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## **SESSION 5 Geopolitical Outlook (Part 3) – China**

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Here is a summary of the key points from the discussion:

- There are differing perspectives between the U.S. and Europe on how to approach the challenges posed by a rising China. The U.S. views China primarily as a threat to American primacy and global dominance, while Europe is more focused on upholding the rules-based international order that China is perceived as undermining. Preserving an open, liberal economic order is the priority.
- China's strengths were highlighted, including the ability to concentrate power and resources, economic achievements in lifting hundreds of millions out of poverty, and a resilient system able to turn economic weaknesses into future export overcapacities.
- However, China faces immense domestic challenges like the real estate bubble, demographic inversion, and lack of consumer spending that could constrain its continued rise. Trust in the Communist Party also faces pockets of opposition.
- There was debate over whether the U.S. sufficiently considers allies' interests and provides a positive economic agenda as an alternative to China's initiatives, especially for developing countries. Better coordination

was urged.

- On Taiwan, differing perspectives emerged on the prospect of conflict and how to address grey-zone tactics short of outright invasion, which could strain transatlantic unity, especially if demands for countering actions are not well-explained domestically.

Overall, while some common frameworks exist, translating these into a cohesive transatlantic strategy remains an ongoing challenge, given the different threat perceptions and national interests involved. More substantive alignment is needed on developing positive economic incentives, addressing non-military arenas of U.S.-China rivalry, and achieving clarity on contingencies to secure continued coordination.