

China has implemented the Digital Silk Road as part of its technological strategy, which is an important element of the Belt and Road Initiative and is a network of cooperation with selected countries in the field of technology, including ICT infrastructure, 5G networks and e-commerce.

China being a producer of virtually all kinds of goods, has gradually changed its role in global production connections, from a country based on foreign value added to an economy creating a significant added value which their trading partners depend on. Therefore, recent years, and especially the period since the financial and economic crisis, have been marked by the improvement of China's positioning in global value chains. Additionally, the structural changes introduced in the Chinese economy, especially in terms of increasing its technological advancement, strengthened China's role in global production links. At the same time, European countries had to face strong competition from China, first in middle technologically advanced industries, and in recent years in the most advanced ones. The emergence of China has shaken the position of European countries in global value chains in many industries. At the same time, the implementation of various strategies related to the introduction of economies to the fourth industrial revolution makes the competition between China and Europe take a new dimension: it is shifting to the area of advanced technologies.

China's efforts must not go unnoticed by trading partners, including European countries, which, to maintain international competitiveness, are also increasing the technological advancement. These countries are expected to collaborate and compete simultaneously on technological development and trade, connectivity, and digital competences, with a strong impact on manufacturing and value chains. Until recently, the added value from China to European countries was concentrated on medium technology industries and the added value from Europe to China focused more on advanced goods and services. Now there is a redirection of Chinese added value to high-tech activities (including services), which reflects the country's ambition to build an innovative economy. At the same time, European countries (although with different dynamics) are changing the structure of their economies and preparing them to enter the phase of the so-called fourth and then fifth industrial revolution.

The main goal of the project is to evaluate the impact of the Digital Silk Road strategy on production links between Europe and China within technologically advanced industries, including the identification of areas of cooperation and competition between China and Europe in the face of the upcoming fourth industrial revolution.

The purpose of the proposed project was defined as the use of the economic synergies of European countries and China by discovering the benefits of combining the potentials of technologically advanced activities. This mission becomes important if European countries intend to maintain their competitive position in the face of the rapidly advancing Chinese economy with global production connections.

As a result, it is possible to identify technologically advanced activities in European countries and China with potential complementarity and growth opportunities where economies cooperate (win-win), as well as competing industries (possible decoupling).