



# AN ESSENTIAL PARTNER IN THE BACKGROUND

## EUROPE IN CHINA'S POLICY DURING THE RULE OF XI JINPING

Marcin Kaczmarek  
co-operation Jakub Jakóbowski

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CONTENT EDITORS

Adam Eberhardt

EDITOR

Katarzyna Kazimierska

CO-OPERATION

Halina Kowalczyk, Anna Łabuszewska

TRANSLATION

Magdalena Klimowicz

CO-OPERATION

Timothy Harrell

GRAPHIC DESIGN

PARA-BUCH

PHOTOGRAPH ON COVER

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GroupMedia

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**Ośrodek Studiów Wschodnich im. Marka Karpia**

Centre for Eastern Studies

ul. Koszykowa 6a, Warsaw, Poland

Phone + 48 /22/ 525 80 00

Fax: + 48 /22/ 525 80 40

[osw.waw.pl](http://osw.waw.pl)

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# Contents

THESES /5

INTRODUCTION /7

## I. HOW CHINA VIEWS EUROPE: A WEAKER AND DIVIDED PARTNER /8

1. Europe's global weakness /9
2. The trans-Atlantic context /11
3. Assessment of European integration /12
4. Assessment of Chinese-European relations /13

## II. CHINA'S INTERESTS AND GOALS TOWARDS EUROPE: THE ECONOMY ABOVE ALL /16

1. Maintaining Europe's economic openness /16
2. Legitimising China in the international economic order /19
3. Favours Europe's passivity and non-involvement /20
4. Support for Chinese reforms /22

## III. CHINA'S SET OF INSTRUMENTS TOWARDS EUROPE /23

1. Supporting the 'race for China' /23
2. Experimenting with multilateral cooperation formats /24

## IV. CONCLUSIONS /27

APPENDIX /29

## THESES

1. Europe – understood as the European Union and as individual EU member states, the countries of the European Economic Area and the Western Balkan states – has played a unique role in China’s policy. On the one hand, it has occupied a place in the background, as a partner second to East Asian states and the United States. On the other hand, Europe has been China’s biggest economic partner and an ‘economic pillar’ supporting China’s growth on the international stage.
2. China views Europe as an ever weaker global actor and one that is largely subordinated to the United States. As a consequence, Chinese elites do not treat Europe as an equal partner and are convinced that China holds the upper hand over Europe. They see a growing asymmetry in bilateral relations. China is aware of its advantage over both the European Union as a whole and specific European states. China’s sense of its own potential is boosted by internal divisions within Europe and by a kind of race for the best possible (meaning: the most privileged) relations with China, which has been ongoing between individual EU states. At the same time, Europe does not seem to be China’s potential rival, especially since it has shown a positive attitude towards China’s rising importance on the international stage. Chinese elites consider Europe to be more open to economic and political cooperation with Beijing than the United States and non-European Western states. Moreover, due to its internal divisions, Europe is being treated by China as an easier partner in political and economic negotiations.
3. For Beijing, Europe is China’s key economic partner. Beijing strives to maintain Europe’s open attitude towards the Chinese economy, in particular its exports, location of investments and diversification of China’s currency reserves. For China, cooperation with Europe is of major importance both in the context of the success of China’s continued economic expansion and in relation to the current economic and social reforms referred to as a move towards a “moderately prosperous society”. Only in selected sectors has China’s competition with Europe been evident, although both economies remain largely complementary.
4. Cooperation with Europe is necessary to enable China to improve its position in the international economic and financial system, mainly in order to legitimise China’s actions in the area of multilateralism and global governance. Europe’s support will be important in the process of internationalisation of

the yuan. Cooperation with Europe helps promote a softer image of China and fosters a positive perception of it. Drawing European states away from the United States and weakening trans-Atlantic ties will help boost China's status on the international stage.

5. China would like to see Europe's passive attitude and non-involvement in two issues: China's core interests involving its territorial integrity (the relations with Taiwan and the disputes on the South China Sea) and Chinese-American relations.
6. In its policy towards Europe, China strives to balance two dimensions involving an attempt to use the ongoing rivalry between individual European states to win favour with Beijing and an intention to strengthen Europe's unity in areas which Chinese elites would consider favourable, such as maintaining the openness of the European market. At the same time, China has been consistently diversifying its relations with Europe to avoid becoming dependent on just one partner.
7. In the context of the diversified mechanisms of China's cooperation with Europe, bilateral relations remain the major tool in China's policy. Beijing applies the method of 'rewarding and punishing' specific states. Aside from its bilateral cooperation with the EU's strongest member states such as Germany, the United Kingdom and France, China has also maintained relations with smaller countries. China has begun to experiment with multilateral cooperation formats. It has created a unique cooperation format with Central and Eastern Europe known as '16+1', and promoted the concept of the New Silk Road as a new formula for the development of cooperation with individual European states. Moreover, Beijing attaches ever greater significance to dialogue with European Union institutions, in particular over economic matters.
8. From China's perspective, the case of the Asian Infrastructure Investment Bank (AIIB), established by China in 2015, has been a particularly good example of Beijing's excellent relations with Europe. Numerous European countries have declared their access to the Bank as founding members, thereby legitimising the Chinese vision of global governance and promoting China's rising importance in the international order. The process of specific countries joining the project was not coordinated at a European level. Additionally, European states joined this institution in disregard of open protest by the United States.

# INTRODUCTION

The purpose of this text is to reconstruct and analyse China's policy towards Europe, i.e. the European Union, selected EU member states and non-EU countries (members of the European Economic Area and the Western Balkan states which are candidates for EU membership)<sup>1</sup>. Part one reconstructs how Europe is viewed by Chinese ruling elites and proposes answers to questions involving China's assessment of the role of Europe in the international arena, the state of European integration and the balance of power in Europe, as well as European-American relations. Part two contains an analysis of the goals of China's policy towards Europe, particularly in areas such as economic policy, international order and the process of internal transformations in China. Part three offers an analysis of the range of methods China uses in its policy towards Europe, including in bilateral relations with selected European states and in the recent format of cooperation with the countries of Central and Eastern Europe under the umbrella of '16+1'.

When analysing China's policy towards Europe, the main difficulty involves a limited amount of credible sources. Similarly to official documents, the official discourse by the Chinese leadership, presents a very positive view on Chinese-European relations, yet it does not enable any reconstruction of Beijing's real goals. On the other hand, China's analytical discourse is frequently shaped by ideology and by the need to reaffirm the line of foreign policy imposed by the Communist Party of China. Moreover, there is a risk that Chinese experts may prefer to interpret the intentions behind the actions carried out by the country's leadership rather than present their independent view of the situation.

This text refers to the analysis of both the official discourse and the debate engaging Chinese commentators, researchers and analysts. For this purpose, it was necessary to define China's most widespread assessment of its policy towards Europe. Aside from the analysis of official documents and public debate, the author refers to informal interviews carried out with representatives of Chinese think-tanks and academic institutions during conferences and seminars. Moreover, an analysis of China's policy enables verification of the views expressed by Chinese commentators.

<sup>1</sup> In this view, European policy does not include policy towards post-Soviet countries in Eastern Europe such as Belarus, Ukraine and Moldova. Similarly, Turkey has not been an element of China's European policy.

## I. HOW CHINA VIEWS EUROPE: A WEAKER AND DIVIDED PARTNER

An the level of political declarations, China treats the European Union as one of the three most important global actors, alongside the United States and Russia<sup>2</sup>. China sees its relations with the EU as an element of the most important bilateral relations in the contemporary world and defines it as a “comprehensive strategic partnership for mutual benefit and win-win cooperation”<sup>3</sup>. In Chinese rhetoric, the EU has repeatedly been appreciated as a global partner of key importance for the creation of a multipolar international order. Beijing often emphasises that China and the EU are linked by a strategic consensus over this matter. During his 2014 visit to Europe, Xi Jinping called on the European partners to build “four bridges” between China and Europe involving peace, growth, reform and civilization and to create a strategic partnership which could have a greater impact on global affairs. The Chinese leader referred to China and Europe as “two major powers, two huge markets, two great civilizations”. Moreover, in its official discourse China strongly supports European integration.

Over the first three years following the assumption of power by the so-called fifth generation of leaders of the Communist Party of China (i.e. President [and the Party’s Secretary General] Xi Jinping and Prime Minister Li Ke-qiang), the new leaders paid numerous visits to Europe. In November 2013, the first China-EU summit since the change of power was held in Beijing. At the summit, both sides adopted the cooperation agenda until 2020. In 2014, Beijing published a policy document presenting the Chinese vision of the country’s relations with the EU. During his trip to Europe, Xi Jinping visited EU institutions in Brussels as the first ever Chinese leader. Celebrations commemorating the 40<sup>th</sup> anniversary of the launch of bilateral relations between China and the then European Economic Community were the leading theme in Chinese-European contacts in 2015. They were supplemented by a series of bilateral meetings with European leaders and a summit in the ‘16+1’ format held in China.

<sup>2</sup> Global strategy for Chinese diplomacy (2013–2023), Shanghai Institutes for International Studies, <http://www.siiis.org.cn/uploadfile/2013/1108/20131108095514968.pdf>

<sup>3</sup> China’s Policy Paper on the EU: Deepen the China-EU Comprehensive Strategic Partnership for Mutual Benefit and Win-win Cooperation, Beijing, April 2014, [http://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/wjzcs/t1143406.shtml](http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/wjzcs/t1143406.shtml)



However, the documents and the official declarations made by Chinese leaders in diplomatic forums offer just an outline of how Europe is really viewed by Chinese elites.

## 1. Europe's global weakness

The Chinese perception of Europe is based on a belief that there exists a certain asymmetry between these two actors and that this asymmetry is favourable to China. Europe is considered an ever weaker global player, which additionally is unable to function in the international arena as an actor fully independent of the United States.

The process of Chinese elites altering their assessment of Europe's place in the international order started around the year 2005. Back in 2003–2004, China seemed to attach priority importance to its cooperation with the EU. They hoped that the EU would adopt a different stance in international politics to that of America's unilateralism combined with its readiness to use military force. China hoped that the EU would transform into one of the pillars of a multipolar order and would be able to counterbalance the US. For Beijing, the first warning sign came with the EU not lifting its embargo on the sale of arms to China in 2005.

Doubts regarding Europe's independence were aggravated by the global economic crisis which started in 2008<sup>4</sup>. China began to increasingly view the European Union as an ever weaker global actor. Beijing abandoned its hopes involving the creation of an 'international axis' together with Europe. China concluded that the EU's ability to shape international relations was much lower than its ambitions<sup>5</sup>. From then on, China no longer treated the EU as a potential counterbalance to the US. The only exception has been the area of international financial relations, in which the existence of the euro does act to counterbalance the status of the US dollar.

In China's eyes, Europe's political importance began to diminish further after the eurozone crisis, which China considered a symptom of a systemic crisis of the European integration project. Attempts by several European states to attract Chinese funds, precipitated by the crisis, inspired Beijing to believe that the

<sup>4</sup> Zhang Jian, EU Prospects after the European Debt Crisis, *Contemporary International Relations*, Vol. 25, No. 1, 2015, pp. 56-74.

<sup>5</sup> Pang Zhongying, China-EU Strategic Partnership and the Transformation of Global Governance, *China International Studies*, July/August 2015, p. 46.

European Union was becoming ever weaker in economic terms and politically divided also. Additionally, these attempts helped boost the confidence of China's leadership<sup>6</sup>. Presenting the European project as a failure has become axiomatic in Chinese debate. The dynamics within the EU was seen as proof of the collapse of European integration and the fall of the European model of capitalism.

According to Chinese elites, the attractiveness of the European economic model has diminished, in parallel with the EU's economic position and global influence<sup>7</sup>. Since the eurozone crisis, the case of the EU has been viewed more as a warning than a model<sup>8</sup>. In the times of budget cuts, European countries are being perceived as actors having little room for manoeuvre in their relations with China. The narrative involving the need to rescue the euro or China bailing out Europe has dominated the debate. According to the policy document published by the Chinese government in 2014, following the eurozone crisis the EU has faced its biggest challenge since the end of the Cold War and requires deep structural reforms<sup>9</sup>. The position adopted by the head of the Chinese parliament's foreign affairs committee seems meaningful: Fu Ying referred to the EU as an "intermediate power" which stands in between the old powers and the new rising powers, similarly to Russia and Japan. At the same time, she suggested that one should not expect that Europe, which is still trying to recover from its economic malaise, could regain its previous status any time soon<sup>10</sup>.

China's major disappointment with Europe was accompanied by a rapid increase in the Chinese elite's confidence and a growing popularity of the belief that China was being transformed into global power number two. The EU has remained in the same position in the international order which it occupied 10 years ago. As a consequence of these processes, the relative symmetry between the partners has evidently shifted towards China's advantage.

<sup>6</sup> Mei Zhaorong (梅兆荣), Germany's path of renewed growth – position within the EU and in EU-China relations, *German Studies*, 1/2013, <http://www.faobserver.com/NewsInfo.aspx?id=8636>

<sup>7</sup> Feng Zhongping (冯仲平), Prospects for the EU's development and China-EU relations, *Contemporary International Relations*, 9/2012, <http://www.faobserver.com/NewsInfo.aspx?id=8074>; Liao Shuting (廖书庭), Chen Xiao (陈箫), China-EU relations after the European debt crisis, *Journal of Hunan Institute*, 1/2014.

<sup>8</sup> Zhang Jian (张建), Role of interactions between powers in China-EU relations, *Contemporary International Relations*, 4/2013.

<sup>9</sup> China-EU Comprehensive Strategic Partnership for Mutual Benefit and Win-win Cooperation.

<sup>10</sup> Fu Ying, 2014: A Turning Point in the Global Order, *Contemporary International Relations*, Vol. 25, No. 2, p. 3.

## 2. The trans-Atlantic context

The state of trans-Atlantic relations plays a particularly important role in shaping how Europe is viewed in China. For Chinese elites, the degree of independence of the European Union and European countries from the United States is a significant indicator of Europe's position in the international order and of Europe's importance as China's political partner. From China's perspective, close cooperation between the EU and the US is a sign of Europe's subordination to America's politics and goals<sup>11</sup>. Chinese elites count on a weakening of trans-Atlantic ties. The greater the differences between the EU and the US, the more important a partner the EU becomes. Similarly, the stronger the ties between Washington and European capitals, the smaller the EU's importance for Beijing<sup>12</sup>.

Regardless of the differing levels of importance of the US and the EU for China and of its diverse policy towards these two actors, Chinese elites frequently treat Europe and America as the homogeneous West. This West is guided by ideology, involving mainly the promotion of the Western model of democracy. According to certain prominent Chinese politicians, to achieve this the West is ready to stage a so-called colour revolution in China to challenge China's political system<sup>13</sup>.

At the same time, the assessment of the consequences of European-American rapprochement in specific areas, such as the economy or security, is ambiguous. In the case of the main trans-Atlantic project, the so-called Transatlantic Trade and Investment Partnership (TTIP), the economic and strategic assessments made by Chinese politicians and commentators are clearly divergent. According to politicians and experts specializing in economic affairs, TTIP poses no threat. Moreover, it could provide additional impetus for carrying out reforms and boosting the competitiveness of the Chinese economy. Prime Minister

<sup>11</sup> Referring to the political crisis in the EU related to the influx of refugees, one Chinese expert pointed to Europe's mistakes involving pursuit of the American 'democratisation' agenda and to the fact that Europe should be able to perform its own strategic judgement. <http://www.globaltimes.cn/content/941297.shtml>

<sup>12</sup> Some Western analysts suggest that the contrary is the case, i.e. Europe is treated more seriously when it closely cooperates with the US and other G7 states. This is when China recognizes this cooperation and is more willing to alter its own policy.

<sup>13</sup> Sun Jianguo, Upholding the Chinese Approach to National Security, *China International Studies*, No. 51, March/April 2015, pp. 15-16. The author is deputy chief of general staff of China's People's Liberation Army (PLA).

Li Keqiang, in particular, seems to support this line of discourse, seeing TTIP as an external instrument to put pressure on privileged entities operating in the Chinese economy such as state-controlled companies. Alongside this, experts who view the international order in the context of strategic challenges see TTIP as a manifestation of unity between Europe and the United States, which as such also poses a certain threat. Washington is viewed as an actor which tries to exclude China from “globalisation of high standards” and increase strategic control over Europe and Asia<sup>14</sup> through the trade agreements of TTIP and TPP (Transpacific Partnership). Additionally, Beijing fears that the US will try to persuade the EU to adopt solutions which would be unfavourable to China, such as involving a refusal to grant China the status of a market economy<sup>15</sup>.

It may be expected that the significance of the trans-Atlantic factor in China’s assessment of Europe will increase against the background of growing differences between China and America and in the context of an increasingly popular consensus in the United States over the need to devise a new deterrence policy towards China. The more tense the relations between Beijing and Washington, the greater the significance of the position adopted by European states and the EU as a whole.

### 3. Assessment of European integration

China’s assessment of the ongoing integration processes in Europe reflects China’s dual vision of European integration. For the purpose of attaining a portion of its goals, China is interested in maintaining the EU’s weakness, which enables Beijing to develop its relations with individual states separately. Beijing has greatly benefited from the existing divisions within the EU and from attempts by individual states to develop the best possible bilateral relations with China. On the other hand, a strong and unified Europe would be better for China in the context of Beijing’s ambitions to attain some of its economic goals and to build a multipolar order. Unlike Russia, China does not intend to challenge European integration. A failure of the European integration project is not in China’s interest, mainly due to Europe’s economic importance as a factor which counterbalances American dominance, and to the importance of the euro as a counterbalance to the US dollar.

<sup>14</sup> Wang Yiwei (王义桅), Three intercontinental effects of Chinese-European cooperation, <http://ies.cass.cn/Article/tszl/zg/wogw/201410/9162.asp>

<sup>15</sup> Fu Jing, Warning to EU exposes bias against China, *China Daily*, 2 October 2015.

At the same time, Chinese analysts suggest that European integration itself is at a crossroads due to an increase in Eurosceptic forces and to the possible exit of the United Kingdom from the EU<sup>16</sup>. The EU refugee crisis is an indirect result of insufficient political integration and of financial limitations within the European Union<sup>17</sup>. An increase in anti-integration sentiment and populist political forces is assessed in two ways. On the one hand, Chinese experts are critical of the changes in European internal politics. They generally condemn the growing importance of extreme right parties in Europe, which they refer to as “extremist”. This suggests that China is increasingly willing to look at Europe from a position of moral supremacy and to manifest its confidence in bilateral relations. On the other hand, China is concerned at seeing the development of anti-European forces, because if they assumed power they could pursue a protectionist policy which would be strongly unfavourable to China<sup>18</sup>.

#### **4. Assessment of Chinese-European relations**

In their official statements, Chinese politicians and commentators assess Chinese-European relations very positively. One should not, however, interpret their statements assuring a strategic partnership between the two sides in literal terms. On the contrary, positive assessments of China’s relations with Europe are a reflection of Beijing’s perceived advantage in bilateral relations. The Chinese side is aware of the fact that there is no common European policy towards China. According to Beijing, the European Union is “unconditionally involved” in its relations with China, it has no strategy towards China and its policy lacks unity. This is viewed both positively, as it offers Beijing more opportunities to pursue a separate policy towards individual European states, and negatively – due to difficulties involved in building long-term cooperation.

The basic difference between China and the European Union involves the understanding of the nature of the global order which is emerging after the era of US hegemony. What Chinese elites expect is multipolarity under which several powers would practically shape the agenda of global politics and dominate on a regional scale. The European Union, for its part, counts on the emergence of multilateralism, i.e. multilateral mechanisms to govern global issues, in which none of the various powers would occupy a privileged position and decisions

<sup>16</sup> Pang, *op. cit.*, p. 45.

<sup>17</sup> <http://www.globaltimes.cn/content/941297.shtml>

<sup>18</sup> Mei Zhaorong, *op. cit.*

would be taken by way of a broad consensus. Beijing uses the term ‘multilateralism’ when it finds it suitable in the context of its tactical needs. The language of official documents which describe China’s relations with the European Union is dominated by the term ‘multipolarity’.

Chinese experts and commentators emphasize the fact that there is no major conflict of interest between China and the EU<sup>19</sup>. The number of potential disputes is limited, and the number of spheres of cooperation is large and suited to China’s needs. In the context of this positive assessment, of equal importance is the conviction that Europe does not treat China as a future threat to its security or international position. Contrary to the debate ongoing in the United States, in Europe China’s growth is not viewed in geopolitical categories. In direct contrast, Beijing perceives that European elites consider China’s growth as an opportunity which Europe itself could exploit. Europe is much readier to accept China as another superpower than the United States is. Europe already considers China to be the second superpower. This is evidenced for example by the level of attention surrounding President Xi’s visits to Europe. Moreover, the EU is seen as that part of the West which was the first to recognize the need to reform the global international order, mainly to adapt multilateral institutions such as the IMF or the World Bank to the changing balance of power<sup>20</sup>.

From Beijing’s perspective, economic relations with Europe are of key importance. Chinese elites assess the economic interests of the two actors as largely complementary. In China, the popular view is that Europe has technologies and China has a dynamic domestic market. When they emerge, economic conflicts have no impact on relations as a whole. Moreover, from China’s perspective, economic cooperation has become more balanced. Investments are no longer one-sided, i.e. they involve not only European investment projects carried out in China. The number of Chinese investments in Europe has been on the rise<sup>21</sup>.

Positive assessments of Chinese-European relations are reflected in the assessment of China’s relations with individual EU member states. According to Beijing, China’s relations with Germany can be considered exemplary and can

<sup>19</sup> China has assessed positively its cooperation with Europe in the field of non-traditional security threats such as maritime piracy and international terrorism.

<sup>20</sup> Pang, *op. cit.*, p. 42.

<sup>21</sup> Mei Zhaorong, *op. cit.*

be described as “a new type of relations between powers”<sup>22</sup>. China’s relations with the United Kingdom and with France are assessed equally positively. At the same time, it should be noted that at present no European state has bad or unsatisfactory relations with China. Even those states which openly criticised China’s policy in the area of human rights no longer emphasize these issues in bilateral relations. The European Commission, for its part, has been involved in “regular dialogue” with China over these matters<sup>23</sup>.

According to Chinese experts, potentially contentious issues between China and the EU include: the need to import fuels, China’s economic and political presence in Africa, and climate change prevention. However, Beijing is convinced that even these controversial issues are unlikely to negatively impact bilateral relations.

China’s negative image in European societies is a factor which the Chinese side finds the most disturbing. European elites treat Beijing as an essential partner and are enthusiastic about cooperation. However, public opinion polls indicate that most European nations are rather distrustful of China. Criticism is ever more frequent and the public is becoming ever more sensitive, such as towards Chinese investments, for example. This is well illustrated by discontent within British society with China’s planned involvement in the construction of a British nuclear power plant<sup>24</sup>.

<sup>22</sup> Jiang Shixue (江时学), Relations between China and Germany are also a new type of relations between powers, *China Strategy Observer*, <http://ies.cass.cn/Article/cbw/zogx/201409/9110.asp>

<sup>23</sup> [http://eeas.europa.eu/delegations/china/eu\\_china/political\\_relations/humain\\_rights\\_dialogue/index\\_en.htm](http://eeas.europa.eu/delegations/china/eu_china/political_relations/humain_rights_dialogue/index_en.htm)

<sup>24</sup> Mei Zhaorong, *op. cit.*

## II. CHINA'S INTERESTS AND GOALS TOWARDS EUROPE: THE ECONOMY ABOVE ALL

The overriding goal of Beijing's foreign policy involves shaping the international order in such a way as to help the Communist Party of China remain in power. The goals of China's policy towards Europe should be viewed in this context as well.

### 1. Maintaining Europe's economic openness

China's interests and goals towards Europe are mainly defined in the area of the economy. Economic cooperation is the primary pillar of Chinese-European relations. For a decade now, the EU has been China's economic partner number one<sup>25</sup>. In 2014, trade turnover between China and the EU was 467 billion euros (according to EU statistics)<sup>26</sup>. The value of trade between China and the EU significantly exceeds 1 billion euros per day. Aside from the United States, Europe has been the major market for Chinese goods. China's exports to the EU reached 302 billion euros, and its imports – 164 billion euros (see Table 1 in the Appendix). China's trade surplus has been gradually diminishing since 2011, mainly due to a decrease in exports to Europe<sup>27</sup>.

China sees Europe as a place to diversify its financial assets by locating investments there. Cooperation with Europe enables Chinese companies to gain access to advanced technologies and to acquire global brands<sup>28</sup>. From Beijing's perspective, the low level of political risk is Europe's other major advantage. Although the eurozone crisis challenged the effectiveness of the European economic model, at the same time it is being perceived as an opportunity for China, enabling Beijing to strengthen its economic position in Europe. Unlike other Western countries such as the US, Canada, Japan and Australia, Europe is considered much more open to China's investment activity and economic involvement.

In this context, Beijing's primary goal is to maintain and expand Europe's openness to Chinese exports and investments, both capital investments and direct

<sup>25</sup> China has been ranked the EU's second trade partner after the US.

<sup>26</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>

<sup>27</sup> In 2008, the figure was US\$210 billion, whereas in 2013 it was a mere US\$ 130 billion. For comparison, in 2013 China's trade surplus with the US was US\$300 billion.

<sup>28</sup> Liu Haixing (刘海星), Assistance to Europe is actually assistance to China itself, *Global Knowledge*, 1/2013, <http://www.faobserver.com/NewsInfo.aspx?id=8099>



investments. Equally important is increased access of Chinese companies to the European market and the creation of conditions fostering fair competition for these companies to operate in Europe<sup>29</sup>. China intends to avoid trade disputes with the EU.

Therefore, China attaches key importance to preventing the rise of protectionism in Europe, to limiting the scale of application of non-tariff tools by the EU in its trade policy, as well as to minimizing Europe's potential objections towards the role of the Chinese state in China's economy, which involves, for example, offering support to exporters in the form of preferential loans. The list of potential reservations Europe could voice to limit China's access to the EU market includes practices and legislation which allow discrimination, forced joint ventures and technology transfers, access to public tenders, access to the service market, the issue of intellectual property and investor protection. In China, foreign companies have limited or zero access to sectors such as banking, construction and telecommunications. China wants to keep the European economy open and at the same time intends to avoid having to offer an adequate response, i.e. increased access of European companies to the Chinese market.

China's goals also include gaining access to those sectors which so far have been closed to Chinese companies, as in the sector of public tenders, for instance. Beijing intends to enter the lucrative market of infrastructural investments. It sees Europe as a place to locate investments in the most promising branches of the economy in the context of export of Chinese technology. These include high-speed rail and nuclear energy.

China would like to see European states open their markets to Chinese companies involved in technology transfer and purchase<sup>30</sup>. European goods exported to China are subject to less strict control than goods from the United States. Access to advanced technologies is indispensable for the implementation of the "Made in China 2025" strategy which contains plans for a rapid improvement in the quality of Chinese industrial production in the coming decade.

<sup>29</sup> Feng Zhongping (冯仲平), The situation in Europe and Chinese-European relations in 2013, China Institute of Strategy & Management, [http://www.21ccom.net/articles/world/zlwj/20150115119042\\_all.html](http://www.21ccom.net/articles/world/zlwj/20150115119042_all.html)

<sup>30</sup> In contrast to the country's previous leadership, China's current leaders never mention, at least in public, the issue of lifting the embargo for the sale of weapons to China. This may result from the awareness that attaining this goal would be extremely difficult at present. It seems that when formulating the goals of China's policy towards Europe, China's new leadership is not willing to get involved in battles which they are likely to lose.

The first step towards China attaining its goals involves negotiations over the so-called Bilateral Investment Treaty (BIT) between China and the European Union. BIT is to replace the 27 bilateral investment treaties which have so far been in force<sup>31</sup>. It is the first agreement of this type to be negotiated between China and the European Commission, and not with governments of individual EU member states.

Another method of maintaining or even increasing Europe's openness to Chinese goods involves China being granted the status of a market economy within the World Trade Organization (WTO). China was accepted to the WTO in 2001, but at that time it did not receive the status of a market economy automatically. The lack of such status makes it easier for the European Union (similarly to other members of the organization) to apply anti-dumping measures towards Chinese producers. Moreover, the fact of China being granted this status by the EU could convince other states, primarily the US, to do so as well. The predecessors of the current Chinese leaders had tried for years to convince the EU to grant China the status of a market economy, yet to no avail. China's present authorities claim that China is to be granted this status in 2016, fifteen years after joining the WTO. According to them, this is in line with the agreements made in 2001. In this situation, Beijing decided to no longer emphasize this issue in its relations with Europe. A dispute is underway in Europe involving interpretation of the conditions of China's accession to the WTO. Various interest groups, including in particular industrial producers and governments of some EU member states, have voiced concerns over the issue in an attempt to press for refusing to grant China the status of a market economy in 2016. The final decision should be made by the European Commission, though pressure by individual European governments concerning this issue is likely. European industrial associations have already called on the European Commission to refuse to grant China the status of a market economy due to unfair competition practices.

In the long term, China is interested in signing a free trade agreement (FTA) with the EU, which would guarantee Chinese companies access to the European market. Beijing should expect increased resistance towards close economic cooperation with China on the part of some European companies. This resistance is likely to be expressed by those businesses which are the most exposed to competition both in the European market and in third country markets. In a growing number of industrial categories Chinese companies are becoming

<sup>31</sup> Ireland has not signed such a treaty.

significant competitors for European businesses. At present, both sides are negotiating the feasibility of the planned free trade area. European states have been divided over this issue, with the United Kingdom being one of the most ardent supporters of FTA.

For China, its cooperation with Europe also serves the purpose of diversifying its currency reserves. Europe is increasingly being viewed as a safe location for Chinese financial surpluses, involving both financial investments and direct investments. According to estimates, around a third of Chinese reserves are euro reserves. China has repeatedly expressed its willingness to purchase Eurobonds, although no details of such transactions have ever been revealed. China still treats the euro as ‘too big to fail’.

## **2. Legitimising China in the international economic order**

Since the 2008–2009 global economic crisis at least, China has been increasingly keen on improving its position in the processes of global economic governance to reflect Beijing’s economic potential. In this context, Europe’s role is of key importance. Chinese elites consider both individual European states and the EU as a whole ready to accept China’s role of the second global superpower.

As a consequence, Beijing intends to win support from the EU and individual European countries for a shift in its position in the global economic and financial order<sup>32</sup>. In the context of the growing objections on the part of the US, which is evident, for example, in the US blocking the attempts to increase the significance of China’s role in the International Monetary Fund, Europe is becoming a key player in helping China boost its status and its role in the international economic and financial order. Beijing sees Europe as a partner able to help legitimise China’s increased significance in the international arena. Beijing recognizes the influence that Europe, including European media, has on global public opinion. Therefore, it hopes that its cooperation with Europe within the global economic and financial order will contribute to boosting China’s image on a global scale.

On the one hand, Beijing intends to strengthen its position in institutions such as the International Monetary Fund or the World Bank. It expects its significance to be increased and the yuan to be gradually transformed into another

<sup>32</sup> <http://carnegietsinghua.org/publications/?fa=61182>

reserve currency, aside from the dollar and the euro<sup>33</sup>. In this context, the EU may become China's ally in supporting its demands. On the other hand, China has already begun to create a parallel structure of financial institutions. This is being done in a closed circle of countries, with partners from BRICS (a new development bank), and by way of establishing multilateral institutions open to all potentially interested countries (this is the case of the establishment of the Asian Infrastructure Investment Bank – AIIB). In this case, Europe's support for Chinese initiatives can be interpreted as strong legitimisation of Beijing's actions.

### 3. Favouring Europe's passivity and non-involvement

China has been formulating increasingly stronger expectations regarding Europe's behaviour towards China's 'core interests'. Another goal of Beijing's policy towards Europe involves convincing both the EU as a whole and individual European states to adopt a passive stance and limit Europe's involvement in areas which are of key importance to China. The number of issues in which Beijing expects 'silence' on the part of Europe has been on the rise. Beijing sees any activity regarding these issues as "interfering with China's internal affairs"<sup>34</sup>.

In practice, China's 'core interests' associated with its sovereignty and territorial integrity refer to several issues: Tibet and Xinjiang as provinces exposed to the risk of separatism (according to Beijing), Hong Kong as a region threatened by a different political system, Taiwan as a region that may want to become independent and – increasingly – Chinese territorial claims in the South China Sea.

Formulating its interests *vis-à-vis* Europe, China willingly uses phrases suggesting that it expects understanding and support for the selected development path which reflects China's national priorities, as well as continued respect for and recognition of China's core interests<sup>35</sup>. A document which discusses these issues in the most comprehensive manner is China's Policy Paper on the EU adopted in 2014. Beijing expects that to abide by the "one-China principle" Europe will limit its contacts with Taiwan to non-official and people-to-people activities, that it will not support Taiwan's accession to any international

<sup>33</sup> Europe expressed its support for Chinese aspirations by adding the yuan to the basket of IMF's reserve currencies back in December 2015. This was mainly done at the cost of the euro.

<sup>34</sup> See for example Zhang Linchu (张林初), The situation in Europe and Chinese-European relations in 2014, *Peace and Development*, <http://comment.cfisnet.com/2014/1224/1300274.html>

<sup>35</sup> China's Policy Paper on the EU, *op. cit.*

organization whose membership requires statehood and will not sell weapons to Taiwan<sup>36</sup>. Regarding Tibet, China has appealed to Europe not to support “Tibetan independence” and not to allow leaders of the Dalai Lama to visit the EU or its member states under any capacity or pretext<sup>37</sup>. As far as human rights protection is concerned, China has emphasized its openness to dialogue, while stating that the EU itself needs to abide by certain principles such as dialogue in the spirit of equality. In practice, this means that the EU is unable to openly articulate its criticism of China.

Another issue in which China would welcome Europe’s non-involvement is Chinese-American relations, mainly in East Asia. This is particularly important in the context of rising tension in Beijing’s relations with Washington. Although China does not see Europe as a threat in East Asia, in order to attain its goals in this region it intends to weaken the West’s unity. Beijing therefore expects Europe to be passive. From among European states, only France and the United Kingdom have political and military interests in East Asia. Both countries still have military infrastructure in the Asia-Pacific region, they provide modern weapons to the region’s states and are interested in the region’s stability due to their economic interests. They are also participants in military exercises which the US regularly organises in the region (e.g. RIMPAC). Additionally, due to its economic ties with Asia, Europe cares about the safety of maritime routes in the region.

Of equal importance is Europe’s non-involvement in regional issues in East Asia. This mainly involves Europe’s refusal to support the US in its disputes regarding the East China Sea and the South China Sea. Referring to the principles of “mutual tolerance and equality”, China considers it necessary for Europe to accept Beijing’s actions in its “sovereign territory” in the Asia-Pacific region<sup>38</sup>.

<sup>36</sup> *Ibidem*.

<sup>37</sup> However, if such a meeting is held, China’s response is a set of more or less severe ‘sanctions’ such as limiting political and diplomatic contacts and hindering economic cooperation. In 2007, Germany’s Chancellor Angela Merkel received the Dalai Lama on an official visit. In 2008, the then President of France, Nicolas Sarkozy, openly boycotted the Olympic Games opening ceremony in Beijing, pointing to mistakes in China’s policy towards Tibet. In 2012, British Prime Minister David Cameron held a meeting with Dalai Lama. In all these cases China’s response involved a temporary limitation of official contacts. Beijing expected its European partners to symbolically confirm China’s supremacy over Tibet and to withdraw from their policy pursued so far, however, it did not expect any far-reaching concessions. In practice, this served as a kind of ritual Beijing considered necessary.

<sup>38</sup> Liu Haixing (刘海星), The situation in Europe and Chinese-European relations in 2012, *Contemporary World*, <http://dangjian.people.com.cn/n/2012/1219/c117092-19938869.html>

Examples of European measures which have provoked a reaction on the part of China include a joint statement issued by leaders of the EU and Japan in November 2013 and a June 2015 statement by G7 countries. Referring to the *communiqué* issued by the G7 Group in June 2015 which contained objections towards China's unilateral actions (although China was not specifically named), a commentator representing the government-controlled news agency, Xinhua, expressed his opinion that European states, with their crisis-ridden economies, should refrain from damaging their close trade and economic relations with China by mentioning the South China Sea issue<sup>39</sup>.

#### **4. Support for Chinese reforms**

Cooperation with Europe has been an important element of internal reforms in China, frequently referred to as a move towards a “moderately prosperous society”. The central point of these reforms involves a change in the economic development model from one based on export and infrastructure investment towards one that relies on the service sector and domestic consumption. The EU can be an important partner in the process of altering the Chinese model of economic development towards: increased domestic consumption (including meeting the demand for European goods by the ever expanding middle class), opening of the market to services and investments, altering the role of the state in the economy (i.e. less control over the economy and less price regulation in exchange for boosting the importance of the market in the economy). Improving the condition of the natural environment is another important element of the reforms. Devising social policy represents another big challenge for China. Europe's experience in this respect (both positive and negative) is treated as an important reference point.

At the same time, China is carrying out a number of conflicting actions within the reform process, which impacts Beijing's policy towards Europe. On the one hand, China intends to step up the party's control over society and politics but, on the other hand, it is attempting to introduce the principles of the rule of law. In the latter case, China is ready to cooperate with Europe in matters such as reform of the judiciary, though it is likely that this refers only to technical issues and not the underlying assumption involving independence of judicial power.

<sup>39</sup> Chen Shilei, Commentary: South China Sea issue not major concern of Western countries, Xinhua, 8 June 2015.

### III. CHINA'S SET OF INSTRUMENTS TOWARDS EUROPE

In its policy towards Europe, China is trying to balance two dimensions: one attempting to use the competition between individual European states for Beijing's favours and the other involving the intention to strengthen Europe's unity in areas which Chinese elites consider favourable to China, such as maintaining the openness of the European market. On the one hand, China is taking advantage of Europe's internal rivalry involving, for example, the creation of a settlement centre for the yuan. On the other hand, Beijing intends to avoid any accusations that it challenges the EU's unity. At the same time, in its relations with Europe China wants to avoid becoming dependent on just one partner and strives to maintain good cooperation with all the European states. However, the frequency and the level of advancement of these relations depends on the conditions offered by individual states.

#### 1. Supporting the 'race for China'

China's bilateral relations with European states remain the most important method of pursuing its policy towards Europe. Maintaining bilateral relations enables Beijing to avoid becoming dependent on just one partner. Beijing has been in a favourable situation in particular since the eurozone crisis – it has been taking advantage of the 'race for China' which is ongoing in Europe. As part of this 'race', individual states are trying to obtain from China as much as possible and to achieve the status of a key partner and a 'gateway' to Europe. Beijing is taking advantage of fears present in individual European countries that they may be pushed outside the mainstream of economic relations with China. As a consequence, Beijing has managed to create a situation in which none of its European partners expresses reservations about China's internal policy. Even the Czech Republic and the Baltic states, which previously emphasized the issue of human rights, felt forced to change their rhetoric and establish closer political ties with China.

Although China tends to temporarily favour specific countries, over the long term it tries to maintain close relations with the three most prominent EU states: Germany, France and the United Kingdom, as well as with other, smaller member states.

**Germany** enjoys special status due to its key role in European politics and to the significance for China of the import of advanced technologies from Germany. China still seems to be impressed by the effectiveness of Germany's economic

policy. Beijing views Germany as a leader which emerged after the eurozone crisis to replace the previous German-French tandem<sup>40</sup>. China appreciates Germany's key role in resolving the Russian-Ukrainian conflict. At the same time, China views Germany as an actor which is unable to dominate the EU or transform into a global power on its own. The format of China's bilateral relations with Germany is the most comprehensive of all bilateral cooperation formats and comprises intergovernmental consultations and 40 dialogue mechanisms which were expanded in 2014 by foreign policy and security issues. Germany has been Europe's second largest recipient of Chinese investments (around 7 billion euros in 2014).

**The United Kingdom** is important due to its political significance, including its permanent membership of the UN Security Council and its close relations with the United States. As far as economic cooperation is concerned, currently the UK has been the top recipient of Chinese investments. China's positive assessment of the United Kingdom is motivated by the UK's considerable economic openness, its thriving service sector (involving financial services in particular) and its liberal economic model. The UK has been Europe's biggest investor in Chinese bonds – around US\$50 billion in 2014. In 2000–2014, China's investments in the United Kingdom were worth 12 billion euros (Europe's top figure). The UK was the first state, aside from China, to issue yuan-denominated sovereign bonds. The first bonds China's central bank issued abroad were issued in the United Kingdom. At the same time, Chinese commentators are aware of the threat of the UK's self-marginalization resulting from its difficult relations with Brussels.

**France** is important to China due to its UNSC membership and its economic potential, including its civilian nuclear sector. France has been ranked Europe's third largest recipient of Chinese investments (around 6 billion euros).

## 2. Experimenting with multilateral cooperation formats

Apart from developing bilateral relations with a number of European states, China is active in multilateral cooperation. Since Xi Jinping took power, China's relations with the European Union have become more dynamic. China is continuing its format of cooperation with Central-Eastern Europe referred to

<sup>40</sup> Zhang Jian, EU Prospects after the European Debt Crisis, *Contemporary International Relations*, Vol. 25, No. 1, 2015, pp. 60–61; Li Chao, Future of Germany's Policy of Active Diplomacy, *Contemporary International Relations*, Vol. 24, No. 6, pp. 111–126.



as '16+1', launched in 2012. Additionally, Beijing has included Europe in the New Silk Road concept.

**The '16+1' format** was launched in the final years of Hu Jintao's rule. In 2011, on Beijing's initiative an economic forum was organized in Budapest. A year later, the first meeting at the level of the heads of government was held in Warsaw. This was the official launch of the '16+1' cooperation format. This format represents an experiment in China's policy towards Europe, mainly due to the fact that the European countries it comprises differ greatly from each other. These countries include both certain EU member states (Poland, the Czech Republic, Hungary, Slovakia, Romania, Bulgaria, Lithuania, Latvia, Estonia, Croatia and Slovenia) and candidate countries from the Western Balkans (Serbia, Montenegro, Macedonia, Bosnia and Herzegovina and Albania).

The sources of inspiration behind the creation of this format included China's interest in expanding its economic presence in Central-Eastern Europe, including in areas such as infrastructure, energy and agriculture, and in building a transport corridor to Western Europe under the New Silk Road concept. For Beijing, the '16+1' cooperation format is a convenient platform for coordination and promotion of its concepts regarding economic cooperation, including by boosting competition between the sixteen CEE states. Aside from pursuing economic goals, the '16+1' format enables Beijing to pursue political goals also. China is employing this multilateral formula to improve its bilateral relations with selected CEE states in the long run and to shape EU-China relations. Beijing intends to create a kind of a pro-China lobby within the European Union.

The process of institutionalisation of the '16+1' format has been progressing slowly. It mainly involves creating dedicated forums for coordinating specific areas of cooperation. Cooperation in individual sectors is usually coordinated by one selected state of the region. The key event under the '16+1' cooperation format is the annual summit at the level of heads of state. The first element of institutionalisation at the intergovernmental level involved the establishment of a Permanent Secretariat at the Chinese Foreign Ministry (with its head acting in the rank of deputy minister). CEE states were requested to appoint national coordinators who meet several times annually. In June 2014, the first meeting of ministers responsible for trade and the economy was held. According to plans, such meetings are to be organized regularly every two years. In 2015, a meeting between health ministers was held under the '16+1' format. Regular meetings of representatives of ministries of agriculture are also held. It was announced that a forum of young political leaders and an economic cooperation forum will

be organized every two years. In 2014–2015, new institutions focused on coordination of economic cooperation were created. In November 2014, a permanent secretariat for investments was created at the Polish Information and Foreign Investment Agency. In 2015, the China-CEEC Business Council was created. It is coordinated by the Polish Agency for Enterprise Development. In November 2014, under the ‘16+1’ format an agreement was signed involving the creation of a cooperation forum focused on agriculture, coordinated by Bulgaria. In 2014, an agency for the promotion of tourist exchange was created with its seat in Budapest. Institutionalisation of cooperation in the field of university education involved the creation of a consortium of universities managed on a rotational basis. The ‘16+1’ format is accompanied by a series of thematic meetings. In 2014, a Chinese investment forum was held in the Czech Republic and an investment symposium was organized in Xiamen, a seminar focused on technology cooperation was held in Shanghai, a think-tank symposium was organized in Slovenia and a logistics conference in Latvia.

The **New Silk Road** concept (currently referred to by China as ‘One Belt, One Road’) is becoming another multilateral formula of China’s policy towards Europe. The concept provides for the creation of overland and maritime transport corridors to connect China with Europe. The New Silk Road mainly serves the purpose of increasing the access of Chinese goods to the European market. It is also expected to support the development of central and western regions of China. Germany is to be the ‘hub’ for railway transport, whereas Greece is to be the ‘hub’ for maritime transport. The Road is hoped to enable China to dispel Europe’s fears regarding the ‘divide and conquer’ policy pursued by Beijing and to include several European states in the implementation of the Road’s project. The New Silk Road is a particularly significant example of an instrument partly focused on Europe. It cannot be ruled out that, in order to implement the New Silk Road concept, China will seek to create a trilateral cooperation formula comprising China, the EU and a third country.

## IV. CONCLUSIONS

Beijing pursues its policy towards Europe at three levels: at the level of individual member states, at EU level and in the '16+1' format. This is expected to boost the flexibility and the effectiveness of China's European policy. Economic issues continue to dominate the way China thinks about Europe. Economic expansion to the European market, entering new sectors, capital investments and acquisition of companies will continue to form the axis of China's policy towards Europe. One of Beijing's priorities still involves maintaining and deepening Europe's openness to China's economic presence.

At the same time, the significance of Europe's support for Beijing's actions aimed at boosting China's status in international politics has been on the rise. For China, Europe is becoming a source of legitimisation of Beijing's policies and an actor which boosts China's credibility in global finance and in the creation of multilateral institutions. The process of establishing the Asian Infrastructure Investment Bank (AIIB) has been the fulfilment of China's expectations towards Europe and its role in the process of improving China's position in the international arena. From Beijing's perspective, the bank, with China as its initiator and 57 countries as its founders, is intended to serve two purposes. Firstly, it offers yet another method of investing capital surpluses in promising investments on a global scale. Secondly, it is a step towards the creation of an international system parallel to that dominated by the US, in which China will have the right to veto and a decisive vote. Originally, back in 2015 China intended the AIIB to be limited to Asian states only. An official declaration of access to the project, expressed by the United Kingdom, convinced a number of other European states to do so as well. Europe's involvement in China's initiative boosted its credibility, in particular in the context of strong objections voiced by the US. It should be expected that Europe's significance for China will grow as tensions in Chinese-American relations increase.

At political level, Chinese elites see the EU as an internally divided actor which needs China more than China needs it. Moreover, the EU is viewed as an actor which poses no threat to China's key interests both in China's immediate neighbourhood in East Asia and globally. Confidence on the part of Chinese leadership is boosted by the fact that China has proved to be resistant to socialization attempts that the EU made over the last decade. These attempts involved for example human rights protection and introduction of principles of the rule of law. Europe failed to exert significant influence on the development of China's political system and on Beijing's policy in specific areas, in spite of a number of dialogue-promoting institutions having been created.

To a large extent, the attitude of the Chinese elite towards Europe will depend on the result of the reforms currently ongoing in China. Any successful change in the economic model will boost Beijing's sense of advantage in bilateral relations and increase China's assertiveness in its relations with Europe, mainly in the field of the economy. Similarly, China is likely to gradually raise its expectations regarding Europe's support for its actions in the international arena. However, the situation may change, should the current reforms end in a fiasco. In a situation of domestic policy failures, China's perceived advantage over Europe could diminish and, as a consequence, give way to more balanced relations.

**MARCIN KACZMARSKI**  
**CO-OPERATION: JAKUB JAKÓBOWSKI**

## APPENDIX

**Table 1.** China's volume of trade with the EU (2014, in millions euro)

State	Imports from China	Exports to China	Volume of trade	Trade balance
EU28 (European Union)	302 143.2	164 623.0	466 766.2	-137 520
Germany	60 921.8	74 888.7	135 810.5	13 967
Netherlands	57 016.6	8 450.3	65 466.9	-48 566
United Kingdom	45 774.2	19 577.0	65 351.2	-26 197
France	25 450.6	16 190.1	41 640.7	-9 261
Italy	25 075.2	10 493.7	35 568.8	-14 581
Belgium	13 639.3	7 498.0	21 137.2	-6 141
Spain	16 528.9	4 058.8	20 587.7	-12 470
Poland	10 557.7	1 682.8	12 240.5	-8 875
Sweden	6 540.4	4 382.8	10 923.2	-2 158
Czech Republic	7 156.2	1 541.7	8 697.9	-5 614
Denmark	5 178.9	2 921.6	8 100.5	-2 257
Austria	4 892.9	2 980.9	7 873.8	-1 912
Hungary	4 813.1	1 408.2	6 221.3	-3 405
Finland	1 856.4	2 564.0	4 420.4	708
Slovakia	2 476.4	1 374.7	3 851.2	-1 102
Ireland	2 192.3	1 518.8	3 711.2	-674
Romania	2 353.9	566.7	2 920.6	-1 787
Greece	2 492.1	274.7	2 766.8	-2 217
Portugal	1 598.6	838.8	2 437.4	-760
Bulgaria	865.1	533.4	1 398.4	-332
Luxembourg	1 193.4	199.6	1 393.1	-994
Slovenia	1 130.9	215.1	1 346.0	-916
Lithuania	666.1	102.1	768.2	-564
Estonia	606.2	139.3	745.5	-467
Croatia	442.5	51.1	493.6	-391
Latvia	354.9	108.0	462.8	-247
Cyprus	221.5	39.3	260.7	-182
Malta	147.0	23.0	170.0	-124

Source: EUROSTAT: Trade EU28 - China, 2014

**Table 2.** Accumulated China's direct investments in the EU, comparison of figures compiled by Rhodium Group and by China's Ministry of Commerce (MOFCOM), in millions euro

<b>State</b>	<b>Rhodium Group (2000–2014)</b>	<b>MOFCOM* (2006–2014)</b>
Austria	436.00	151.76
Belgium	928.00	371.28
Bulgaria	207.00	128.11
Croatia	4.00	8.93
Cyprus	31.00	80.63
Czech Republic	138.00	182.60
Denmark	134.00	156.61
Estonia	23.00	2.63
Finland	102.00	44.38
France	5 907.00	6 353.83
Germany	6 872.00	4 352.95
Greece	405.00	90.93
Hungary	1 891.00	418.59
Ireland	99.00	187.89
Italy	4 202.00	541.49
Latvia	3.00	0.41
Lithuania	30.00	9.39
Luxembourg	432.00	11 787.50
Malta	69.00	4.08
Netherlands	2 997.00	3 155.58
Poland	453.00	247.80
Portugal	5 138.00	45.66
Romania	733.00	143.98
Slovakia	40.00	96.15
Slovenia	8.00	3.76
Spain	1 096.00	323.17
Sweden	1 522.00	2 266.89
United Kingdom	12 212.00	9 634.08
EU28 (European Union)	46 112.00	40 791.05

\* Calculated according to the average exchange rate USD/EUR recorded in 2014 (Credit Suisse): 1.3291