

How is Europe responding to the eight pillars of the Chinese plan?

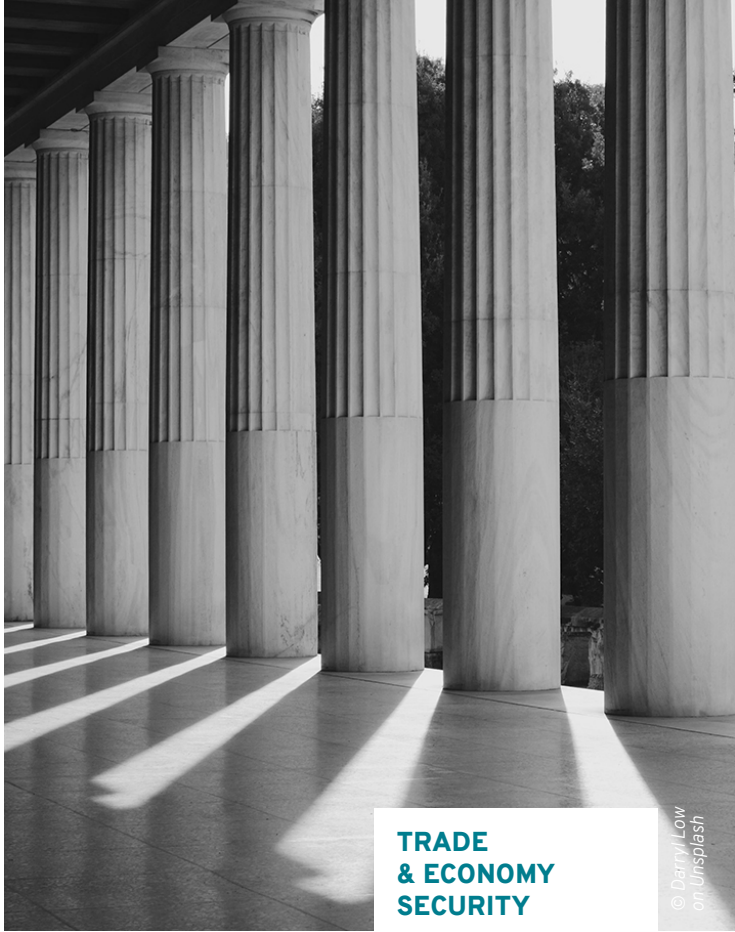
• Introduction

A few weeks after the summit between Donald Trump and Xi Jinping, the European Union appears more marginalised than ever. The United States is controlling exports of advanced microchips and imposing tariffs. China dominates critical materials by locking down the upstream sections of value chains. In this standoff of mutual coercion, two scenarios are emerging: a trade war (in which the EU would be a collateral victim) or [a bilateral compromise](#) that would marginalise the EU.

Surprised by these developments, Europe initially adopted a strategy of risk mitigation. With Washington, the Turnberry Agreement, [recently approved](#) by the Council and the European Parliament, came at the cost of humiliating alignment. With Beijing, uncertainty remains. On the one hand, [some are proposing the use of tariffs](#), at the risk of triggering an open trade war. On the other, [Spain](#) and certain German stakeholders are still proposing measures to regulate investment, at the risk of perpetuating a status quo in which European industry is eroding day by day.

It is against this complex geopolitical backdrop that [China's 15th Five-Year Plan \(2026–2030\)](#) was adopted in March 2026. This plan makes disruptive technological innovation an absolute priority in order to address the country's internal structural crises (economic slowdown, an ageing population, and provincial debt).

This article argues that China's 15th Five-Year Plan does not represent a break with the past, but rather confirms and accelerates the long-term industrial strategy initiated in 2015 with the 'Made in China 2025' plan. Conceived as a direct extension of the successes of the 14th Five-Year Plan, it takes this logic even further: having caught up with the world's most advanced technological standards (1), Beijing is now focused on securing vertical control of its value chains through eight strategic pillars (2). This trajectory nevertheless entails structural economic vulnerabilities (3) which Chinese diplomacy is attempting to mask behind a double discourse of interdependence with Europe (4). Faced with this economic fortress under construction, the article analyses the



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risk of asymmetry confronting a European Union that is now well aware of the danger (5). Finally, after reviewing the European responses already in place (6), it highlights the remaining gaps, particularly in non-trade measures (7), to encourage a unified European response across all these areas (8).

I • From catching up to taking control: China no longer wants to depend on value chains; it wants to organise them

I THE GEOPOLITICAL CATALYST

The acceleration of China's technological strategy can be explained, on the one hand, by changes in the international context. Since Donald Trump's first term, the United States has imposed increasingly stringent restrictions on technology exports to China, particularly in the field of semiconductors. These measures have been accompanied by mounting pressure on Washington's allies, notably [the Netherlands](#) and [Japan](#), to restrict their own exports to the Chinese market.

Any dependence is now perceived as a strategic vulnerability. Against the backdrop of a potential conflict with the United States over Taiwan – which would expose China to international sanctions – strengthening 'technological self-reliance' (科技自立自强) and industrial self-sufficiency thus appears to be a key priority

I SUCSESSES OF THE 14TH FIVE-YEAR PLAN

The 14th Five-Year Plan (2021–2025) has enabled China to consolidate its dominant position in several strategic industrial sectors. The country has established itself as a world leader in solar panels, batteries and electric vehicles, with production capacities and market shares that are unlikely to be challenged in the short term. This rapid move upmarket demonstrates the effectiveness of China's industrial policy, based on massive subsidies, close coordination between the state and the private sector, and remarkable execution capabilities.

CHART 1. China's global market share in solar panels, wind power, electric vehicles and robotics (2015–2025)

Sector	Share in 2015 (baseline)	Share in 2025 (estimate)	Key observation 
Solar panels (PV) 	≈50%	>80%	China now controls more than 95% of the production chain for critical components, especially silicon wafers.
Wind power 	≈35%	>60%	In 2024–2025, China accounted for around 70% of new global installations .
Electric vehicles (EVs) 	≈30%	>60%	China is the world's leading market and exporter; Chinese brands such as BYD now dominate legacy manufacturers.
Industrial robotics 	≈25%	>50% 	China now installs more robots each year than the rest of the world combined.

▲ Sources: International Energy Agency, Global Wind Energy Council, International Federation of Robotics.

I THE 'NEW HIGH-QUALITY PRODUCTIVE FORCES'

At the heart of the 15th Five-Year Plan lies the concept of '[new high-quality productive forces](#)' (新质生产力), a concept championed by Xi Jinping himself and which has now become central to Chinese economic discourse. This concept refers to a new phase of development based on technological innovation and the upgrading of the productive apparatus.

Against a backdrop of an ageing population, China can no longer rely on a cheap and abundant labour force. The authorities have therefore opted to shift towards a growth model driven by disruptive technological innovation.

Prime Minister Li Qiang has announced [no fewer than 109 projects](#) in sectors deemed strategic: artificial intelligence, biotechnology, quantum computing and new materials.

I FOCUS: PRIORITY GIVEN TO AI AND ROBOTICS DESPITE JOB LOSSES

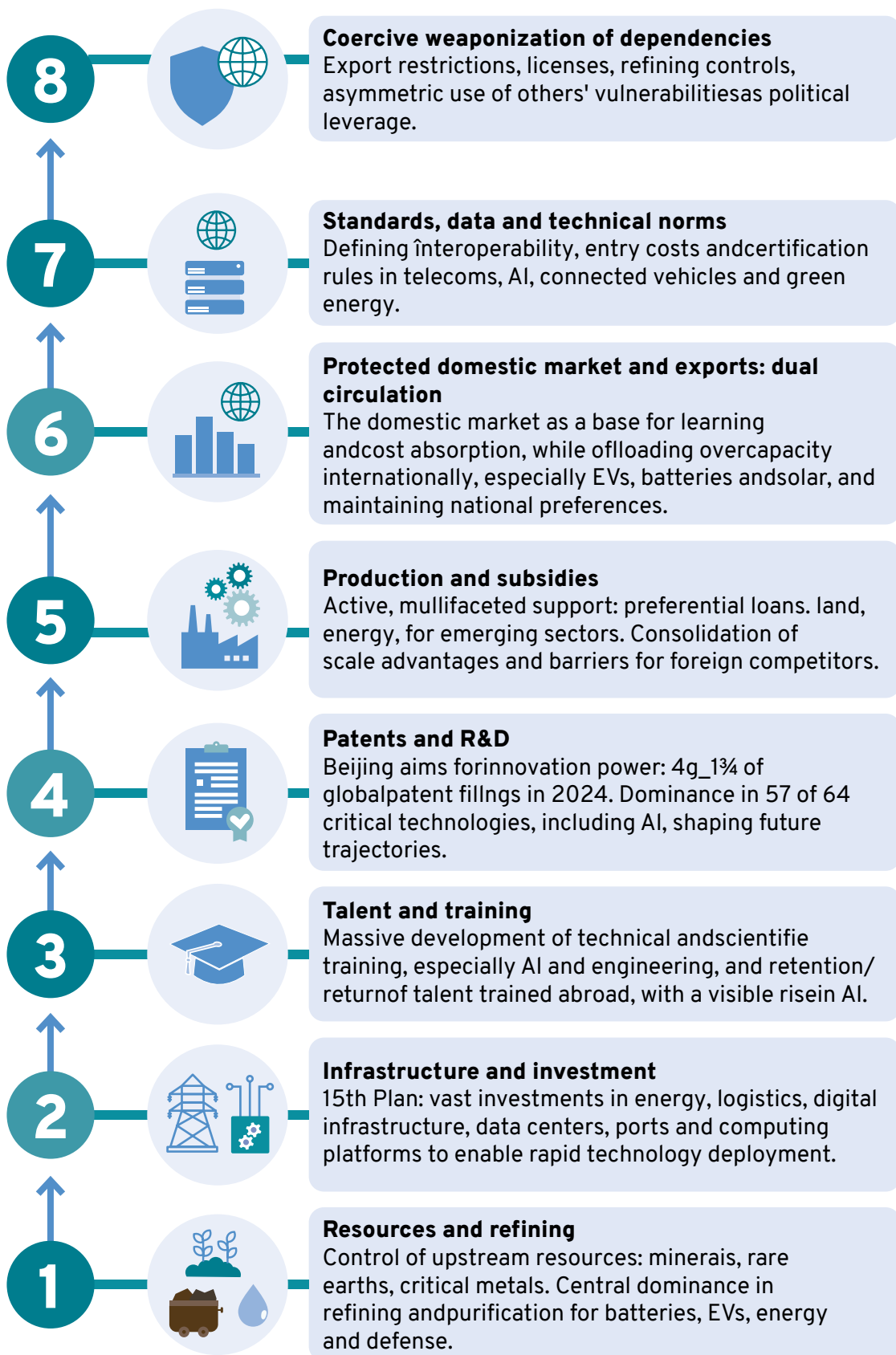
The focus on AI and the automation of jobs is particularly striking. Whilst unemployment has remained high since the Covid-19 period – particularly among young people – the government is already anticipating the loss of [between 7 and 8 million workers per year](#). The government is therefore stepping up its efforts to achieve its targets for AI's "penetration of the economy". The "AI+" plan notably envisages [the use of AI agents in 70 per cent of tasks](#) by 2027 and 90 per cent by 2030 in the service sectors. On paper, the government is hailing the [creation of 10 million jobs](#), inevitably in the maintenance of machines and digital systems. On the other hand, entire sectors of the personal services industry – including pharmacists, cashiers, insurance agents and domestic staff – are set to be replaced or see their numbers reduced by the presence of android agents.

II • An eight-pillar vertical integration strategy: from autonomy to coercion

The distinctive feature of China's strategy lies in its logic of vertical integration. It is not merely a matter of supporting a few sectors deemed to be priorities, but of gradually gaining control over the entire value chain: from resource extraction to fundamental research, from talent development to industrial production, and from the setting of technical standards to the marketing of finished products.

This strategy sometimes goes beyond mere economic calculation. China also invests in sectors with low added value or low short-term profitability, provided they are deemed strategic for economic security, industrial resilience or future coercive capacity. The aim is therefore not merely to produce more, but to reduce China's dependencies whilst increasing the rest of the world's dependence on China.

CHART 2. China's vertical integration strategy in 8 pillars
From upstream resources to the weaponization of dependencies



Objective:
 reduce China's own dependencies while increasing the rest of the world's dependence on China.

A detailed overview of the eight pillars of China's integration strategy, with an assessment of whether the 15th Five-Year Plan represents continuity or an acceleration compared with previous plans.

1. Resources and Refining Continuity Since 2015, China has identified its supply of raw materials as the key to breaking free from Western value chains. At the first level, China has already gained control over critical resources (minerals, rare earths, strategic metals and agricultural or energy inputs), particularly in Africa, Latin America and Central Asia. Secondly, China exerts even greater dominance over the processing of these resources. In the refining sector, China holds over 90 per cent of the market share.	2. Infrastructure and investment continuity The 15th Five-Year Plan provides for extensive investment in energy, logistics, digital and industrial infrastructure. These investments are intended to support the development of cutting-edge industries, whilst also strengthening the resilience of China's production system.
3. Talent and training: acceleration China's move upmarket also relies on investment in human capital. Beijing is developing scientific and technical training programmes, strengthening its engineering universities and seeking to retain or attract back talent trained abroad. In the field of artificial intelligence, this trend is already evident: the proportion of AI researchers trained in China has risen from 27 per cent in 2017 to 38 per cent in 2024.	4. Patents and R&D: continuity China is investing in research and development to transform its manufacturing strength into innovative power. In 2024, it accounted for 49.1 per cent of global patent applications, compared with 34.6 per cent a decade earlier. Admittedly, the volume of patents is not sufficient to measure the quality of innovation, but the trend is also evident in high-impact scientific publications. According to the ASPI's Critical Technology Tracker, China now leads in 57 of the 64 critical technologies studied over the period 2019–2023, compared with just 3 out of 64 in the early 2000s.
5. Production and subsidies: continuity The Chinese government continues to actively support emerging sectors through subsidies, public procurement, preferential loans, industrial funds and local policies to support production. This support does not always take the form of visible direct subsidies: it can be channelled through land, energy, credit, taxation, public procurement or coordination between local governments, state-owned enterprises and leading private firms. In sectors where China has already achieved a dominant position, such as solar power, batteries or electric vehicle, direct subsidies may be reduced, but the industrial ecosystem remains shaped by years of public support.	6. Protected domestic market and exports: the 'dual circulation' (双循环) strategy acceleration The 'dual circulation' strategy combines relative protection of the domestic market with international expansion. The domestic market serves as a base for learning, growth and risk absorption for Chinese companies. It enables them to test their products, benefit from economies of scale and consolidate their competitiveness before expanding abroad. At the same time, industrial overcapacity is channelled into international markets. This approach is particularly evident in electric vehicles, batteries, solar panels and certain capital goods.

7. Standards, data and technical norms: acceleration

China's influence is no longer limited to the production of industrial goods. It also stems from its ability to set the standards that will shape future markets.

Standardisation has become a central element of China's industrial policy, with strong state involvement and a growing desire to promote these standards internationally.

Added to this is the role of data. Digital infrastructure, industrial platforms, connected vehicles and AI systems generate massive flows of data, which are themselves becoming a strategic resource.

8. Coercive exploitation of dependencies: acceleration

It is within this pillar that the most marked change can be observed. Admittedly, controls on exports of critical raw materials to Japan were introduced as early as 2016. However, China is no longer merely seeking to reduce its own vulnerabilities; it is now in a position to use its standing within global value chains as a lever for retaliation.

Following the tariff embattlements imposed by the Trump administration, it was this weapon of export restrictions on critical materials, ordered by China, that forced the US president to the negotiating table.

The EU was not spared either: [in late November 2025](#), in response to the Netherlands' nationalisation of the semiconductor company Nexperia, China halted exports of critical materials to the firm. For several days, the supply chain was severely disrupted, leading to temporary production stoppages in the Netherlands, as well as in Germany.

III • China's persistent economic vulnerabilities

I THE ILLUSION OF ECONOMIC STABILITY

The growth target of 4.5% to 5% set for 2026 reflects both an economic ambition and a political necessity. It forms part of a [long-term objective](#): to achieve, by 2035, a level of GDP per capita comparable to that of moderately developed countries.

This figure also sends a signal to the public and investors, aimed at maintaining confidence in an uncertain economic climate.

I THE STRUCTURAL WEAKNESS OF CONSUMPTION

Despite official rhetoric, which places domestic consumption at the heart of economic priorities for 2026, it remains structurally weak in China. Since 2005, it has accounted [for an average of 38 per cent of GDP](#), compared with around 57 per cent globally. Social spending (around 13 per cent of GDP) also remains significantly lower than levels seen in European economies. This weakness is largely due to the inadequacy

of the social safety net, which encourages households to prioritise precautionary savings at the expense of consumption.

I AN INCOMPLETE STRATEGY FOR IDEOLOGICAL REASONS

To stimulate consumption, two levers are generally identified: strengthening social protection and direct consumption subsidies. However, China appears to be ignoring the former and severely limiting the scale of the latter.

As regards strengthening social protection, China continues to argue that, as a 'developing' country, it [cannot afford higher social spending](#). In reality, this reluctance to provide greater social security stems in part from ideological considerations.

BOX 1. President Xi Jinping's stance on the welfare state

In [an article](#) written by Xi Jinping himself, he warns against the pitfalls of 'excessive social protection', citing certain Latin American countries as examples, where 'high social benefits have fostered a culture of dependency and encouraged idleness, which has ultimately placed a heavy burden on public finances and led to the country falling into the middle-income trap'.

As in 2025, the only concrete measure is an increase in the minimum pension for rural residents, which will rise to 20 yuan per month (less than 3 euros) in 2026.

As regards direct consumption subsidies, the main programme currently in place – which was already in operation and dedicated to [the replacement of household appliances and vehicles](#) – has seen its budget reduced from 300 to 250 billion yuan, a fall of nearly 17 per cent. Furthermore, its effectiveness appears to be waning, insofar as it tends to anticipate household demand whilst continuing to prioritise support for production, at the risk of prolonging structural imbalances. Several indicators bear this out, notably the [slowdown in sales of electric vehicles and the fall in average spending per tourist during the Lunar New Year](#) in 2026.

I SUPPLY-DRIVEN GROWTH

In practice, China continues to prioritise growth driven by investment and supply, rather than by domestic demand. Despite the general increase in tariffs on Chinese goods worldwide, a new export record was set in 2025, with exports totalling \$1.1 trillion.

Having succeeded in redirecting some of its exports from the US to Europe, China will regain some room for manoeuvre in 2026, thanks, on the one hand, to [the US Supreme Court's ruling](#), which overturns some of Trump's tariffs, and, on the other hand, to President Trump's own desire to stabilise trade relations with Xi Jinping [through the creation of a 'US-China Trade Council'](#).

I OTHER VULNERABILITIES

In the field of advanced semiconductors, China remains heavily dependent on foreign technologies, particularly [in the area of lithography](#). More broadly, certain critical value chains, notably software and high-precision components, are still beyond its control.

These vulnerabilities also extend to the upstream industrial sector. China remains dependent on certain strategic raw materials, such as iron ore. However, the Chinese government is well aware of these remaining dependencies, as illustrated by the massive investments in the [Simandou project in Guinea](#), which are securing access to resources in order to reduce supply risks.

IV • A double standard towards Europe

I A STANCE IN FAVOUR OF INTERDEPENDENCE

In its relations with Europe, China continues to promote a vision of globalisation based on openness and cooperation. Chinese officials regularly criticise European 'derisking' policies, which they portray as a form of decoupling and equate with protectionism.

BOX 2. Statements by the Chinese Ambassador to France, Deng Li, and Foreign Minister Wang Yi.

Deng Li stated last year that China does not explicitly seek to run trade surpluses with its partners. This year, at Foreign Minister Wang Yi's [annual press conference](#), Beijing once again sent a message to the Europeans: "We look forward to seeing our European partners step out of the 'small attic' of protectionism and into the 'gym that is the Chinese market, where they can strengthen themselves and improve their competitiveness.'" He also emphasised that "interdependence is not a risk and the intertwining of interests is not a threat".

The implication is clear: China is presenting itself as open to foreign investment, whilst suggesting that any difficulties encountered by European companies stem primarily from a lack of competitiveness.

I A REALITY OF SELECTIVE CLOSURE

In practice, the fifteenth five-year plan provides for China to strengthen its total control over value chains across a wide range of sectors. This form of self-sufficiency leads to [policies of national preference](#), particularly in technology sectors. The Chinese market is gradually becoming less accessible to exports from foreign companies, particularly in high value-added segments.

This development reflects a structural contradiction: China calls for [the opening up of international markets](#) for its exports, whilst at the same time [seeking absolute self-sufficiency](#).

This apparent inconsistency is in fact part of a coherent strategy. China does not reject globalisation, but seeks to redefine its rules to its own advantage, by combining external openness with internal sovereignty. Much has already been written about this phenomenon known as ['the dual circulation'](#) (双循环).

V • The implications for Europe

By locking down the upstream end of supply chains through control of strategic raw materials and the downstream end through control of markets and standards, China is trapping the European industrial sector in the middle of the value chain. The era of the 1980s and 1990s, during which European companies enjoyed a significant technological lead enabling them to access the Chinese market in exchange for technology transfers, has definitively come to an end. Beijing now dominates [57 of the 64 critical technologies listed by the ASPI](#). The EU

is ceasing to be an indispensable partner and is becoming a niche supplier on borrowed time and a target market destined to absorb Chinese products.

The Haut-Commissariat au Plan, a French body for long-term analysis and planning, rightly demonstrates how [the "Chinese steamroller"](#) (its move upmarket in all sectors) has led to the disappearance of a large part of European industry and threatens what remains of it. Whilst the decline in the added value of European technologies is reducing the attractiveness of the Chinese market for our companies, the pernicious competition between peers and the massive overcapacity generated by Beijing's industrial policy are resulting in [aggressive international expansion](#), which is flooding and further undermining the European single market with each passing day.

VI • The European response has begun

If we return to our outline of the eight pillars of China's strategy, we can see that the European Union has already begun to respond on several fronts.

I PILLAR 1: RESOURCES AND REFINING

- **What already exists: The Critical Raw Materials Act (CRMA)**. This regulation sets binding targets for 2030 to secure value chains: 10 per cent of mining to take place on European soil, 40 per cent of processing and refining within the EU, 25 per cent recycling, and a strict cap of 65 per cent on dependence on any single third country for each strategic material.

This is a first-rate structural response. The EU is striking directly at the heart of China's refining monopoly by seeking to re-establish upstream sovereignty. However, [the targets adopted in 2023](#) have not led to significant progress over the past three years. Particularly on the issue of recycling, the ability to mobilise massive amounts of private capital and to accelerate local and environmental acceptance of mine development projects in Europe is highly complicated in the face of a Chinese timetable that is already well underway.

I PILLAR 2: INFRASTRUCTURE AND INVESTMENT

- **What already exists: The Industrial Accelerator Act** (adopted in March 2026). This legislation sets out a clear ambition: to increase the share of the manufacturing sector to 20 per cent of European GDP by 2035. It introduces mechanisms to drastically speed up the permit-granting procedures for strategic factories and establishes criteria to actively reduce the EU's industrial dependencies.

This instrument marks Europe's shift towards an industrial planning approach, breaking with its historical laissez-faire stance. The regulatory intent is sound, but overall effectiveness remains hampered by the absence of a centralised pan-European financial instrument to fund major network infrastructure (energy, logistics), leaving the burden of investment to fall disproportionately on Member States' budgets.

I PILLAR 6: CONTROL OF ACCESS TO THE EUROPEAN MARKET (FA CE TO 'DUAL CIRCULATION')

- **What already exists:** A more assertive stance, characterised by the launch of anti-subsidy investigations, sector-specific safeguard investigations, and the development of a dedicated instrument to combat subsidised overcapacity.

Historically, this has been the European Union's most powerful pillar. By using the size of its single market as a lever for negotiation and protection, Europe is demonstrating that it knows how to build commercial leverage to block dumping linked to Chinese

overcapacity (which reached 1.1 trillion dollars in global exports in 2025). Its long-term viability, however, remains a , hanging in the balance due to the political tensions in Germany, which is caught between its own industrial decline and its desire to avoid a widespread trade escalation with Beijing.

I PILLAR 8: COERCIVE EXPLOITATION OF DEPENDENCIES

- **What already exists:** The operational deployment of [the 'de-risking' doctrine](#). The EU has equipped itself with legal tools: the Anti-Coercion Instrument (to respond collectively to unilateral economic sanctions), enhanced screening of Foreign Direct Investment (FDI), and mechanisms to monitor the security of supply chains for key technologies.

The EU now has tools to respond to concrete pressures, such as the economic pressure exerted by China [on Lithuania in 2022](#). The legal framework sends a clear signal, although it remains, by its very nature, a tool for reaction rather than for projecting economic power. Furthermore, its use is subject to a qualified majority vote in the Council. [When Member States are divided](#) over its use, the EU is therefore paralysed.

VII • Analysis of the weak pillars

In light of the eight pillars, it is clear that the EU has primarily put in place trade defence instruments. Indeed, the figures from the on the EU's trade deficit with China are such that there is strong European political unity on this issue. Furthermore, trade policy is one of the most integrated policy areas within the EU. However, in areas [falling within national prerogatives](#), it is unsurprising that there are far fewer European instruments.

I PILLAR 3: TALENT AND TRAINING

- **What already exists:** [The Union of Skills](#) (launched in March 2025) to harmonise professional qualifications. [The STEM Education Strategic Plan](#) to promote science subjects. The proposed European Engineering Degree to facilitate cross-border mobility. [The EU Talent Pool](#), designed as a recruitment platform to

attract talent from outside Europe.

This is not a vacuum but a fragmentation of competences. Education remains a strictly national prerogative (Article 165 of the TFEU). The EU plays only an incentivising role. Whilst the EU creates networking platforms (*EU Talent Pool*), China is planning the direct allocation of its engineers to its strategic sectors.

I PILLAR 4: PATENTS AND R&D

- **What already exists:** The [Horizon Europe framework programme](#) (with a budget of nearly 100 billion euros), the European Innovation Council (EIC) to identify disruptive technologies, the European Institute of Innovation and Technology (EIT), and the [European Patent Office](#) (EPO).

This is a European paradox: Europe excels in basic research and publications, but fails when it comes to commercialisation and scaling up to industrial levels. The bureaucratic red tape of Horizon Europe discourages start-ups. The ASPI's observation cited above is striking: a handful of Chinese institutions (led by the [Chinese Academy of Sciences](#)) concentrate funding, researchers and infrastructure, whilst the lack of a coordinated European industrial policy leads to the fragmentation of European research.

I PILLAR 5: PRODUCTION AND SUBSIDIES

- **What already exists:** the [PIIECs](#) ([Projects of Common European Interest](#)) on hydrogen, batteries and health; the [Net-Zero Industry Act](#) (NZIA); the [Chips Act](#); and the [STEP](#) ([Strategic Technologies for Europe](#)) platform.

This is not enough. The STEP platform is merely a reallocation of existing funds (Cohesion Fund, Horizon) without any fresh 'new money'. However, the Council has adopted its position on a new '[EU Competitiveness Fund](#)' to be included in the next multiannual budget (2028–2034). Watch this space.

I PILLAR 7: STANDARDS, DATA AND TECHNICAL SPECIFICATIONS

- **What already exists:** The European Committee for Standardisation (bringing together national agencies to harmonise European standards), the [EU Standardisation Strategy](#) (2022), the [AI Act](#), the [Data Act](#), and the [Digital Markets Act](#) (DMA).

The setting of international standards is driven by two main forces: innovation and international standardisation organisations. Europe is a regulatory powerhouse. It is adept at setting the ethical and legal boundaries of its internal market (e.g. the GDPR or the AI Act). Its standards have become established worldwide through its major companies and the influence of ISO standards. However, it is Chinese companies that are rolling out new technologies on a massive scale (charging infrastructure, 6G routers, cloud architectures) and setting the new de facto standards. China has also fully grasped the importance of ISO standards and [is competing with the Europeans](#) in these international forums.

Summary table of existing European initiatives and an assessment of their impact in the face of China's eight-pillar vertical strategy.

Chinese Strategic Pillar (15th Five-Year Plan)	European Response: What Already Exists	Assessment of Strength and Adequacy
1. Resources and refining Control of the upstream sector and a monopoly on the processing of critical metals.	Critical Raw Materials Act (CRMA): 2030 targets of 10% extraction and 40% refining within the EU, and a cap of 65% dependence on a third country for each material.	Ongoing but challenging: The framework is conceptually robust for breaking China's refining monopoly, but its success will depend on the speed of funding and the local acceptance of mining projects in Europe.
2. Infrastructure and investment Massive centralised investment to build a highly resilient productive base (energy, digital, logistics).	Industrial Accelerator Act (March 2026): A plan aimed at increasing the share of manufacturing in European GDP to 20 per cent by 2035 by speeding up the granting of permits and reducing strategic dependencies.	Ongoing: This is an important step towards industrial planning, but whether it will lead to tangible acceleration on the ground remains to be seen, given the speed at which China is rolling out its infrastructure.
3. Talent and training Planning of the education system focused on STEM subjects, and the large-scale retention and recruitment of researchers (notably 38 per cent of the world's AI experts).	A patchwork of uncoordinated initiatives: The 'Union of Skills' (March 2025), the <i>STEM Education Strategic Plan</i> , the proposed European engineering degree, and the <i>EU Talent Pool</i> platform to attract talent from outside Europe.	Insufficient (Fragmentation): Education and skills remain strictly national responsibilities within the EU. Faced with Beijing's centralised management of human capital, Europe responds with scattered incentive schemes and suffers from a continuous brain drain of its technological talent.
4. Patents and R&D Transforming manufacturing power into disruptive innovation power. Dominance in 57 of the 64 critical technologies identified by the ASPI.	Framework programmes and agencies: Funding via the <i>Horizon Europe</i> programme (nearly €100 billion), the European Innovation Council (EIC) for disruptive technologies, and the EIT.	Insufficient: Europe produces excellent fundamental research but fails to commercialise it and scale it up to industrial levels. Bureaucracy discourages rapid innovation, allowing China to turn its patents into market monopolies.
5. Production and subsidies Asymmetric state support (land, credit, procurement contracts) and the launch of 109 breakthrough projects (AI, quantum computing, new materials).	Sector-specific tools and exemptions: PIIECs (Projects of Important Common European Interest), the <i>Net-Zero Industry Act</i> (NZIA), the <i>Chips Act</i> , and the STEP platform (<i>Strategic Technologies for Europe Platform</i>).	Insufficient: The blocking of a genuine <i>European Sovereign Wealth Fund</i> has forced the EU to relax the rules on national state aid. This favours the wealthiest states (Germany, France), fragments the single market and offers a financially inferior response to Beijing's massive, unified subsidies.

6. Control of access to the European market The ‘dual circulation’ doctrine: securing the internal market and channelling industrial overcapacity onto international markets (\$1.1 trillion in exports by 2025).	Defensive and offensive trade arsenal: An increase in anti-subsidy investigations, frequent initiation of sector-specific safeguard investigations, and the development of a dedicated instrument to combat subsidised overcapacity.	Mature: This is the pillar where the European response is most unified. Europe now openly employs tariff barriers to protect its industrial base against waves of low-cost imports.
7. Standards, data and technical specifications Defining the international standards of the future (AI, 6G, green technology) and capturing data flows via deployed digital infrastructure.	Regulatory superpower: The <i>EU Standardisation Strategy</i> (2022), the implementation of the AI Act, the <i>Data Act</i> and the <i>Digital Markets Act</i> (DMA).	Ongoing: Through the International Organisation for Standardisation (ISO), numerous European standards have become established internationally. However, as the major research centres and industrial leaders are now based abroad, there is a risk that the new major industrial standards will originate outside Europe.
8. Coercive exploitation Offensive use of economic dependencies as a lever for geopolitical retaliation (e.g. blocking exports of rare earths in late 2025).	Economic security: European ‘<i>de-risking</i>’ doctrine, implementation of instruments to counter economic coercion and mechanisms to screen foreign direct investment (FDI).	Ongoing: Europe now has legal tools to respond collectively in the event of blackmail or unilateral sanctions. However, it can only activate these instruments when the Member States are collectively united.

VIII • It is not a question of being ‘tougher’ or ‘more closed off’ towards China: we must fill the gaps in order to rebuild our strength

A drive towards deeper European integration, spearheaded by a core group of Member States (France, Italy, Spain, the Netherlands and Lithuania), has crystallised around a joint document [urging the European Union to step up investigations into unfair trading practices](#). This initiative is directly in line with the European Commission’s agenda, as it prepares to publish [a significantly tougher action plan](#) aimed at identifying new sectors for safeguard investigations and finalising an instrument dedicated to combating overcapacity subsidised by the Chinese state (the ‘overcapacity instrument’).

Nevertheless, this intense political battle is focused almost exclusively on customs matters, which in reality corresponds to only pillar 6 of the Chinese strategy.

To rebuild itself as a true power for the future, the European Union must address its own strategic gaps. This requires investment in the pillars of strategic projection: coordinated talent development (Pillar 3), the industrial commercialisation of breakthrough R&D (Pillar 4), the establishment of global technical standards (Pillar 7) and unified funding through a genuine European Sovereign Wealth Fund (Pillar 5).

This comprehensive approach also serves to counteract the fragmentation strategy employed by Beijing. China feels under no obligation whatsoever to yield to the EU’s demands, as it operates on the assumption that intra-European divisions structurally paralyse the formation of a united front. Europe is all too often perceived in Beijing as a weak, predictable and fragmented player. The Chinese government capitalises precisely on the hesitations of key Member States, [such as Germany](#) or [Spain](#), which seek to avoid escalation or to maintain the status

quo in order to safeguard their investments and direct commercial interests.

However, whilst it is difficult to forge a political consensus on purely customs matters due to national economic asymmetries, strong and unanimous alignment among the Twenty-Seven is perfectly achievable on other aspects of sovereignty. No Member State can oppose the strengthening of human capital, the joint funding of disruptive technologies or the protection of our industrial standards. Expanding the European **policy** toolkit therefore means moving beyond a purely defensive stance to methodically counter the eight pillars of China's 15th Five-Year Plan with eight European pillars of our own. It is by structuring this mirrored response that Europe will cease to be merely a destination market and finally assert itself as a unified and credible centre of power.

• Conclusion

China's technological self-sufficiency is not a retreat, but a strategy for power. It aims to reduce the country's vulnerabilities whilst strengthening its position in global value chains.

This strategy is underpinned by a fundamental tension: China seeks to reconcile technological sovereignty with commercial expansion, and internal closure with external openness. These tensions are redefining the scope of globalisation and China's understanding of it.

For Europe, the challenge is now clear: it is no longer simply a matter of adapting to China's rise, but of rethinking its own strategy in a world where the rules of the game are changing – or even being defined – by China.

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