

#40 Quest for strategic autonomy? Europe grapples with the US-China rivalry

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Key Takeaways

- Europe is not equidistant between the US and China, but trust in Washington has declined while caution toward Beijing has deepened.
- Russia's war in Ukraine and China's support for Moscow have made security central to Europe's China debate.
- Economic security has become a major European priority, but national approaches remain fragmented and uneven.
- Strategic autonomy has gained broader support, yet Europe still struggles to translate it into coherent policy.

Recommendations

- The EU and its Member States should accelerate investment in European defence capabilities and industrial coordination in order to reduce strategic dependencies while preserving NATO and transatlantic cooperation.
- European governments should develop a more coherent and coordinated economic security framework, including stronger alignment on export controls, outbound investment screening and protection of critical infrastructure and technologies.
- The EU should pursue a selective and pragmatic engagement strategy toward China that combines de-risking in strategic sectors with continued cooperation on trade, climate and global governance challenges.
- European countries should strengthen EU-level coordination on strategic autonomy by aligning national policies on security, technology and trade in order to respond more effectively to growing US-China rivalry and geopolitical instability.

Executive Summary

The intensifying rivalry between the US and China has reshaped Europe's strategic calculations. Building on the 2020 European Think Tank Network on China (ETNC) report, which assessed Europe's positioning in this context, this edition re-examines the geopolitical landscape in light of

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the Covid-19 pandemic, Russia's war in Ukraine and Donald Trump's return to the White House. This report features 22 national chapters and one dedicated to the EU, analysing the evolution of Europe's relations with Washington and Beijing, the range of approaches to dealing the US-China rivalry and how these are expected to evolve.

The 2025 ETNC report underscores how these developments have compelled Europe to reevaluate its strategic positioning. This new geopolitical context has broadened the debate on strategic autonomy across most countries surveyed. Although the pace and ambition of this shift differ, support for strategic autonomy is growing in most of these countries. At the heart of this discussion is the shared understanding that Europe must reduce its reliance on external powers in key areas such as security, economy and technology.

On the security front, defence cooperation with the US has deepened across most of the countries featured in this report, particularly in response to Russia's invasion of Ukraine. However, the return of Donald Trump casts a shadow over this momentum, reviving concerns about the long-term prospects of transatlantic ties. At the same time, there is growing unease in European capitals about China's impact on European security –fueled in part by the perception that Beijing has enabled Russia's war efforts in Ukraine–. Together, these developments are transforming the debate on European strategic autonomy into a more urgent and concrete policy agenda.

Economic security has also become a central focus, reflected in stricter national regulations and enhanced EU-level policy coordination. Nevertheless, national approaches to economic security – and the reassessment of dependencies on China and the US in particular– remain inconsistent, with some countries showing signs of skepticism or only limited engagement. The return of Trump to the White House has not been perceived uniformly across European capitals. Likewise, the ongoing reappraisal of economic vulnerabilities in relation to Beijing does not necessarily diminish the importance of China as a major market and partner in addressing global challenges. However, it adds to long-standing tensions over the fairness of trade with China, particularly as Europe's trade deficit continues to widen. These concerns are now compounded by renewed US protectionism. Although the US remains a significant trade and investment partner, and recent years have seen general continuity in Europe's economic relations with both the US and China, this apparent stability may be unsettled by the Trump Administration's aggressive foreign and trade policy and the implementation of the EU's emerging economic security agenda. The overall trend can therefore be summarised as increased distrust vis-à-vis the US, cautious and selective re-engagement with China, and a greater willingness to pursue strategic autonomy. Ultimately, as China treats its developing country status as a matter of principle, the EU and the Netherlands must respond with strategic pragmatism, balancing the need to uphold their position with the imperative of maintaining effective climate cooperation.