

Co-evolution of China and EU along Belt and Road Initiative - One Possibility

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Challenges

- Size and current levels of economic interdependence
- Perceptions and misperceptions
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- 5+1 Crisis in EU
- Three tough battles and supply-side structural reform

EU-China: Trade in goods

Trade in goods 2015-2017, € billions

Year	EU imports	EU exports	Balance
2015	351.0	170.4	-180.7
2016	345.1	169.7	-175.3
2017	374.8	198.2	-176.6

- *Illiberal, Disruptive, Divisive, Ineffective*
- *reduce poverty, control pollution and reduce risks*

Commons

- **BRI Initiatives**
- five-way connections: Policy, trade, transportation, currency and people
- **China-Europe relationship**
- three pillars: political mutual trust, economic cooperation and people-to-people exchange
- **Global uncertainties**
- China matters to the EU, and the EU also matters to China.

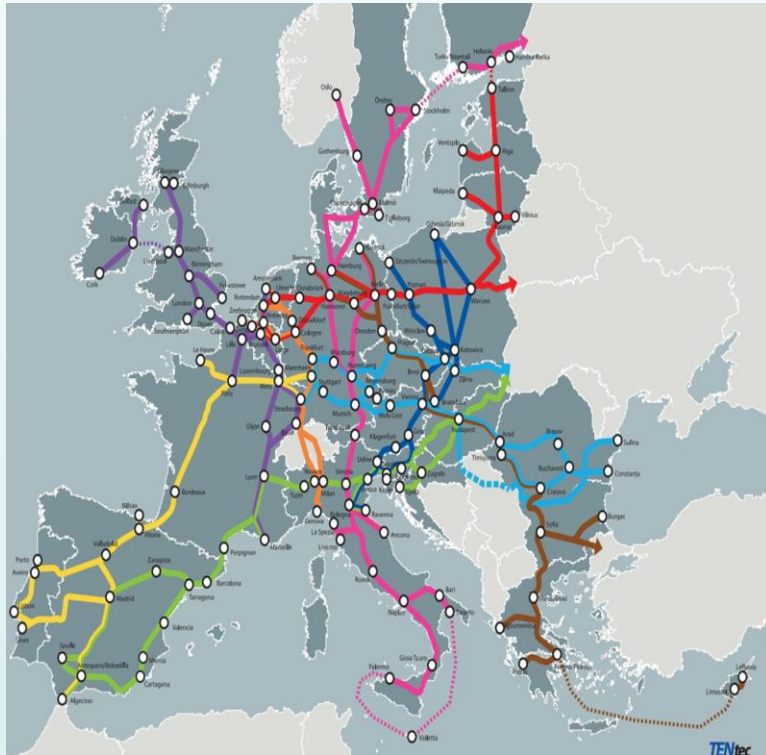
Co-evolution, Core pillars

- 1) Non-zero-sum game (binary opposition)
- 2) Open and inclusive development
- 3) Mutual learning
- 4) Community with a shared future for mankind

Case: Connectivity Platform

- EU-China Connectivity Platform, launched in 2015, the EU created a common framework to develop synergies between China's BRI and EU infrastructure projects, such as the Trans-European Transport Network policy (TEN-T).
- The European Commission- transparent European investment project portal (EIPP) gathering current and future investment projects in the EU.
- Baltic, Adriatic, Black Sea (BABS) Cooperation
- Inland navigation

The Core Network Corridors



https://ec.europa.eu/transport/themes/infrastructure_en

China-Europe land-sea fast intermodal transport route





Source: CSIS

- It is estimated there will be at least an 3 million TEU shifted to rail from maritime and air transport in 2040. This would therefore require around 50-60 trains each way per day, or around 2-3 trains per hour between China and Europe (European Parliament, 2018)
- Bottlenecks may be material not only to rail routes but also to ports and the infrastructure supporting them and connecting them (such as container stacks, warehousing and parking, onward road and rail connections) (European Commission, 2017)

Synergies between China and EU

- **Investment**
- Joint working group: joint working and operational cooperation on the “Investment Plan for Europe” , including within the European Fund for Strategic Investment (EFSI) as well as other EIB Group activities. The working group will comprise of experts from the Chinese Silk Road Fund, the European Commission and the EIB Group, the latter as the entity responsible for the EFSI implementation.
- **people to people**
- EU-China High Level People-to-People Dialogue (HPPD)
- The Belt and Road scholarships
- Education Action Plan for the Belt and Road Initiative (2016)
- In 2016, 443 thousands, 11.3%
- Research network
- the EU-China One Belt One Road Culture & Tourism Development Committee, 2016
- day-to-day communication, strategic communication and relationship building

Conclusion

- Public diplomacy is a possible and even necessary approach to promote mutual understanding between Europe and China.
- **Both pursue their domestic imperatives, cooperating where possible, and adjust their relations to minimize conflicts. Both are two important players for maintaining world peace and promoting common development and prosperity.**
- ***Blind men and an elephant***

Thank you for your attention

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