

## Chinese Embassy Urges Europe to Prioritise Fair Competition Amid Trade Tensions

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The Chinese Embassy in the United Kingdom has pushed back against recent allegations from the European Union (EU) that China's industrial subsidies and so-called "overcapacity" are distorting global trade. In a statement released on Thursday, the embassy emphasised the need for Europe to respect market economy principles, warning against politicising trade disputes or overextending security concerns in what should remain normal commercial cooperation.

For months, Brussels has criticised China over its industrial policies, alleging that unfair subsidies and limited market access have contributed to Europe's growing trade deficit with China. Responding to these claims, a spokesperson for the Chinese Embassy in London urged the EU to adopt a "comprehensive, objective and positive" view of China-EU economic relations, favouring dialogue and mutual openness over confrontation.

The embassy highlighted that both China and the European Union (EU) are major trading partners, and differences in trade practices are natural, given the size and complexity of their economies. "Our cooperation has grown from virtually nothing to a significant scale over the past five decades. Today, daily trade between China and Europe matches the annual trade volume seen at the start of diplomatic relations," the statement noted.

The Chinese side further argued that global trade dynamics are shaped by a range of macroeconomic factors and industrial structures that cannot be attributed solely to the policies of any one country. It called on Brussels to ease restrictions on high-tech exports to China and to address the "hidden barriers" within its procurement market, which some critics say favours domestic companies over foreign competitors.

In defending its industrial subsidies, China maintained that its support schemes comply with the rules of the World Trade Organisation (WTO). It also pointed out that the EU itself has allocated over €1.44 trillion (£1.22 trillion) in state aid between 2021 and 2030, with more than €300 billion (£254 billion) already distributed. The embassy warned against applying double standards, noting that using "overcapacity" as a criticism could equally apply to European sectors such as Airbus aircraft or Germany's automotive industry.

This year marks the 50th anniversary of diplomatic relations between China and the EU, a milestone the embassy described as an opportunity to deepen economic cooperation rather than inflame tensions. "What needs to be rebalanced at the moment is the EU's mentality, not the China-EU trade relationship," the statement added, calling for constructive dialogue and practical solutions.