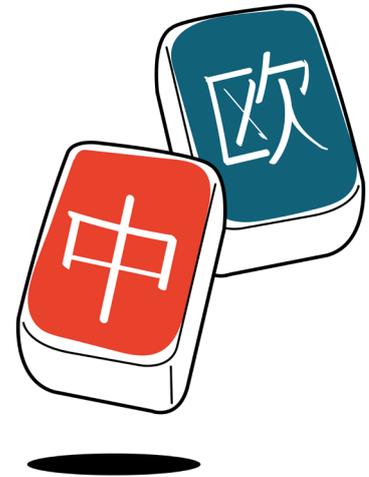


MARCH 17, 2022

# MERICs

## Europe China 360°



### CONTENTS

ANALYSIS .....	2
Is the EU's faith in China as Ukraine-Russia mediator misplaced?.....	2
BUZZWORD OF THE WEEK.....	4
REVIEW.....	5
US and China talk Ukraine in Rome.....	5
The light at the end of the tunnel for the EU's International Procurement Instrument? .....	6
SHORT TAKES.....	7



**MERICs**

Mercator Institute for China Studies

## ANALYSIS

### Is the EU's faith in China as Ukraine-Russia mediator misplaced?

By Francesca Ghiretti and Grzegorz Stec

The EU has been calling on China to exercise its influence on Russia to stop the war and to respect the territorial sovereignty of Ukraine. Beijing remains one of the few countries that can reach out to Moscow and, as such, the EU is right to ask it to use its open channel of communication to convince Putin to at least stop the killing of civilians. Until recently, the EU had not gone as far as calling for China to mediate a peace agreement. But following an interview with the EU's foreign policy chief Josep Borrell with the Spanish newspaper [El Mundo](#) on March 6, it is now openly signaling support for this idea.

Since then, calls from member states for China to be a mediator in the conflict have become louder. In Italy, the discussion has been dominated by voices who express great hope that China could act as mediator and successfully carry out the task. In other member states the public debate has been more focused on the immediate conflict itself, although the possibility of Beijing mediating has been viewed with greater skepticism, as is the case in Poland.

Is it wishful thinking to expect Beijing to mediate? Probably, for two main reasons. China is far from convinced that it should take on this role and, even if it were to, the parameters of the mediation may not be to Ukrainians' liking. But let's take one issue at a time.

#### *China's hesitance*

China is openly hesitant about taking up the role of mediator. President Xi Jinping and Foreign Minister Wang Yi have expressed support for a peaceful, negotiated resolution to the war. But Beijing does not want to be the sole mediator. Instead, it says it would only mediate as part of an international effort and only as a last resort as it would prefer the Europeans and Russia to solve the crisis amongst themselves, purposefully excluding the United States.

The chances of Beijing taking on the role of sole mediator are therefore slim. China views the Ukrainian "crisis" as a European affair and one that it does not wish to become entangled in. An international effort would allow Beijing to avoid any potential risk to be discredited and stay out of a possible European war if attempts to mediate were to fail. Given the already visible consequences on the global economy of the war, it is no wonder that an economic stability-focused China, too, wants a swift solution.

#### *China's objective*

But what if conditions change or Beijing changes its mind and decides to take on a mediator role? Beijing has made very explicit the strength of its relationship with Russia and expressed understanding for Russia's security concerns. But most importantly, it has also made clear its condemnation of NATO, which it sees as a vehicle for the United States' influence in Europe. China has gone as far as to say that NATO is to blame for Russia's actions. Given this, it is hard to imagine that China, as a mediator, would not attempt to weaken NATO and aim for a new security agreement more favorable to Russia and, indirectly, to itself.



## Views of China as a mediator in the war in Ukraine

How the EU and China view the possibility of China playing the role of mediator in the war in Ukraine



**Josep Borrell**  
EU High Representative  
*Interview with Spanish newspaper El Mundo*

“There is no alternative. We [Europeans] cannot be the mediators, that is clear ... And it cannot be the US either. Who else? It has to be China, I trust in that.”

March 4, 2022



**Peter Stano**  
EU Commission spokesperson  
*Foreign affairs press briefing*

“China has the potential to reach out to Moscow because of their relationship, and we’d like China to use its influence to press for a cease-fire and make Russia stop the brutal, unprecedented shelling and killing of civilians in Ukraine.”

March 7, 2022



**Xi Jinping\***  
Secretary General of the CCP, President of the PRC  
*Phone call with President Emmanuel Macron and Chancellor Olaf Scholz*

“China appreciates the efforts of France and Germany to mediate the situation in Ukraine, and is willing to maintain communication and coordination with France, Germany and the EU, and play an active role with the international community according to the needs of all parties concerned.”

March 8, 2022



**Official readout of the French Presidential Palace from the call with President Xi Jinping**

“After recalling the importance of the principle of sovereignty and territorial integrity and expressing his regrets in view of the latest developments, President Xi expressed his support for the actions of France and Germany for a ceasefire as well as for the need to guarantee people’s access to humanitarian aid coordinated by the United Nations.”

March 8, 2022



**Wang Yi\***  
State Councillor and Minister of the Foreign Affairs of the PRC  
*Call with the Italian Minister of Foreign Affairs Luigi di Maio*

“China will uphold the above fundamental position, strengthen communication and coordination with all parties, and continue to play a constructive role in promoting peace talks. China is not a party directly involved, but as a permanent member of the UN Security Council and a responsible major country, we will continue to make efforts to ease the situation and seek peace in our own way.”

March 11, 2022



**Wang Yi\***  
*Call with the Spanish Minister of Foreign Affairs José Manuel Albares*

“As a permanent member of the UN Security Council, China has been promoting peace talks in its own way since the very beginning of the Ukraine crisis. [...] China will continue to play a constructive role in the peaceful settlement of the Ukraine crisis on multilateral occasions. China is not a party directly involved in the crisis, and it doesn’t want to be affected by sanctions even more. China has the right to safeguard its legitimate and lawful rights and interests.”

March 14, 2022

\*As paraphrased in an official governmental statement

Source: MERICS

Thus, China's potential mediation attempt would not be very considerate of the desired outcome of Europeans. Regardless of whether Europeans would be comfortable with a peace proposal brokered by China, the fact is that Ukrainians are unlikely to accept the result of China's mediation. At the very least China would propose a solution very similar to that which Russia has already proposed, including assurance from the West of a buffer zone, meaning Ukraine would be prevented from joining NATO or the EU. This may sound reasonable to some in Europe, but what matters is whether this will sound reasonable to Ukrainians.

All things considered, China is right to push for international mediation, but aside from a few individuals and Israel, there seems to be little appetite from any international stakeholder to take on this role.

#### Read more:

- El Mundo: [Josep Borrell: Not sending weapons to Ukraine would have been an immense hypocrisy and a historic failure](#) (Quote 1)
- European Commission: [Midday press briefing from 07/03/2022](#) (Quote 2)
- [CN] MFA of the People's Republic of China: [Xi Jinping Holds Video Summit with French and German Leaders](#) (Quote 3)
- [FR] Élysée: [Meeting of the President of the Republic with the Chancellor of the Federal Republic of Germany and the President of the People's Republic of China](#) (Quote 4)
- Mission of the People's Republic of China to the EU: [Wang Yi Holds Virtual Meeting with Italian Minister of Foreign Affairs and International Cooperation Luigi Di Maio](#) (Quote 5)
- MFA of the People's Republic of China: [Wang Yi Speaks with Spanish Foreign Minister José Manuel Albares Bueno on the Phone](#) (Quote 6)

## BUZZWORD OF THE WEEK

# ACI

While the debate on the EU's anti-coercion instrument (ACI) continues in the background, the Commission has already begun testing out the instrument in Lithuania. Since the beginning of the discussions, there has been significant opposition to the idea of a relief mechanism for businesses affected by economic coercion. The reason for this worry is that such a mechanism could create incentives for risk-taking behaviors. Nevertheless, in Vilnius, European Commissioner for Internal Market, Thierry Breton, promised that the EU will propose assistance measures to Lithuanian businesses hit by China's economic coercion. In his references to the EU's single market solidarity, Breton reveals his expectation that the support mechanism will be included in the final ACI regulation. But others in Brussels may not share his view.

### Read more:

- LRT: [EU to initiate aid to China-affected Lithuanian businesses](#)
- European Parliamentary Research Service: [Proposed anti-coercion instrument \[EU Legislation in Progress\]](#)

## REVIEW

### US and China talk Ukraine in Rome

The United States' National Security Advisor Jake Sullivan met with Chinese Communist Party's top diplomat Yang Jiechi in Rome on March 14. Prior to the meeting, the US administration disclosed information that Russia allegedly requested military equipment and economic support from China.

#### What you need to know:

- **Intel:** According to the US administration, China allegedly signaled its willingness to support Moscow with military equipment. However, it remains [unclear](#) whether Moscow's request was directly connected to the Russian invasion of Ukraine or it was part of the general arms trade agreement between Russia and China.
- **The meeting:** The seven-hours long Sullivan-Yang exchange was a follow up to the Biden-Xi meeting in November. This time, the Russian invasion of Ukraine and China's position were in the spotlight. The exchange produced no immediate practical outcomes.
- **Readout:** The US side reportedly used the meeting to gauge Beijing's position and to clearly communicate potential repercussions of Beijing's military and economic support for Russia. Yang reportedly indirectly criticized the US administration's pre-summit revelations labelling them as an attempt to "spread false information and distort and smear China's position". He further stated that the development in Ukraine "is not what the Chinese side would want to see", and that China advocates the creation of a new, comprehensive European security framework.
- **EU position:** No EU officials met with Yang Jiechi during his trip to Europe. The EU spokesperson confirmed that the EU has no conclusive evidence of any request by Russia for military assistance from China.
- **Follow-up call:** Presidents Joe Biden and Xi Jinping are [expected](#) to exchange a phone call on Friday, March 18 to discuss US-China competition and Russia's invasion of Ukraine.

#### Quick take:

Whether the Rome meeting has had any impact on China's stance on the Russian invasion remains unclear. It is highly unlikely that Beijing's overall political support for Moscow will change. Beijing will likely continue to support Russian interests, even if it avoids explicitly endorsing Russia's actions.

Military or economic support is, however, another matter. Beijing is likely to calculate the gains and losses of extending practical support. That is why clearly communicating, ideally in direct diplomatic exchanges, the costs of extending such support can play a role in Beijing's calculus and actions – regardless of whether the message comes from the United States or the EU. Such communication should complement the ongoing discussions about Beijing's potential constructive involvement.

**Read more:**

- Financial Times: [US tells allies China signalled openness to providing Russia with military support](#)
- MFA of the People's Republic of China [CN]: [Yang Jiechi Clarifies Position on Ukraine Situation](#)
- Twitter: [Thread by Alexander Gabuev](#)
- Washington Post (Opinion by China's Ambassador to the US, Qin Gang): [Chinese ambassador: Where we stand on Ukraine](#)

## **The light at the end of the tunnel for the EU's International Procurement Instrument?**

The International Procurement Instrument (IPI) has been in the EU's pipelines since 2012. Ten years later, it may finally be approved.

**What you need to know:**

- **What is IPI:** IPI belongs to a series of economic instruments the EU has been exploring to level the playing field and ensure reciprocity – in other words, to make sure European and foreign enterprises play by the same rules and under the same conditions, at least in the European market. The IPI specifically seeks to intervene on European procurement procedures to restrict access of third countries' enterprises to the bidding process on the basis of reciprocity.
- **Next steps:** On March 14, the European Parliament, the European Commission and the Council held the last trilogue. The next steps will be the vote in COREPER and then, at the plenary session of the European Parliament.
- **What about China:** Currently, Chinese enterprises have far more access to European public procurement than European enterprises to Chinese public procurement. This is one of the many issues in the long-standing debate on lack of reciprocity between the EU and China.

**Quick take:**

The approval of the IPI would be an important achievement for the EU. There was momentum before January 2022, but much of the credit goes to the French Presidency, who were determined to see this happen before the French national elections. The IPI is a prime example of a new way for the EU to approach the issue of the lack of reciprocity. Instead of just trying to get the counterpart to be more open to European enterprises or adopting a regulatory system similar to that of the EU, Brussels has set in motion changes to its own

regulatory system to match the restrictions of others. The benefit of this approach is two-fold. It provides the EU with better protection against unfair practices while not giving up on obtaining greater access in third markets.

**Read more:**

- European Parliament: [Legislative Train Schedule. A new EU international procurement instrument \(IPI\).](#)

## SHORT TAKES

The European External Action Service's EUvsDisinfo initiative released its first ever tweet and article in Chinese. It describes seven pro-Kremlin disinformation myths related to the Russian invasion of Ukraine.

- EEAS EUvsDisinfo [CN]: [Disinformation About Russia's Invasion of Ukraine - Debunking Seven Russian-Spreading Myths](#)
- EEAS Twitter: [Information about the release](#)

On March 14, Spanish Foreign Minister Jose Manuel Albares exchanged a phone call with his counterpart, Wang Yi, to discuss China's potential constructive involvement in finding a solution to the war in Ukraine.

- SCMP: [Ukraine war: China going its 'own way' on peace process, says foreign minister](#)

The European Parliament adopted the report of the Special Committee on Foreign Interference (INGE). It highlights the need for the EU to improve its democratic resilience and monitor the disinformation activity of external actors, including China. MEPs also called on Belgian authorities to step up their actions against domestic espionage, including from China.

- The Brussels Times: [EU calls on Belgium to strengthen anti-espionage efforts](#)
- European Parliament: [Resolution of 9 March 2022 on foreign interference in all democratic processes in the European Union, including disinformation](#)

The Norwegian central bank plans to divest from Chinese sports brand Li-Ning as the bank's ethics council linked Li-Ning to forced labor practices in Xinjiang.

- France24: [China slams Norway state fund over Xinjiang forced-labour fears](#)

The EU-China rail trade may explore the usage of the southern routes, including passing through the Caspian Sea, due to the disruption caused by the Russian invasion of Ukraine.

- Silk Road Briefing: [How Damaging Are Russian Sanctions On China-EU Rail Trade And The Belt & Road Initiative ?](#)

China and Greece signed a 2022-2024 joint action program aimed at boosting tourism cooperation including cultural, medical, wellness and wedding tourism.

- Xinhua: [China, Greece sign deal to boost tourism cooperation](#)

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