

MEMORANDUM

TO: North Atlantic Council Members

FROM: NATO Strategic Analysis Team

DATE: 30 March 2026

RE: NATO's Response to the Challenge of China

EXECUTIVE SUMMARY: China presents NATO with a multifaceted, long-term systemic challenge that extends beyond traditional military threats. This memo assesses the current situation, evaluates existing responses, identifies shortcomings, and recommends priority actions for the Council's consideration.

1. What is Happening?: China has emerged as a decisive actor shaping the Euro-Atlantic security environment in ways NATO is only beginning to address comprehensively. The People's Republic of China poses threats across multiple dimensions: military-political, technological, and informational. Specifically:

- a. **Military and Strategic Dimensions:** China deepens its strategic partnership with Russia, creating a mutually reinforcing challenge to the rules-based international order. Beijing has expanded its military-political presence in the Arctic, Middle East, and North Africa, signaling hegemonic ambitions. Additionally, China's rapidly expanding nuclear arsenal and growing capabilities in space pose direct operational concerns.
- b. **Technological Threats:** NATO's operational capabilities face degradation through technological dependence on Chinese supply chains, particularly in critical sectors like semiconductors, 5G networks, renewable energy technologies, and advanced manufacturing. Chinese firms dominate European renewable energy technologies, with implications for military logistics and resilience.
- c. **Hybrid and Cyber Threats:** China conducts malicious cyber operations, including disinformation campaigns designed to divide the Alliance. NATO frontline states now face expanding PRC surveillance capabilities through consumer technologies and dual-use infrastructure, creating vulnerabilities in defense networks. China targets critical undersea infrastructure essential to transatlantic communications.
- d. **Institutional Vacuum:** NATO's 2025 planning documents acknowledge China as a systemic challenge but lack integrated operational planning to address these challenges.

2. What is Working?: NATO has taken initial steps toward recognizing and responding to the China challenge:

- a. **Strategic Recognition:** The 2022 Strategic Concept and subsequent declarations have explicitly labeled China a systemic challenge requiring coordinated alliance response. NATO's July 2024 summit designated China a "decisive enabler" of Russia's war in Ukraine, establishing political consensus among members.
- b. **Indo-Pacific Engagement:** NATO has strengthened partnerships with Asia-Pacific nations—Japan, South Korea, Australia, and New Zealand—establishing regular participation in NATO summits and deepening military-to-military exchanges.

- c. **Technology Initiatives:** NATO and member states have begun addressing semiconductor dependencies and supply-chain vulnerabilities through coordinated investment screening, 5G regulation, and technological sovereignty measures.
- d. **Information Resilience:** NATO initiatives, including the Strategic Communications Centre of Excellence in Riga, address cognitive security threats and build alliance resilience against Chinese disinformation campaigns.

3. What is Not Working?: Despite these efforts, significant gaps remain:

- a. **Fragmented Operational Planning:** While strategic documents acknowledge China, NATO has not developed comprehensive military operational plans addressing China contingencies outside the Euro-Atlantic region, particularly regarding Taiwan scenarios.
- b. **Divided Member Perspectives:** European NATO members remain divided on China policy. Some prioritize economic engagement, while others emphasize security threats, limiting unified strategic action. This divergence hinders coordinated responses to technological coercion and infrastructure threats.
- c. **Insufficient Supply Chain Resilience:** Member states lack harmonized investment screening standards, allowing Chinese technological access to critical defense infrastructure in an ad-hoc manner. European dependence on Chinese technologies continues to increase, particularly in renewable energy sectors critical to military logistics.
- d. **Limited Cyber Defense Coordination:** While NATO recognizes Chinese cyber threats, interoperability challenges among members and inconsistent security standards undermine effective collective cyber defense, particularly against supply-chain attacks.
- e. **Unclear Article 5 Thresholds:** NATO has not established clear political and legal frameworks defining what level of Chinese interference or aggression would trigger collective defense obligations, creating strategic ambiguity.

4. What Should be Done Next?:

- a. **Establish Integrated Operational Planning** The Council should direct NATO command structures to develop comprehensive operational concepts addressing China-related contingencies, particularly involving the Indo-Pacific and Arctic regions. These plans must integrate space, cyber, and hybrid dimensions alongside traditional military scenarios.
- b. **Harmonize Investment Screening Standards** Member states must adopt unified standards for critical technology sectors—semiconductors, 5G, artificial intelligence, and renewable energy components—with enforcement mechanisms ensuring alliance-wide protection of defense-critical infrastructure.
- c. **Strengthen Transatlantic Technology Sovereignty** The Council should accelerate joint NATO-EU initiatives to reduce dependence on Chinese technological supply chains while investing in allied innovation capacity, particularly in artificial intelligence, quantum computing, and advanced manufacturing.

- d. **Establish Clear Strategic Thresholds** NATO must develop a framework defining escalation levels that would trigger Article 5 response, clarifying deterrent signaling and reducing ambiguity regarding Chinese actions—cyber operations, infrastructure sabotage, or support for Russia.
- e. **Enhance Information Resilience** Expand NATO's cognitive security architecture and member state media literacy programs to counter Chinese disinformation, particularly targeting divisions between allies.
- f. **Deepen Indo-Pacific Partnerships** Formalize NATO engagement with Asia-Pacific partners through regular trilateral exercises, intelligence sharing, and coordinated responses to Chinese assertiveness in the region.

5. Conclusion: China's challenge to NATO is neither temporary nor manageable through existing frameworks. The window for establishing unified, coordinated responses is narrowing as Chinese technological expansion and hybrid activities accelerate. The North Atlantic Council must move from strategic recognition to integrated operational readiness, ensuring NATO members present a unified, technically resilient alliance capable of deterring Chinese aggression while maintaining selective areas of constructive engagement.

Notes:

- The memo should be no more than 1500 words and provide an overview of the issue what is currently being done, and what should be the way forward.
- Although AI is okay to use for research and light editing, the draft memo must be the work of the strategy competition team. It must be supported by the team's analysis and aligned with the policy recommendations/strategy the team is proposing.
- This memo is merely an example, and the teams are not expected to mimic its style or structure. The teams are encouraged to be creative within the limits outlined above .