

IS THE EU A VICTIM OF CHINA'S EXPORTS

DZIURDA PAULINE, SALADIE-GOUIN MATTHIEU,
CAUCHOIS ALEXIS, LE ROUX DE BRETAGNE RAPHAËL



INTRODUCTION



TRADE BETWEEN THE EU AND CHINA

2023

EU \leftarrow China = €515.9 billion

EU \rightarrow China = €223.6 billion

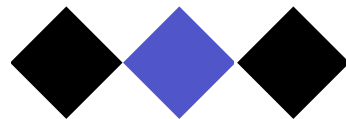
Conclusion : €292 billion loss

THE NEGATIVES IMPACT OF CHINESE EXPORTS ON THE EU

1

Pressure on Local Industries :

- Manufacturing Sector
- Market Saturation



3

Unfair Trade Practices

- Dumping
- Subsidies



2

Intellectual property Concerns :

- Intellectual property
- Market access barriers



4

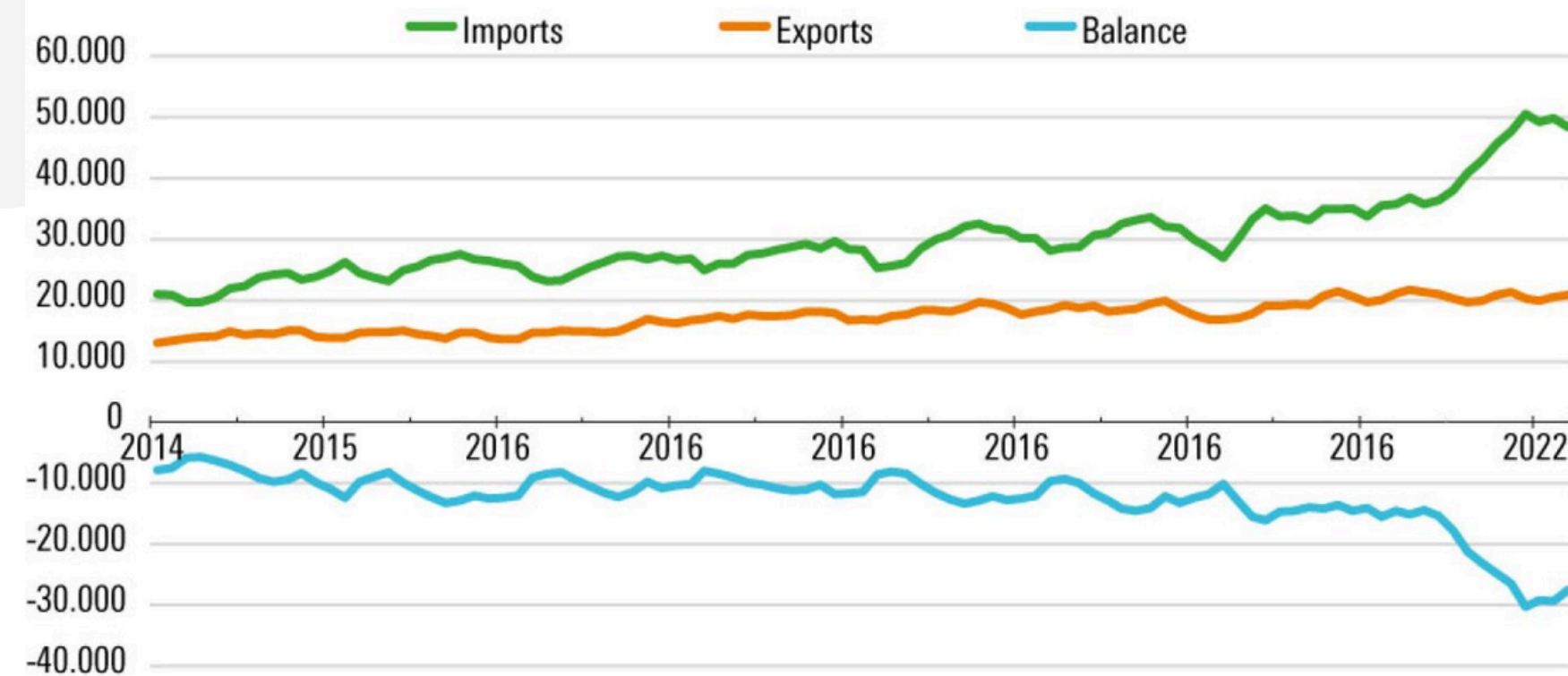
Dependence on Chinese Imports

- Supply chain vulnerabilities
- Trade Deficit

CHINA'S DOMINANCE AND ITS IMPACT ON EU TRADE BALANCE

DEFICIT CROISSANT

Balance commerciale entre la zone euro et la Chine

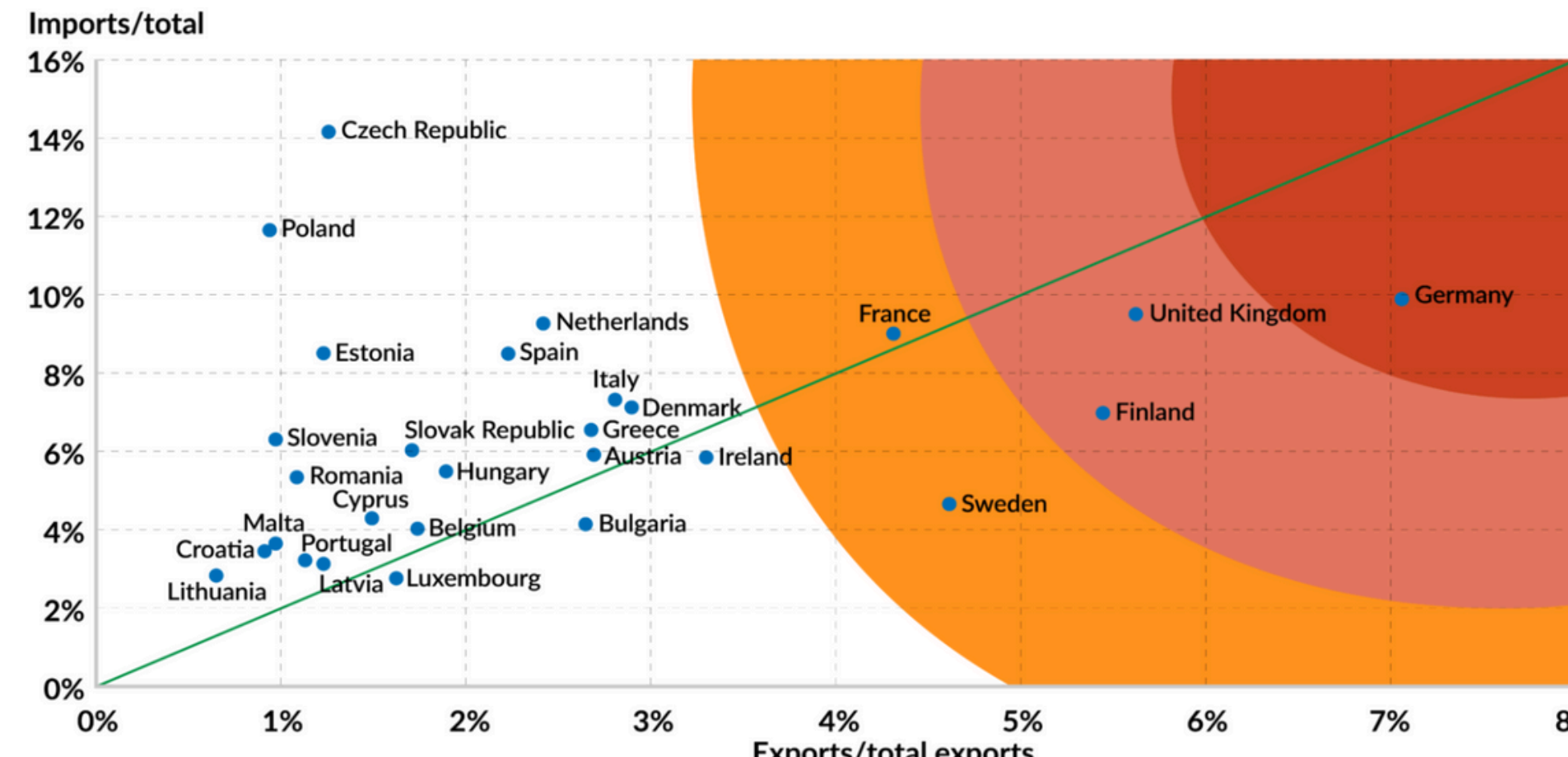


The imports and exports of each EU country (and the UK) to China.

SOURCE : CONSEIL D'ANALYSE ECONOMIQUE,
CALCULS A PARTIR DE COMEXT (EUROSTAT)

increasing imports from China to europe

Trade balance (the difference between a country's exports and imports)

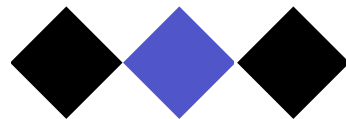


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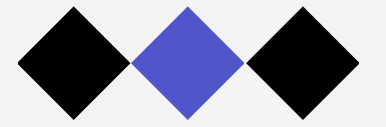
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Dependence on Chinese Imports

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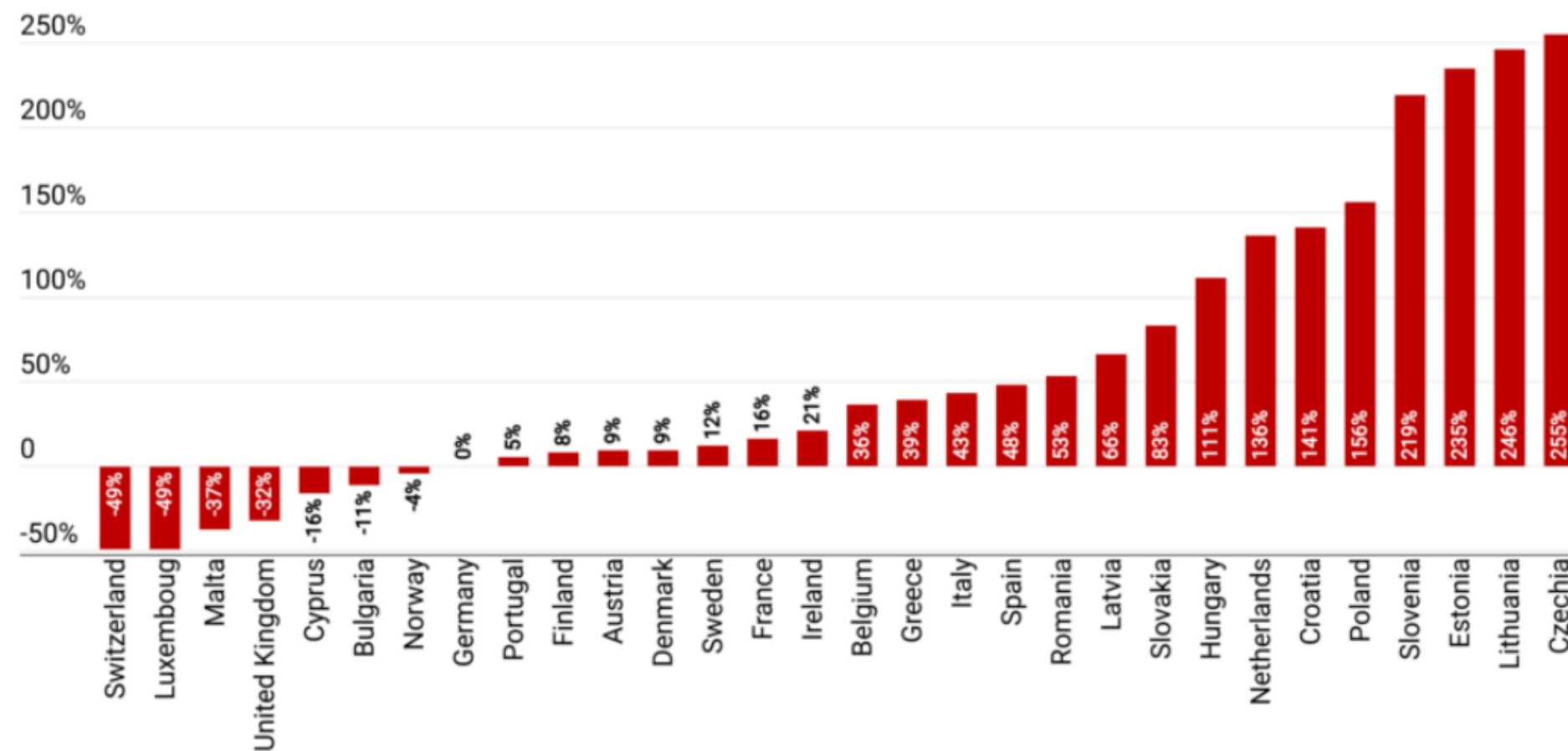


DEPENDENCE ON CHINESE IMPORT



The supply chain factor

Change in vulnerability of European countries (bilateral trade vs. final demand exposure)



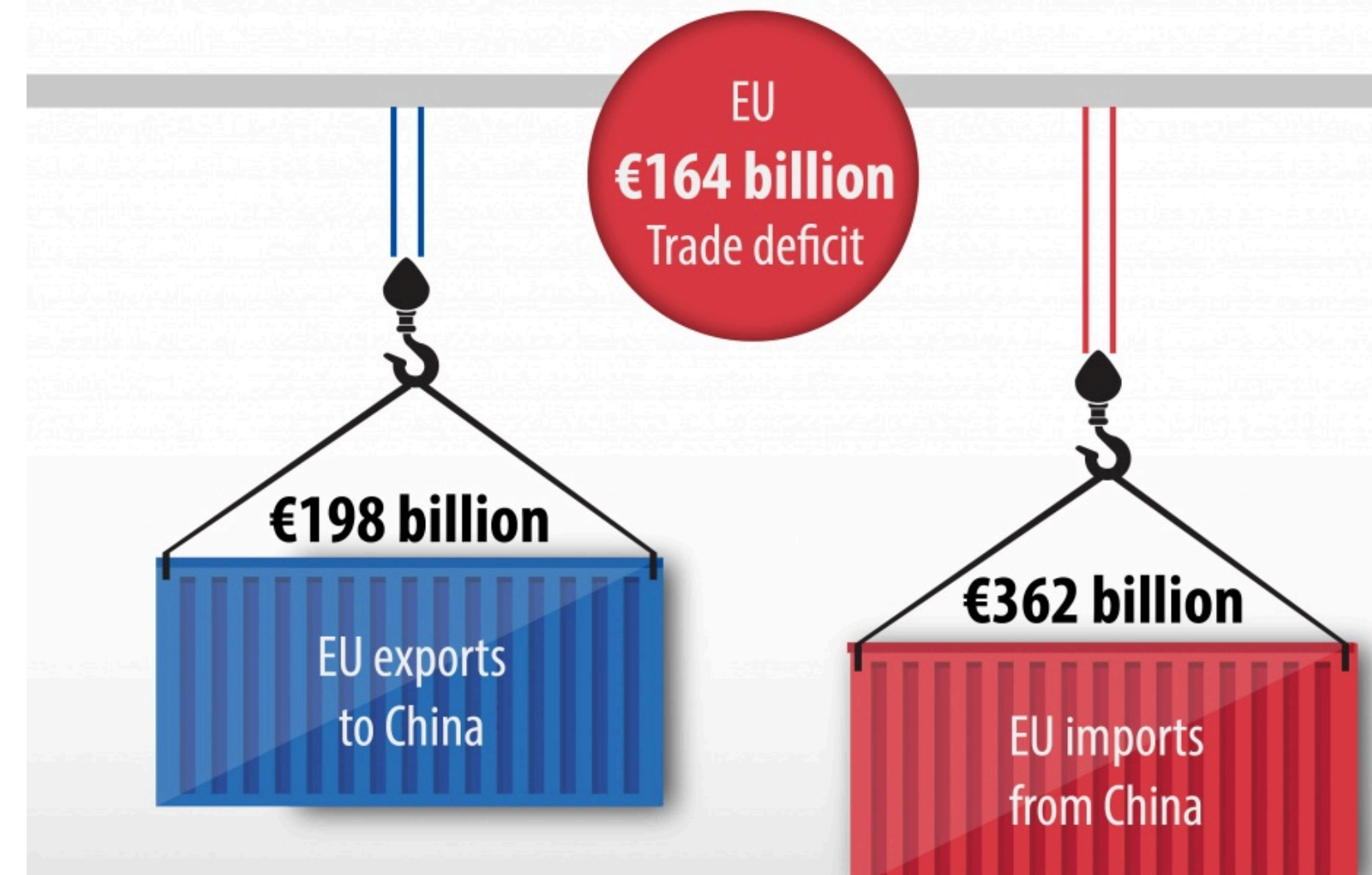
Data: CEIAS calculations

© CEIAS



EU - China trade balance

Trade in goods



SOCIAL AND ECONOMIC CONSEQUENCES ♦♦♦

The influx of low-cost Chinese imports has led to significant job losses in various European industries, as local companies struggle to compete. This competition has also contributed to wage suppression, as firms reduce operational costs to remain viable.





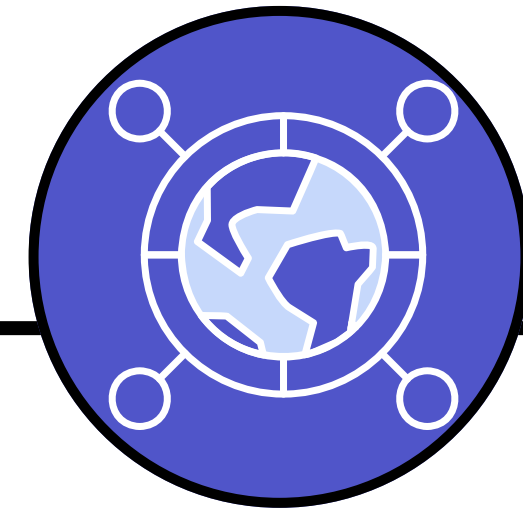
I- Affordable goods for consumers:

- Purchasing power due to lower prices
- Wider variety of choice



II- Opportunities due to a larger market:

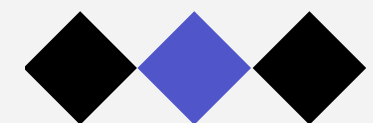
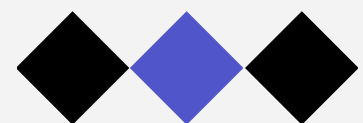
- innovation
- specialization
- investments & GVC
- China's markets



III- Interdependence make it costly also for China:

- major trade partners
- Complementarity

BENEFITS



I- AFFORDABLE GOODS



Lower costs of production of the Chinese companies allow them to sell their goods at a very low price, even if there are tariffs.

Enhancing more **power of purchase** for EU customers (buy more or save money).

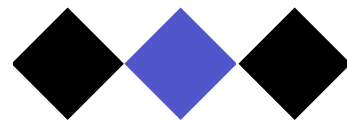
Also it can allow EU customers to access to a **wider variety of goods**. Some items are not produced in the EU because of the **costs** or the **resources** or even due to different **industries** and **specialization**.

II- OPPORTUNITIES

1

Innovation and efficiency

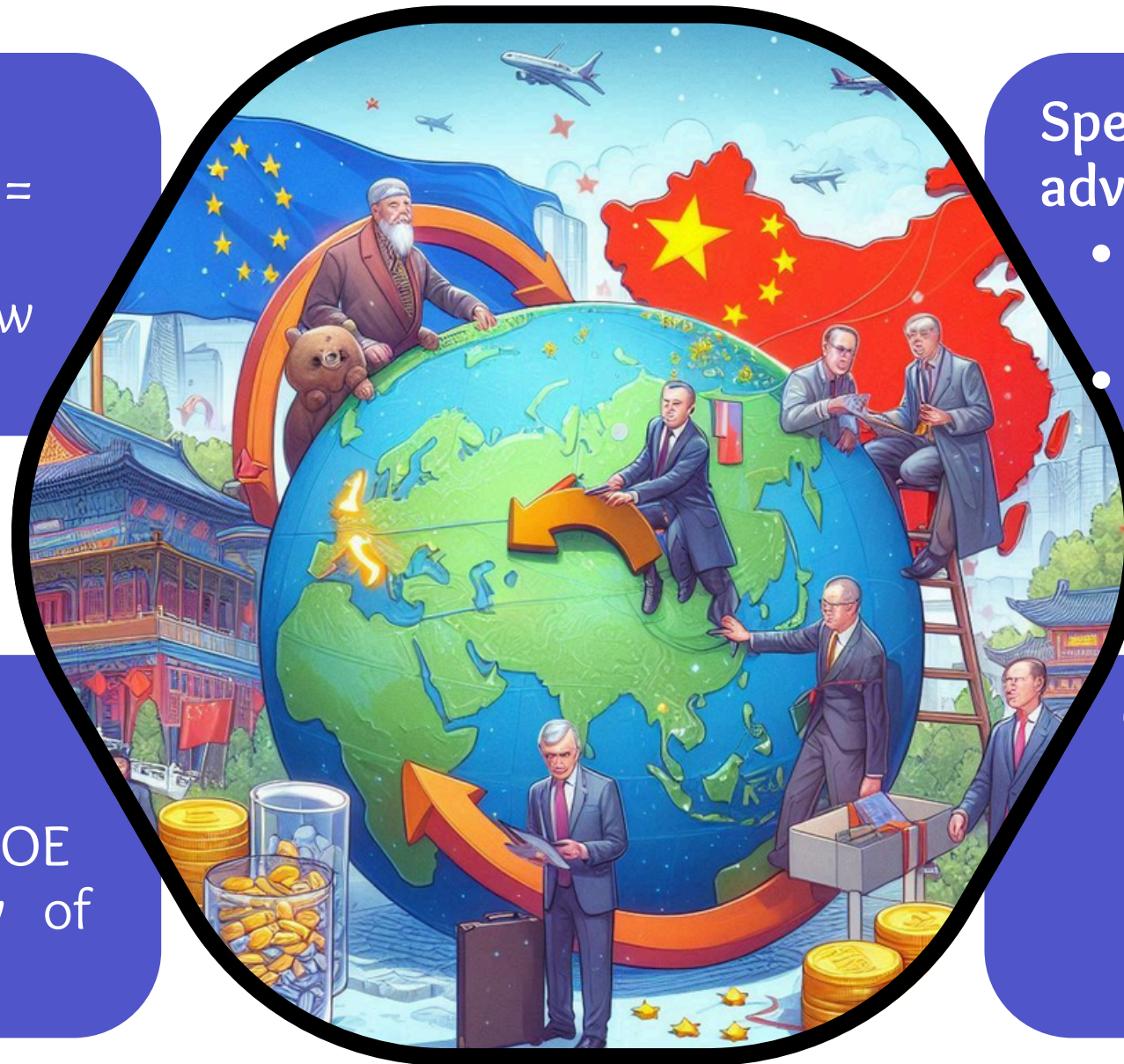
- more competition = differentiation
- imported products = raw materials and semi-finished



3

Investment, collaboration & GVC

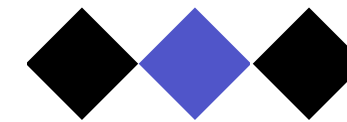
- FDI 177B VS 143B
- Agreement for transparency SOE
- advantages: costs, economy of scale, innovation, productivity



2

Specialization & competitive advantage

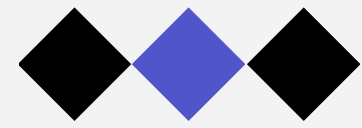
- Complementarity in industries ex: manufacturing clean energies
- Services + 14B balance



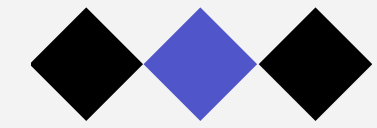
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China's growing market

- 1.4B people
- 3rd largest economy
- specialized EU industry have a competitive advantage

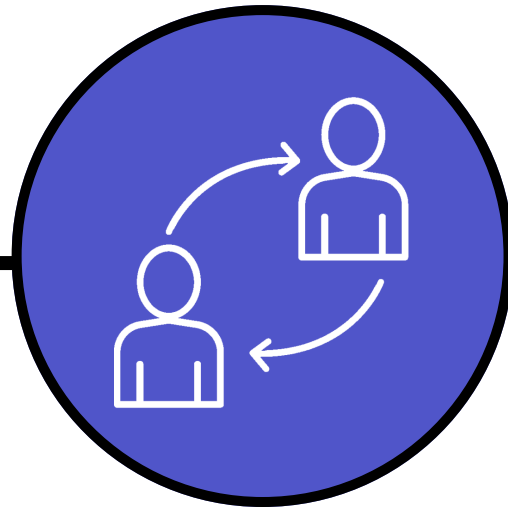


III- INTERDEPENDENCE

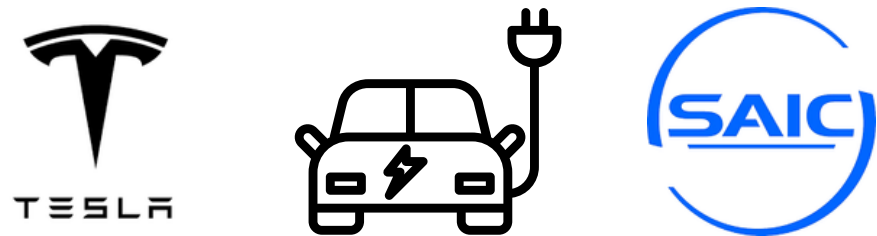


- EU and China are respectively the **major trade partner** of each other
- **Complementarity** in the difference between the produced goods show that local industries **couldn't replace** actual ones (quality and costs)
- China will **lose** a lot of **money** and a certain **quality of life** (tech, cars, medicine, luxury, aerospace ...)

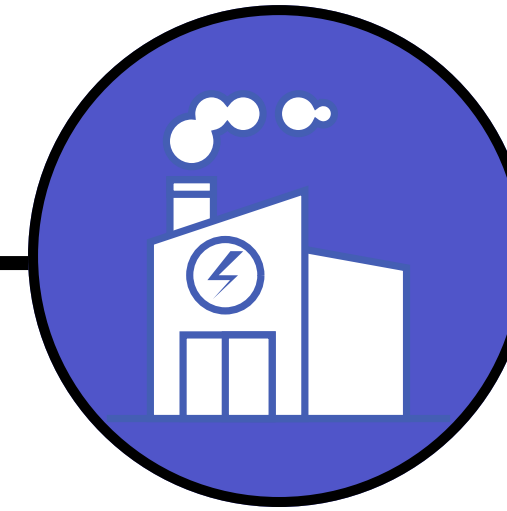
EU STRATEGIES TO RESPOND TO CHINESE COMPETITION



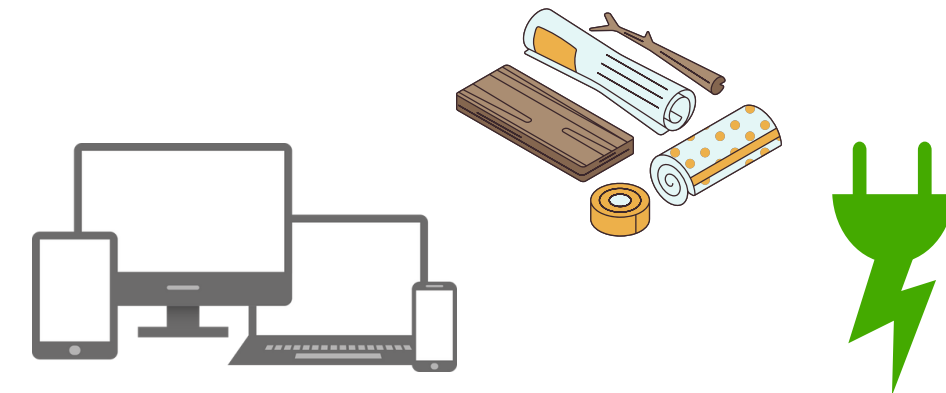
1- Trade defense & Protective measures



Goal: Pressure Beijing into a more reciprocal trade relationship



2- Industrial policy



Goal: Reduce vulnerability without completely decoupling



The EU's response to Chinese competition combines trade defense tools, seeks to foster a fair trading environment, and offers alternatives to China. Even as the EU defends its own industries, it acknowledges that China remains a key economic partner. Thus, while the bloc enacts protective measures, it simultaneously engages China on issues where mutual interest remain critical



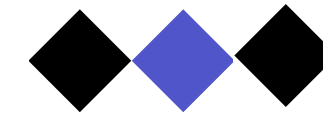
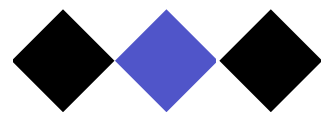
CONCLUSION

The trade relationship between the EU and China is both challenging and beneficial.

Chinese imports create strong competition for European industries and increase dependency on critical goods. However, they offer affordable products and push EU companies to innovate.

In response, the EU uses protective measures, like tariffs on Chinese electric vehicles, while promoting cooperation on global issues. By reducing dependencies and investing in key sectors, the EU aims to balance competition and cooperation for a stronger, more resilient economy.

THANK YOU



In your mind, the EU should be considered as a real victim or does it benefits more from the Chinese imports ? (political, economical, ethical level)

Are chinese imports a real threat for EU industries?

And is the deficit a sign of unfair trade practices or is it a reflection of the economic efficiency ?

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