The Significance of China Surpassing US as EU's Top Trade Partner

Over the course of last year, China surpassed the United States as the European Union's top trade partner. It was significant news and noted as such across Chinese media.

But in the West, this news was somewhat muted. One of the few articles featuring this news comes from Politico titled, "China topples US as EU’s top trade partner over 2020," and notes that:

*In 2020, exports of EU goods to China increased by 2.2 percent and imports went up 5.6 percent, while EU trade with the rest of the world dramatically dropped (down 9.4 percent in term of exports, and down 11.6 percent in terms imports compared with 2019). The pandemic severely hit transatlantic trade, with exports of European goods to the US falling by 8.2 percent year-on-year. Imports fell 13.2 percent.*

*As a result, the US is no longer the bloc's top commercial partner and has been replaced by China. EU exports to China in 2020 amounted to €202.5 billion while imports reached €383.5 billion.*

Not only had China surpassed the US as the EU’s top trading partner, it did so with a net surplus with Europe. While the article attempts to blame the COVID-19 crisis for the development - and while the US and China may, over the course of the next few years, exchange places as the EU's top trade partner, China's growing trade with Europe and the fact that it is on par with, and at times surpassing that of the United States - is just one of many metrics indicating the inevitability of China's rise as the world's largest and most powerful economy.

*America's "Solution" to a Non-Problem*
Washington and Wall Street's answer to China's growing economic clout has been a multifaceted strategy of encirclement and containment involving an ongoing trade war, sanctions, propaganda, and political subversion both within China in places like Taiwan, Hong Kong, Xinjiang, and Tibet, as well as along China's peripheries especially in Southeast Asia where the US is backing protests seeking to oust Beijing-friendly governments and replace them with Western-leaning client regimes. Thailand and now Myanmar both face such protests.

The US also appears significantly invested in building up its military capabilities versus China and is attempting to place those capabilities as close to China as possible - with thousands of US troops already stationed in Japan and South Korea and a frequent US military presence both in the South China Sea and in the Strait of Taiwan.

All of this is predicated on what US policy papers themselves admit is Washington's desire to maintain and expand American "primacy" in the Indo-Pacific region. Iterations of this objective and the prerequisite of encircling and containing China have been expressed since as early as the Vietnam War in the leaked "Pentagon Papers."

The declassified "US Strategic Framework for the Indo-Pacific," posted in the US White House's "Trump archives" would begin by listing as its primary strategic challenge:

> How to maintain US strategic primacy in the Indo-Pacific region and promote a liberal economic order while preventing China from establishing new, illiberal spheres of influence...

Never once is it explained by US policymakers, or asked by the Western media, why the US believes China - a nation with many times the population of the US, with access to abundant resources, and with a massive, well-developed industrial and technological foundation - should not naturally ascend as the world's largest and most powerful economy.

A nation with more people, as many or more resources, and well-developed infrastructure will inevitably have a larger economy.

Policy attempting to stop this from happening requires the use of force, the artificial inhibition of China's economy, and the necessity for confrontation and hostility across every imaginable sphere of interaction between China, the US, and the nations of the world Washington seeks to isolate China from.

It is a dangerous and irrational policy attempting to "solve" something that in reality is not a genuine problem. It is also a policy that is demonstratably not working.

**Blowback**

Attempts to pressure allies and adversaries alike to cut off Chinese companies from their respective markets has not been effective - especially considering the EU itself trading more with China in 2020 than with the US.

Attempts to deny Chinese companies like telecommunication giant Huawei and commercial aircraft manufacturer COMAC access to international markets has been achieved with limited success. Attempts to block companies around the world from selling components to Huawei and COMAC has also seen a limited impact.

The short-term impact of these policies has indeed set Chinese companies back. But companies like Huawei and COMAC are not only continuing forward, they are creating more resilient business-models and logistical chains (including an increased emphasis on self-sufficiency and vertical integration) that will in the long-term not only make these companies impervious to Washington's economic warfare - but allow them to surpass their Western counterparts nonetheless.

China's domestic markets alone are - as described by Chinese President Xi Jinping - "a sea, not a pond." "Storms can overturn a pond, but never a sea."

Companies like Huawei and COMAC can continue developing and growing within China in the short-term - and because of the US' style of economic warfare - Beijing can easily justify blocking US corporations from accessing these domestic markets.

A company like COMAC, building commercial aircraft just for China's massive domestic airline industry alone - would enable it to scale up to a size where it could eventually compete globally with the West's current duopoly of Boeing and Airbus.
And throughout this entire process, the US and the nations it convinces to join its campaign of encirclement and containment of China - will receive nothing from the rise of companies like Huawei and COMAC where, previously, Western companies had profited from selling components to both companies.

China will inevitably surpass the United States economically. In many ways it already has. Current US policy is not going to prevent this from happening and only succeeds in guaranteeing that as China rises, no enterprise in the US will be allowed to rise with it.

When the day comes that the US finds itself looking at a world where China - not the US - is the largest most powerful economy and thus the most powerful nation on Earth - the US will still need to find amongst the shattered remnants of its unipolar “international order” a constructive role within this new multipolar world.

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