Company Helps Russian Ally Build Ammunition Plant," Nikkei Asia, February 23, 2026, https://asia.nikkei.com/politics/ukraine-war/chinese-state-company-helps-russian-ally-build-ammunition-plant.*

[20] *"Зеленський заявив про зв'язок між зйомкою України китайськими супутниками та ударами РФ по енергооб'єктах" [Zelenskyy Says There Is a Link Between Chinese Satellite Imagery of Ukraine and Russian Strikes on Energy Facilities], Ukrinform, October 4, 2025, https://www.ukrinform.ua/rubric-polytics/4073127-zelenskij-zaaviv-pro-zvazok-miz-zjomkou-ukraini-kitajskimi-suputnikami-ta-udarami-rf-po-energoobektah.html.*

[21] *"Китайські супутники фіксували над енергетичними об'єктами України перед російським ударом - Зеленський" [Chinese Satellites Recorded over Ukraine's Energy Facilities Before a Russian Strike – Zelenskyy], Militarnyi, November 12, 2025, https://militarnyi.com/uk/news/kytajski-suputnyky-fiksuvaly-nad-energetychnymy-ob-yektamy-ukrayiny-pered-rosijskym-udarom-zelenskyj/.*

China's Influence Operations in Support of Russia

Over the past four years, several indicators have suggested that China has conducted so-called influence operations aimed at preventing Russia's defeat on the battlefield, undermining Ukrainian peace initiatives, and reducing or stopping European assistance to Ukraine. These operations were carried out using various instruments, including media, diplomatic, and expert channels, and in some cases a combination of them.

For example, the first indicator was an **attempt to disrupt Ukraine's 2023 counteroffensive**. At the time when Ukraine was preparing for counter-offensive operations—the outcome of which was uncertain but expected to be successful—, the Chinese side, **through non-public communication channels, attempted to persuade Ukraine to abandon it**. This occurred in March 2023 after China published its so-called "12-point peace plan",[22] one of which called for negotiations. At that time, a group of Chinese experts affiliated with the government initiated contact with the Ukrainian side and urgently requested a discussion. The unusual aspect of the situation was that organizing discussions with Chinese counterparts normally takes a long time, from several weeks to a month, due to lengthy bureaucratic preparation on the Chinese side, including coordination of speeches, discussion topics, and approval through relevant authorities. However, this time the Chinese side insisted on an urgent meeting within a few days.

Another observation was that the **dominant narrative repeatedly promoted by the Chinese side during the discussion was that Ukraine should immediately begin peace negotiations with Russia**, which in practice meant abandoning the counteroffensive aimed at liberating southern Ukraine. During the three-hour discussion, the Chinese participants mentioned this approximately 100 times during opening remarks, presentations, Q&A sessions, and closing statements.

> Chinese experts expressed concerns and asked whether Ukraine would accept any outcome other than total victory.

Moreover, on the geographics of the battleground specifically, they claimed that if Ukraine attempted to liberate the southern front, Russia would strike from the north and advance toward Kyiv—which was clearly false, since Russia did not have forces deployed in that direction. **The Chinese also expressed concerns and asked whether Ukraine would accept any outcome other than total victory and a return to the 1991 borders**. They insisted that every conflict eventually ends with peace negotiations, and, therefore, that it was necessary to make compromises and concessions. Exchanges with Ukrainian diplomats revealed that similar messaging had occurred on the diplomatic track, with Chinese representatives very much insisting also on peace negotiations.

Considering that the Chinese expert delegation was led by a high-ranking expert holding the rank of major general, and given the parallel actions on the diplomatic track, it is likely that this was a government-directed influence operation aimed at persuading the Ukrainian government to abandon a military operation intended to defeat the Russian grouping and liberate southern Ukraine.

The second indicator of influence operations is meetings between high-level Chinese expert delegations and European think tanks during

[22] *"关于政治解决乌克兰危机的中国立场" [China's Position on the Political Settlement of the Ukraine Crisis], Ministry of Foreign Affairs of the People's Republic of China, February 24, 2023, https://www.fmprc.gov.cn/zyxw/202302/t20230224_11030707.shtml.*

the 2022–2026 period, where they attempted to influence European policy toward Ukraine and Russia. This occurred in parallel to the European Union's, but also France's and Germany's, diplomatic efforts to change China's position on the war. On the contrary, during those Track 2 exchanges, **Chinese representatives promoted narratives aimed at discouraging Europe from continuing support for Ukraine**. They argued that further aid to Ukraine was unnecessary, called for stopping arms supplies to Kyiv, and urged Europe to distance itself from the Russia-Ukraine conflict and allow the warring parties to resolve their disputes independently. They claimed that Russia did not pose a threat to NATO and warned that continued European involvement could lead to further escalation and even a nuclear strike. Ultimately, they argued that **Europe should normalize relations with Russia by accepting Russian security demands**.

> Chinese representatives promoted narratives aimed at discouraging Europe from continuing support for Ukraine.

These actions often coincided in timing and content with corresponding Chinese foreign policy initiatives, such as promoting negotiations with Russia, publishing China's document on the "Political settlement of the Ukraine crisis", and visits by China's Special Representative for Eurasian Affairs Li Hui.[23] Accordingly, these expert meetings were likely part of a Chinese information campaign, possibly involving Chinese special services, aimed at reinforcing official messaging and diplomatic visits within the framework of so-called Track 1.5 diplomacy or backchannel diplomacy. **These activities appear to have been conducted according to a unified strategic design, supporting the main diplomatic negotiation track**.

The third and most evident example of Chinese influence operations was the **attempt on several occasions to reduce support for or undermine actual Ukrainian peace initiatives**. For instance, when Ukraine sought to implement President Zelenskyy's 10-point peace formula in 2024 and organize a peace summit in Switzerland, China, which had neither confirmed nor denied its participation until the last moment, ultimately declined to attend. Moreover, Chinese diplomats contacted several Global South countries urging them not to take part in the Ukrainian event. This contributed to the reduction in the number of countries attending the summit, as publicly stated by President Zelenskyy during the Shangri-La Dialogue in Singapore.[24]

In addition, according to information obtained from a European diplomat, after the Peace Summit, there were approximately ten Global South countries that had not signed the communiqué of the first peace summit but could potentially have joined later. European diplomats began encouraging them to sign the document. However, at this stage, **Chinese diplomats resumed efforts to discourage Global South countries from joining the signing process**, including Mozambique, Kenya, Angola, and Vietnam.

Simultaneously, China launched its own peace initiative, the so-called China-Brazil peace plan, which was also assessed in Kyiv as an attempt to undermine Ukrainian peace initiatives.[25] Notably,

[23] *"Special Representative of the Chinese Government on Eurasian Affairs Li Hui Visits Ukraine," Ministry of Foreign Affairs of the People's Republic of China, March 8, 2024, https://www.fmprc.gov.cn/mfa_eng/xw/wjbxw/202405/t20240530_11343942.html.*

[24] *"Zelenskyy Accuses China of Pressuring Other Countries Not to Attend Upcoming Ukraine Peace Talks," Leaders MENA, March 10, 2024, https://www.leaders-mena.com/zelenskyy-accuses-china-of-pressuring-other-countries-not-to-attend-upcoming-ukraine-peace-talks-ap/?utm_source=chatgpt.com.*

[25] *"China and Brazil, Common Understandings Between China and Brazil on the Political Settlement of the Ukraine Crisis [Six-Point Peace Plan]," Ministry of Foreign Affairs of the People's Republic of China and Ministry of Foreign Affairs of the Federative Republic of Brazil, May 23, 2024, https://pl.china-embassy.gov.cn/pol/zgyw/202405/t20240528_11312671.htm.*

this document, for the first time, **omitted even a formal reference to respect for territorial integrity**. During the visit of Ukraine's former foreign minister Dmytro Kuleba to China in 2024, the Chinese statement released after the meeting also lacked any mention of respect for territorial integrity.[26] Some sources indicate that during the meeting, Wang Yi did say that China supports Ukraine's territorial integrity, which Kuleba subsequently reported in Kyiv. However, this phrase was not included in the final official document, which was received with great surprise in Kyiv. This was considered unprecedented, as all previous bilateral Ukrainian-Chinese documents had always included a clause on mutual respect for territorial integrity, and therefore China's action was perceived as an attempt to weaken this concept even at the formal level.

When the author asked a Chinese expert during a closed-door discussion about the absence of any reference to respect for territorial integrity, the expert replied that this was a deliberate and consistent policy of China, stating that, "**In China's view, achieving Ukraine's territorial integrity is highly unrealistic**; therefore, China includes in its documents only positions that are feasible to implement, such as the start of negotiations, de-escalation, etc." At the same time, in conversations with diplomats, the Chinese side provided a different explanation, claiming that **territorial integrity had already been mentioned in other documents**, including the "12-point document," and therefore there was no need to include it again. One can easily say that both explanations are manipulative.

> In China's view, achieving Ukraine's territorial integrity is highly unrealistic.

In Ukraine, such arguments were met with skepticism: the omission of a clause on Ukraine's territorial integrity is unjustified and inconsistent, and it undermines key principles of China's foreign policy. This may indicate that China is shifting toward an approach of "taking into account the situation on the ground"—a position consistently promoted by Russia to justify retaining control over occupied territories. These and other actions may indicate that **China's position, despite assurances of neutrality and constructive engagement, is aimed at supporting Russia** in order to advance several strategic interests of Beijing. Can Western countries, particularly in Europe, deploy effective tools to counter this?

[26] *"Wang Yi Holds Talks with Ukrainian Foreign Minister Dmytro Kuleba," Ministry of Foreign Affairs of the People's Republic of China, July 24, 2024, https://www.fmprc.gov.cn/eng/wjbzhd/202505/t20250509_11618306.html.*

INSTITUT Montaigne

Jacob Gunter

Head of the "Economy and Industry" Program at MERICS

Mr. Gunter brings ten years of experience in China to the role, including the most recent four years as the Lead Pen of the European Union Chamber of Commerce in China, where he served as the Senior Policy and Communications Manager. He covers China's political economy, industrial policy, innovation, self-reliance, decoupling, and examines how the EU can better economically compete with China in third markets.

China's Economy: A Unique Trade Surplus and Painful Overcapacity Problems for the EU

China's economic model has yielded profound imbalances in its own market, increasingly spilling over into global markets. There is no reason to think the drivers of China's industrial overcapacity are likely to be resolved anytime soon. Domestic consumption growth lags far behind continuous strong growth in industrial output, a structural unbalance heavily supported by all levels of government.

As a result, supply is drastically outstripping demand, driving prices down and instigating vicious price wars in a growing number of industries rife with loss-making—a phenomenon Beijing calls "involution". **As inventories pile up with excess production, companies have turned to foreign markets, using exports as a pressure valve**.

Consequently, in 2025, Chinese exports surging by 20 percent year-on-year to a record $1.2 trillion (over €1 trillion) trade surplus, accounting approximately for a third of GDP growth,[1] and despite a decrease in exports to the United States as a result of Liberation Day tariffs. While China's exports, measured in value and in volume, have surged both ways in recent years, volume has grown faster. This is especially important, as it is **counterintuitive to what should be happening as China climbs up global value chains**. Instead, value to volume has stagnated, and even flagged somewhat downward.

As the United States, the European Union, and a wide number of rich, middle-income, and lower-income countries have begun to raise barriers to China's market-distorting goods, a common refrain is coming from Chinese officials, academics, and business leaders: **why is it that countries like Germany or Japan are allowed to run trade surpluses while China is accused of overcapacity, market distortions, and worse?** There are grains of truth in this assertion, but when examined more closely, many of the arguments surrounding it fail to hold water.

> "Why is it that Germany or Japan are allowed to run trade surpluses while China is accused of overcapacity?" wonder certain Chinese experts.

[1] *"2025年12月全国进出口总值表（美元值)" [Table of Total National Imports and Exports for December 2025 (in US dollars)], General Administration of Customs of the People's Republic of China, January 14, 2026, http://www.customs.gov.cn/customs/2026-01/14/article_2026012219105978750.html.*

Jian Junbo, Director of the Center for China-EU Relations Studies at Fudan University and Deputy Secretary-General of the Shanghai Association for European Studies, lays out a representative opinion in his December 2025 essay, **"If Europe truly wants to resolve the trade 'imbalance' between China and the EU, it can try these four suggestions."**[2] **Jian lays out his arguments in three main groupings:** a review of "misconceptions" about the EU's trade deficit with China, an inquiry into what causes China's trade surplus with the European Union, and possible solutions to the matter.

The Party Line: Overcapacity Does Not Exist—If it Does, Do not Blame Policymakers

Starting with the "misunderstandings", Jian first argues that the **claims of overcapacity are poorly founded**. He writes that the European Union and the United States unfairly accuse China of running exports driven by overcapacity. Instead, he insists on the argument of competitive advantage—after all, "BMW cars produced in Bavaria are not only sold in Germany." There is an ounce of truth to this. His assessment is echoed by others in China, like Robin Xing, Chief China Economist at Morgan Stanley China, who commented: "It is unfair to specifically mention China's industrial policies and imply that China's competitive advantage is subsidized by the government."[3]

Jian takes his analysis further, tracking **four main arguments targeting China that he equally identifies as falsely accusatory:** involution creates "redundant" (冗余) goods for export; domestic saving rates are too high and consumption too weak; China's wages are too low, which hurts consumption; and the RMB is undervalued, which supports China's exports and harms its imports. He argues that these stem from corporate, household, and market choices—not policy—but fails to touch on the RMB valuation issue, which was masterfully argued on by Jürgen Matthes last year.[4]

"It is unfair to specifically mention China's industrial policies and imply that China's competitive advantage is subsidized by the government."

Digging Deeper Into Systemic Issues to Find the Underlying Drivers of Overcapacity

However, **Jian does not examine the policy factors driving these choices made by companies, households, and markets**. Involutionary competition as a means to drive out competitors is only sustained due to the scale of government support for companies that should otherwise be closing shop or be consolidated. For example, of the more than 120 automakers in China, precious few of them are actually making a profit, and those who do have razor thin margins. Many should exit the market as they are increasingly producing cars at a loss, but they survive thanks to subsidies and cheap loans from local officials eager to protect jobs and prevent their "local champions" from collapsing before competitors.

Meanwhile, Chinese households' high savings rates stem partly from a culture of fiscal conservatism, but structural factors also play a major role. First, China's weak and underdeveloped social safety net

[2] Jian Junbo, "若真想解决中欧贸易'失衡'，欧洲可以试试这四点建议" [If Europe Truly Wants to Address the Trade "Imbalance" with China, It Could Try these Four Suggestions], The Paper, December 26, 2025, https://m.thepaper.cn/newsDetail_forward_32256966.

[3] "Analysts Rebut 'Chinese Overcapacity' Claims Amid Political Tensions," CGTN, April 24, 2024, https://news.cgtn.com/news/2024-04-24/Analysts-rebut-Chinese-overcapacity-claims-amid-political-tensions-1t3OYphDILS/p.html.

[4] Jürgen Matthes, "Yuan Undervaluation against the Euro: Unfair Cost Advantage for China?!," German Economic Institute, July 23, 2025, https://www.iwkoeln.de/en/studies/juergen-matthes-unfair-cost-advantages-for-china-eng.html.

compels families to save for economic downturns, job losses, and expensive medical emergencies. Second, much of the middle-class has traditionally concentrated its wealth in real estate and, to a lesser degree, into China's booming tech sector. Beijing has launched intense crackdowns into those two growth drivers and put households in a tough position with few options of where to reliably invest.

Jian further rejects the "market distortion" argument made against Chinese exports. First, as he explains, the central government has already decreased subsidies in certain industries. This is partially true but has no bearing on where the central government continues to provide support, let alone the extensive support from provincial and local governments. Second, he argues that all governments use subsidies, pointing to the EU's support of its agricultural sector. He also refers to subsidies for startups and R&D—a practice generally supported by the WTO.

> To equate China's use of extensive government support to those in Europe merely on the grounds that they exist is equivocation at best.

Jian is technically accurate, but as demonstrated by the Organisation for Economic Co-operation and Development,[5] the Center for Strategic and International Studies,[6] or the Kiel Institute,[7] when added together, **China's various types of support amount to an average of 4.5 percent of revenue for listed companies, which can be up to ten times higher than the OECD median**. When removing R&D support to measure "hard subsidies", China's support levels amount to around 1.59 percent of GDP compared to 0.31 percent in Germany and just 0.08 percent in France, or 0.12 percent in the United States. To equate China's use of extensive government support to those in Europe merely on the grounds that they exist is equivocation at best.

China's Export Surge: A Reflection of the Chinese Production System's Superiority?

Jian then moves on to what he considers a strong argument against the accusations that China is dumping goods in the EU market at scale. That has been an issue historically and presently. But the wave of **Chinese goods provoking concerns in the European Union** in recent years **would mostly fall outside of the definition of dumping**. As Jian points out, goods like Chinese electric vehicles and solar panels sold in the European Union have much higher prices than the same goods sold in China. Importantly, anti-dumping should not be mistaken as being the same as the anti-subsidy issue: dumping is when a product is sold in a foreign market for below-market prices or even below cost, whereas subsidies can still distort foreign markets even if that product is being sold with higher margins than it would be at home.

And generally speaking, Jian is right on this point. **Chinese exporters are desperate to sell outside of China where the price wars are most extreme.** For those who have reached a scale where they can invest in the hard and soft infrastructure to export, they are extremely keen to do so to seek profit margins which help them survive back home. As things stand, Chinese auto brands systematically undersell their local competition on the European

[5] *"How Governments Back the Largest Manufacturing Firms," OECD, February 4, 2025, https://www.oecd.org/en/publications/how-governments-back-the-largest-manufacturing-firms_d93ed7db-en.html.*

[6] *Gerard DiPippo, Ilaria Mazzocco, and Scott Kennedy, "Red Ink: Estimating Chinese Industrial Policy Spending in Comparative Perspective," Center for Strategic and International Studies, May 2022, https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/220523_DiPippo_Red_Ink.pdf.*

[7] *Frank Bickenbach, Dirk Dohse, Rolf J. Langhammer, and Wan-Hsin Liu, "Foul Play? On the Scale and Scope of Industrial Subsidies in China," Kiel Institute, April 2024, https://www.kielinstitut.de/publications/foul-play-on-the-scale-and-scope-of-industrial-subsidies-in-china-17562/.*

market, but not to the point where they would fall to China's domestic price levels, and probably manufacturing costs. They price differently for different markets, which does not match the definition of dumping. If profitable Chinese EV makers like BYD sold their models in the European Union at Chinese prices, even German automakers might reconsider their opposition to EU measures, and advocate for market distortions to be addressed.

> "European industrial workers nurtured by high welfare systems are relatively less efficient [compared to China's working culture]."

Jian continues to examine why China has a trade surplus with Europe in the first place. Jian highlights the **complete industrial value chains present in China that create incredible efficiencies**, a fast paced and dynamic industrial and innovation ecosystem, and economies of scale that make China a premier manufacturing base for competitive exports. He similarly praises the infrastructure in China as helping to drive down the costs of economic activity, including energy costs, and also pays tribute to China's hard working, diligent, and entrepreneurial culture, which he contrasts with "European industrial workers nurtured by high welfare systems [who] are relatively less efficient" (*欧洲产业工人在高福利制度滋养下，其效率相对要低得多*).

A common line of argument from Jian and Chinese researchers builds on that point, arguing that the rise of **China's competitiveness is matched by the decline in European competitiveness**. As Zhou Xiaoming, Former Deputy Permanent Representative of China's Mission to the UN Office in Geneva, argued in December 2025, "Despite the European Commission's narrative, the sluggish EU growth stems less from external pressures than from a loss of global competitiveness. Its traditional strengths—automobiles, petrochemicals, machinery—are eroding."[8] While many in Europe, including Mario Draghi in his famous report, would agree with the argument that European companies have failed to sufficiently invest in their own strengths, **to not also tell the story of the extent of China's government support of its firms would be to miss a critical portion of the puzzle**. To name just a few, that support can take manifold forms, from direct subsidies by central and local authorities, preferential loans, energy and land pricing.

Jian further argues that the **EU's de-risking agenda is contributing to the trade deficit**. He posits that the skepticism toward Chinese investment in the European Union causes goods that could be made in Europe to instead be imported from China. The same point is echoed by Zhang Jian, Vice President of the China Institutes of Contemporary International Relations, who argues, "The European Union continues to treat Chinese companies investing in Europe with special scrutiny and discriminatory practices, which is clearly detrimental to the European Union's own economic development."[9] Jian also notes that the European Union blocking the sale of lithography machines as well as weapons and dual-use is a self-imposed driver of Europe's deficit.

Technically true, but Jian's argument fails to consider the many barriers that China imposes on European exports to China. The European Union Chamber of Commerce in China annually points

[8] *Zhou Xiaoming, "欧洲转向保护主义" [Europe's Protectionist Turn], China-US Focus, December 12, 2025, https://cn.chinausfocus.com/finance-economy/20251210/44073.html#eng.*

[9] *Zhang Jian, "对华经贸合作，欧洲需要更开放" [Europe Needs to Be More Open to Economic and Trade Cooperation with China], Global Times, December 19, 2025, https://opinion.huanqiu.com/article/4PbzaQMR8Yj.*

[10] *"Business Confidence Survey 2025," European Union Chamber of Commerce in China, May 28, 2025, https://www.europeanchamber.com.cn/en/publications-business-confidence-survey.*

out the many limits of European companies doing business in China in their Position Paper,[10] with hundreds of recommendations in every edition. Most of these barriers have persisted for years—and some explicitly. **China's public procurement markets are heavily slanted in favor of indigenous brands**, for example, for pharmaceuticals or medical devices, which has been found by the European Commission to benefit from unfair procurement practices using the International Procurement Instrument.[11]

Meanwhile, a series of official policies as well as ideological principles are steering companies in China to choose indigenously developed solutions as much as possible. For example, "buy local" requirements for network equipment and critical infrastructure projects exclude many European providers. Similarly, calls for the **adoption of "autonomous and controllable" (*自主可控*) technology** across industries can mean lost opportunities for European industrial machinery and industrial software providers who may otherwise have the superior product to offer over their Chinese competitors which Beijing seeks to nurture.

The Real Solution to Europe's Industrial Troubles: Engage Even More with China

Jian finishes his essay proposing solutions to the trade imbalance. He argues that **Europe should look inward at its own shortcomings and do more to innovate, improve efficiency, reduce costs, and boost competitiveness**. Another scholar, Han Yanfeng from the Center for European Studies at Renmin University, picks up on this, making a compelling argument that would find purchase in Brussels: "The EU is at a crossroads in industrial strategy reform. The key to this reform lies in fundamentally **improving the European Commission's fiscal allocation capacity**, and common debt serves as a 'weathervane' for judging whether it can achieve reform."[12]

One of Jian's solutions, as he posits unironically, would be to import more machinery and intermediate components from China to improve the competitiveness of European exports to China and the rest of the world. He also argues that de-risking is the wrong path, and that whatever security risks exist for Europe and/or for China are actually diminished by "moving from interdependence to mutual embedding" (*从相互依赖到相互嵌入的贸易关系重塑*) and that joint EU-China industrial ecosystems will mutually enhance competitiveness with third markets, making the bilateral trade deficit a non-issue. He also argues that investment can help, specifically by **inviting more investment from Chinese companies to localize production in the European Union**.

> "Moving from interdependence to mutual embedding" (*从相互依赖到相互嵌入的贸易关系重塑*) [will mitigate security risks both for Europe and China].

However, these final arguments miss two critical points. First, Beijing's capacity and willingness to weaponize dependencies means **China would**, for the foreseeable future, **have the upper hand over Europe any time it threatens to escalate**. The European Union, its 27 Member States and their multi-party democracies are institutionally

[11] *"Commission to Assess Next Steps for Tackling Discrimination in China's Public Procurement Market for Medical Devices," European Commission, January 14, 2025, https://ec.europa.eu/commission/presscorner/detail/en/ip_25_252.*

[12] *Han Yanfeng, "欧盟产业战略变迁的制度分析" [An Institutional Analysis of the Evolution of the EU's Industrial Strategy], Chinese Journal of European Studies, September 2025, https://oversea.cnki.net/kcms2/article/abstract?v=9r23aJBcv3aE6-S381v0TDLVVnPcaLBLv_9OVm3qWs5n7iTin_pssKn2fA5HreWRijyhsFgMPllqcanHoTzaPCoG6nknO7CTU3I0Qn7gHS4Tb1Y8hjlLUoLlhDBW-YcUvKmEDaXuecRLZwm0ODmApcG_I90YtPmP_fUdxhKmEPzKZ1mlyqPjNNBD_fX3iX80&uniplatform=OVERSEA&language=CHS.*

constrained in their ability to react quickly and decisively in response to Beijing leveraging a dependency. One needs to look no further than the paltry measures taken nearly a year after China weaponized rare earth exports in April 2024. China, as a one-party maximalist state, faces no such constraints.

Second, the **mutual dependencies between the European Union and China are not permanent but are generally moving more in favor of China**. Beijing's industrial and technological self-reliance efforts continue to bear fruit. China remains dependent on the European Union for key technologies—Dutch lithography machines and their European suppliers, German machining tools, French metrology equipment, and pan-European avionics and aerospace component makers. A decade ago, however, that list was much longer, and a decade from now, it is likely to be shorter.

"Mutual embedding" into such a dynamic would be foolish, and one should question the wisdom of seeking "reindustrialization" by inviting in investment from the country driving European deindustrialization in the first place. This does not mean that Europe should seek comprehensive decoupling with China, and much of the current economic relationship will continue to work in ways that are favorable to European values and interests. But without decisive action, **Europe is choosing a self-fulfilling defeatism that would result in the European Union evolving into an "appendage"** attached to the industrial ecosystem of a China already recognized as a systemic rival.

François Godement

Special Advisor and Resident Senior Fellow - Asia and United States at Institut Montaigne

Prof. François Godement is Institut Montaigne's Special Advisor on Asia and the United States. Until the summer of 2024, he was also a Nonresident Senior Fellow at the Carnegie Endowment for International Peace, and an external consultant at the French Ministry for Europe and Foreign Affairs. He graduated from the École normale supérieure de la rue d'Ulm, where he specialized in history, before studying at Harvard University.

China's Thinking on the EU: An Evolving or More Sophisticated Narrative?

Published views from China on the European Union—usually called Europe, even if there is not much mention of non-EU countries—seems to be evolving, in quantity and in quality. Perhaps it is first useful to note that there is a widening Chinese net of European studies in the broader sense—policy studies but also sectoral think tanks and academic departments that usually focus on language, often coupled with political science, economics, and history. There are now about ten think tanks at the national or affiliated level somehow focusing on Europe, usually under the authority of the State Council. But China also hosts about 20 research centers dedicated to European affairs, some of them even partly funded by the European Union, as well as around 200 European language departments.

For those organizations, while language diversity and country dispersion may represent a formidable obstacle to understanding Europe, the advent of AI-based documentation makes the gathering of information much easier. This is especially true at the level of EU institutions, which offer transparent and mostly user-friendly access to published rulings and debates in the European Parliament. In fact, some of the texts referenced below, clearly intended as guides for Chinese enterprises on EU legislation, look very much like polished and formatted products of Large Language Models (LLMs). We are likely to witness an equalization of knowledge regarding European affairs across a much broader Chinese constituency—and this is important for Chinese firms looking at the European market.

Visiting think-tankers from a major economic institution recently expressed their surprise at the gap between Europe's knowledge of China and Chinese knowledge of European affairs. This reverses conventional perspective and may not yet be entirely accurate: there are many individual, albeit dispersed, academics and think-tankers in Europe working on China. But in China, efforts can be coordinated from the top, and security measures introduced in the PRC over the past few years have created an asymmetry of access to sources. China's overall trajectory in the past ten years has also had a chilling effect that explains a drop in language learning and student stays in China.

The Omnipresent "Strategic Autonomy" Discourse

This being said, the relative **change in tone and in perspective in Chinese published sources also has other, more directly policy-driven, explanations**. Even before the war in the Middle East began, Chinese analysts were clearly on the lookout for the consequences of the U.S. administration's verbal and tariff onslaught against the European Union. While Chinese public diplomacy has long urged Europeans to be more independent from U.S. foreign policy and strategy, Chinese analysts never believed this would happen in the foreseeable future. They have therefore spent considerable time denouncing collusion between Europe and the United States, while also wooing the few European partners who would criticize the United States or depart from common European positions. Victor Orbán's Hungary has been the prime example, but there has also been a certain nostalgia of a "Gaullist" France, on China's terms, recalling France's early establishment of diplomatic relations with the PRC in 1964 and President Jacques Chirac's attempt to lift the EU arms embargo in the early 2000s.

But today, China may think the tables are turning. Criticism, and even outright rants, from the U.S. administration serve the European Union on a platter to the PRC's rhetoric. **"Strategic autonomy"**—by which Chinese exponents really mean a decisive weakening of the transatlantic alliance—**is being forced on Europe by U.S. declarations essentially leaving Europeans fend for their own defense**, dithering on American support to Ukraine, and moves on the trade front implying that Europeans "take advantage" of their relationship with the United States.

Chinese analysts, trained as good Marxists, underline that the shifts in American public opinion that have once again brought Donald Trump to the fore are structural, and not just the product of happenstance. They pay little attention to remaining countervailing trends in the United States, and therefore tend to estimate that the rift with Europeans, still ensconced into their democratic dreams, as deep and likely to outlast this American president.

A Weakened European Union: The New Normal?

The **unavoidable conclusion is that Europe may be up for grabs, and this likely explains a change of tone**. It is not so much that Beijing sells another "golden era" of EU-China relations, as it has done in the past. Instead, it coolly assesses Europe's changing feelings about the United States, the attempts at some strategic autonomy, and the economic security measures taken mostly under the aegis of the European Commission.

> The unavoidable conclusion is that Europe may be up for grabs, and this likely explains a change of tone.

On the first issue, they are quite forthright: there are few remaining barbs against what is seen as a European China-containment camp. The keyword here is "unavoidable": namely, unavoidable trade dependence on China, and therefore unavoidable high-level talks, although their precise nature is not specified. On strategic autonomy, Chinese analysts have nothing but praise. While they also show skepticism about its actual implementation, the picture that emerges is that of a chastened but weak Europe.

On economic security—and hard security (defense by any other name but forbidden in the EU lingo—**measures**, which are now on the European agenda, **Chinese commentators take, for the time being, a comparatively relaxed attitude**. This is not to say they refrain from criticism. According to them, the steps taken by Europeans on economic security are excessive, amount to barely disguised protectionism, and are harmful to both Chinese and European interests.

But that **criticism is restrained enough to avoid the need for immediate response and retaliation**. This has been particularly true of the Chinese response to the recently released proposal of the Industrial Accelerator Act (IAA). The official response from a PRC Ministry of Commerce spokesperson is that the IAA "is suspected of violating the Most-favoured-nation principle" (*涉嫌违反最惠国待遇原则*),[1] a cautious formulation that does not necessarily require immediate legal action. Of course, given the cracks between some Member States on the IAA, and then time needed in any case for implementation, China certainly hopes to put its case forcefully with each of these Member States. Currently, China leaves overall aggressive rhetoric to the U.S. administration.

> Criticism is restrained enough to avoid the need for immediate response and retaliation.

That bifurcating approach—verbally restrained toward the European Union as a whole, but with arguments, lobbying or pressure at the Member State level—is well exemplified by the published analysis on European affairs. **The Chinese sit back and watch**, not questioning much the overall intentions of Europeans as they are seen moving away from the United States, but **pointing out, sometimes politely, sometimes with irony, the difficulties and the long path toward any practical autonomy**.

Useful Echoes from Munich

And in doing so, they sound very similar to much of the echoes originating from Europeans themselves on their conundrum. Much of the commentaries in late February originate from the Munich Security Conference (MSC), which was attended by a larger Chinese group than before. Indirectly quoting the MSC 2026 report issued before the meeting itself, the People's Daily explains that, "For most Europeans, today's America is no longer the America they knew; U.S. disengagement and policy volatility are continuously reshaping Europe's security perceptions" (*对于大多数欧洲人来说，今天的美国已然面目全非*).[2] A recent ECFR policy brief calls this a strategy of "borrowing mouths".[3] **Quite objectively, the People's Daily reports a verbal joust between Michael Waltz**, the U.S. Permanent Representative to the United Nations, **and Kaja Kallas**, the EU's High Representative for Foreign Policy and Security.

To Chinese readers, this will be all the more notable as Kaja Kallas has previously been accused of toeing U.S. lines. Objectively, the People's Daily notes that Secretary of State Marco Rubio has been more moderate, but still "lecturing" the Europeans. The Chinese op-ed follows this with quotations on other occasions from various Western sources, ending with French think tanker Pascal Boniface: "The United States has long ignored international law and imposed its will on both allies and adversaries." Skillfully, the commentary has led its readers to this conclusion.

One detailed view published by *Guancha* goes much deeper in the same direction with an

[1] "商务部新闻发言人就欧盟《工业加速器法案》有关问题答记者问" [Spokesperson for the Ministry of Commerce Answers Journalists' Questions on the EU's 'Industrial Accelerator Act'], Ministry of Commerce of the People's Republic of China, March 6, 2026, https://www.mofcom.gov.cn/xwfb/xwfyrth/art/2026/art_9749b4d167334397a4d8189dcd44b279.html.

[2] "在慕安会现场看欧美分歧与矛盾——跨大西洋关系迎来"关键转折点"（国际视点）" [Transatlantic Relations Reach a "Critical Turning Point" (International Perspective)], People's Daily, February 25, https://web.archive.org/web/20260227105601/https://paper.people.com.cn/rmrb/pc/content/202602/25/content_30141877.html.

[3] Alicja Bachulska, Ivana Karásková, and Konrad Szatters, "Borrowed Mouths and Laundered Messages: China's Influence Playbook in Europe," European Council for Foreign Relations, March 9, 2026, https://ecfr.eu/publication/borrowed-mouths-and-laundered-messages-chinas-influence-playbook-in-europe/.

interview.[4] The interviewee, Hu Chunchun, who has attended several MSCs, harks from a Shanghai language university rather than a policy think tank or a research center belonging to the best-known universities. He displays sharp views, in a tone that is both realist and skeptic. Commenting on Friedrich Merz at the MSC, Hu says: "I don't always take politicians' rhetoric too seriously. Since the Merkel era, we have heard statements like 'Europe must rely on itself'. We've been hearing that for years (…) **the European Union is very good at producing documents—talking, talking, talking" *(但实际问题是，欧盟最擅长迅速地生产没人知道生产了什么的文件，就是不断talk，talk，talk，一直在说)*. But real action is more difficult**.

On strategic autonomy, Hu notes that it is widely recognized, both "by countries close to the United States such as the Baltic states and Eastern Europe, and by Southern European Member States." But whether strategic autonomy can move from rhetoric to action will be determined by Europe's position toward the U.S. nuclear umbrella—bearing in mind Hu's interview predates President Macron's March 2 speech on these issues. He notes divergences between France and Germany, and underlines the conundrum for Europe, which must increase its defense spending yet is pressured by the United States to buy American. That issue is also cited in another lengthy *Guancha* analysis, citing European and U.S. sources.[5] A *Xinhua* comment published after that same speech from President Macron is a factual description of France's nuclear proposal, and mentions the early favorable response by Germany and other Europeans,[6] highlighting Europe's emerging willingness to cooperate on defense at a time of uncertainty regarding the United States' reliability within NATO.

What China sees in Europe's strategic autonomy is best exemplified by a published commentary regarding Chancellor Merz's China visit of February 25 and 26.[7] Lü Yunmou, described here as the Director of the European security program at the China Institutes of Contemporary International Relations (CICIR), puts the visit in this context: "Germany's development of pragmatic cooperation with China is, to some extent, **a microcosm of Europe's broader pursuit of strategic autonomy"** *(欧洲增强战略自主的缩影)*. "Anxiety" and "uncertainty" are largely caused by the United States and the Trump administration, but nowhere in this commentary are the issues raised by the Chancellor during his visit, such as the major and growing imbalance mentioned. Lü merely mentions "hope" as that of Germany's and its companies' export prospects, and for "a more active role to play by China in resolving the conflict."

Can the Crisis in the Strait of Hormuz Be a Game Changer?

The advent of the Middle East war has sparked more cutting analysis in *Guancha*, eloquently titled: "Ignored by Trump on Iran, the European Union finds itself able only to play the role of a spectator."[8] Drawing on the same recipe of "borrowed mouths", Xiong Chaoran, Editor at *Guancha*, describes a largely helpless European Union that nonetheless still largely supports U.S. actions and he quotes Chancellor Merz—bearing in mind, this time, that this intervened before Germany's refusal to join any kind of assistance in securing the Strait of Hormuz.

[4] Hu Chunchun, "美欧同盟'正遭摧毁'，欧洲对中国的指责改了口径" [The U.S.-EU Alliance 'Is Being Dismantled," and Europe Has Shifted its Tone Regarding its Accusations Against China], Guancha, February 14, 2026, https://www.guancha.cn/HuChunChun/2026_02_14_807137_s.shtml.
[5] "欧盟推军火只买'欧洲造'，美国坐不住了：将对等报复" [The EU Is Pushing for a Policy of Buying Only 'Made in Europe' Arms, And the U.S. Is Growing Restless: It Plans to Retaliate in Kind], Guancha, February 20, 2026, https://www.guancha.cn/internation/2026_02_20_807597.shtml.
[6] "马克龙提出全欧洲核威慑 多国响应" [Macron Proposes Pan-European Nuclear Deterrent; Several Countries Respond], Xinhua, March 3, 2026, https://web.archive.org/web/20260303102404/https://www.news.cn/world/20260303/aab518be4e3c400b94b6cd6dbcd52d9b/c.html.
[7] "默茨访华的三个考 与三大积极信号" [Three Considerations Behind Mertz's Visit to China and Three Positive Signals], China's Diplomacy in the New Era, February 27, 2026, https://web.archive.org/web/20260318153948/https://cn.chinadiplomacy.org.cn/2026-02/27/content_118348952.shtml.
[8] "在伊朗问题上被特朗普无视，'欧盟发现自己只能当个旁观者'" [Ignored by Trump on the Iran Issue, the 'EU Finds Itself Reduced to a Mere Bystander'], Guancha, March 3, 2026, https://www.guancha.cn/internation/2026_03_03_808605.shtml.

After the recent back and forth between the United States and allies on securing the Strait of Hormuz, *Jiefang Ribao*, China's official military daily, goes into detail on the issue.[9] Noting the practical difficulties of mounting a joint naval operation to keep the strait open, it underlines what it calls **a refusal by all allies, minimizing the cautious commitments by some**. It also validates Iran's view that the strait is not closed but just off-limits for the United States and allies. Finally, it concludes that "the United States' tactics are becoming increasingly extreme—including trade wars, financial wars, technology wars, and military adventures [clearly showing] that the United States has lost its composure" (*美国的手段也越来越极端——包括贸易战, 金融战, 科技战, 军事冒险等. 这恰恰说明, 美国已经不淡定了*).

The published social media comments under the piece are even more ironic on Europe, while also criticizing U.S. hegemony. A fitting conclusion is perhaps given by a "Hu Xijin" from Sichuan who has borrowed the name of the Global Times' most famous editor: **"What a model opera, let us eat melon and learn"** (*多好的样板戏啊, 我们吃瓜学习*).

A known Europe handler such as Cui Hongjian, formerly with the main think tank of the Ministry of Foreign Affairs of the PRC and now at Beijing's Foreign Studies University, follows roughly the same line—although in a more polished tone.[10] He adds that **Europe could face two simultaneous emergencies:** over the Middle East and oil, and over Ukraine. "Once excluded from military operations, Europe attempted to rely on its traditional diplomatic tools (…) But Europe's diplomatic efforts have had little diplomatic impact (…) **Europe finds itself out of sync with both the pace of events and the main actors in the conflict**." And from there to the unescapable policy advice: **"Only by standing shoulder to shoulder with those in the international community**—including China—who uphold genuine multilateral rules and pursue lasting peace and prosperity **can Europe break free from the vicious cycle of crisis**, response, and yet another crisis, and emerge as a trustworthy and respected partner in a multipolar world."

> "Only by standing shoulder to shoulder with those in the international community can Europe break free from the vicious cycle of crisis."

The Dichotomy Between Geopolitical and Geoeconomic Views

Strikingly, when contrasted with these geopolitical analyses and comments, geoeconomic views are much tamer. Apart from the guarded condemnations by the Ministry of Commerce and related pieces, they largely consist of detailed descriptions of European actions across various fronts: from economic security and the IAA to technology export measures, the latter often seen as mirroring U.S. policies to some extent. These analyses seem primarily aimed at informing Chinese companies in detail about upcoming legislation.

On specific issues such as "small parcels" and the designation of Shein and Temu as Very Large Online Platforms (VLOPs), with the ensuing consequences for enforcement of the Digital Services Act (DSA), the tone is also more pragmatic than political, even if small-parcel taxes are seen as a form of protectionism.[11] In fact, Chinese sources sometimes conclude

[9] *"美国牵头'护航联盟'? 白宫在喊, 军方在拖, 盟友在躲" [Is the U.S. Leading an "Escort Coalition"? The White House Is Pushing, the Military Is Dragging its Feet, and Allies Are Staying on the Sidelines], Shanghai Observer, March 16, 2026, https://www.shobserver.com/staticsg/res/html/web/newsDetail.html?id=1082518&sid=300.*

[10] *Cui Hongjian, "四周遍布荆棘, 欧洲不会身处花园" [With Thorns all Around, Europe Is no Garden], Global Times, March 11, 2026, https://opinion.huanqiu.com/article/4QhC4bZ6FqS.*

[11] *François Godement, "Beyond Shein: Mapping the Global Ambition of China's E-Commerce," Institut Montaigne, March 2026, https://web.archive.org/web/20260313170052/https://opinion.huanqiu.com/article/4QhC4bZ6FqS.*

that an era is ending with higher costs for low value goods, and that it is time for Chinese companies to move upscale rather than compete directly with one another.[12]

It is clear that this is not a priority on display in official Chinese thinking, even though the volumes reached by small-parcel exports to Europe are impressive. If this trend was confirmed—as opposed to the silent turnaround moves by some firms to circumvent new national taxes in Europe—it would validate the European Commission's assessment that moderate increases in custom duties are useful to contain the phenomenon, but not significant enough to provoke a Chinese counter-offensive.

China's more muted geostrategic criticism of Europe reflects a mix of realism and cynicism about what "strategic autonomy" can deliver in practice.

In sum, **China's more muted geostrategic criticism of Europe reflects a mix of realism and, perhaps, cynicism about what "strategic autonomy" can deliver in practice**. But why raise your voice, when the United States quarrels so openly with Europeans? On the action side, we see little movement. No retaliation on par with its rare earths export controls from October 2025 is to be seen. It remains that China will continue to observe—and broadcast to its economic actors—all the moves decided or implemented by the European Union in the area of economic security, especially trade defense.

[12] *"中国电商出海成本重置: 欧盟将废除小额包裹免税政策, 合规门槛提高后如何应对?" [A New Reality for Chinese E-commerce Expansion Abroad: With the EU Set to Abolish Tax Exemptions for Small Parcels, How Should Companies Adapt to Higher Compliance Thresholds?], Sina, February 27, 2026, https://finance.sina.com.cn/roll/2026-02-27/doc-inhpfhtu0966848.shtml?cre=tianyi&loc=7&mod=pchp&r=0&rfunc=36&tj=cxvertical_pc_hp&tr=12&utm_source=chatgpt.com.*

China Trends is a quarterly publication by Institut Montaigne's Asia Program, which is composed of **Joseph Dellatte**, Head of Energy and Climate Studies; **Mathieu Duchâtel**, Director of International Studies; **François Godement**, Special Advisor and Resident Senior Fellow - Asia and United States; **Rosalie Klein**, Project Officer; **Claire Lemoine**, Project Manager and **Pierre Pinhas**, Project Officer & Editor of China Trends.