

China-Russia relations: A quantum leap?

SUMMARY

Hours before the Beijing Winter Olympics officially opened on 4 February 2022, Chinese President Xi Jinping had a long meeting with Russian President Putin. In the joint statement issued after the meeting – which referred to the bilateral relationship as a 'no-limits friendship' – the Chinese leader for the first time voiced his country's outright opposition to NATO enlargement and support for Russia's 'proposals to create long-term legally binding security guarantees' in Europe. It remains, however, unclear whether Putin informed Xi of his intention to invade Ukraine. On 24 February, 4 days after the end of the Winter Olympics, Russia began its full-scale invasion of Ukraine.

The China-Russia relationship has seen major shifts since 1992. At the outset, China's population was greater than Russia's and the two countries had very similar level of total gross domestic product. Nowadays, thanks to China's exceptional growth performance and the impact of Russia's war on Ukraine, China's economy is estimated to be up to 10 times bigger than Russia's. Similarly, trade with Russia is not of major importance to China in terms of value. However, the high share of raw materials (including food) in Russian exports and the transfer of Russian military technology are of strategic importance to China.

Since 2012 – when Xi was first made General-Secretary of the Chinese Communist Party (CCP) – the relationship has evolved into an informal alliance in the face of what both countries consider a rising threat from the West to their regimes. China's response to Russia's war on Ukraine – a balancing act sometimes referred to as 'pro-Russia neutrality' – has so far been much closer to Russia than it was in 2014 when Russia annexed Crimea. At the same time, developments since Russia's invasion of Ukraine in February 2022 have increased Russia's dependency on China, which some now qualify as a rising 'vassalisation' of Russia.

This is an update of a briefing originally published in March 2022.



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Introduction

Russia-China relations have experienced many ups and downs, in particular since the start of the 20th century, when Russia ended up under <u>Bolshevik</u> dictatorship and China faced one of its endemic periods of extreme <u>turbulence</u>. Even after the proclamation of the People's Republic of China (PRC) in 1949, relations between the two communist powers remained unstable, and troops from both sides even <u>clashed briefly</u> in 1969 at the <u>Ussuri River</u> marking the border between Russian Siberia and China's north-eastern province of Heilongjiang. These points of tension in Russian-Chinese relations allowed then United States Secretary of State Henry Kissinger to <u>engage</u> with China in order to use it as a counterbalance to the Soviet Union. Yet, just a year after the demise of the Soviet Union in 1991, Russia and China started <u>consistently engaging</u> in efforts to improve mutual ties, as well as reinforcing their economic, political, ideological (for example, on authoritarianism) and military cooperation.

The year 2012 may be seen as marking the start of an <u>informal alliance</u> between Russia and China, spurred by their mutual unease about the upsurge against authoritarianism during the Arab Spring and the protests against Vladimir Putin in Russia. That same year, <u>Xi Jinping assumed</u> two of the most important posts in China's political system: General-Secretary of the Communist Party and Chair of the Central Military Commission (he officially became President of China in spring 2013).

Since 2014, Russian and Chinese official rhetoric has portrayed bilateral strategic ties as being 'at their best point in history'; in 2019, the two countries <u>upgraded their relations</u> to the highest level of partnership within China's hierarchy of diplomatic ties. The <u>joint statement</u> made by Xi Jinping and Vladimir Putin on 4 February 2022 fitted perfectly into this scheme when it talked about the nolimits friendship between both countries. While real progress had been slow in the past, the change in circumstances – such as the <u>antagonism</u> between the West and like-minded countries, on the one hand, and authoritarian regimes, on the other – has increased the need for closer ties between Russia and China. This trend has been more recently underlined by the state visit by Xi Jinping to Moscow in March 2023, the first visit abroad following his reappointment as General-Secretary of the CCP, Chair of the Central Military Commission and President of China.

The rhetoric...

On <u>4 February 2022</u>, Xi Jinping met with Vladimir Putin just hours before the start of the Beijing Winter Olympics. This marked the first face-to-face meeting for Xi with a foreign head of state since the outbreak of the coronavirus pandemic and only the third bilateral visit abroad for Putin since early 2020. After the meeting, the two sides published a 16-page '<u>Joint Statement</u> (...) on the International Relations entering a New Era and the Global Sustainable Development', which in western media has primarily gained prominence due to the reference to the no-limits friendship between both countries. While it remains unclear whether Chinese officials asked their Russian counterparts in early February 2022 not to invade Ukraine during the holding of the Olympics in Beijing, as reported by the <u>New York Times</u>, the fact is that the invasion started on 24 February, i.e. four days after the end of the Olympics.

As pointed out by the German think tank <u>MERICS</u>, in formal terms China views its bilateral relations with Russia as its only bilateral relationship that qualifies as a 'Comprehensive Strategic Partnership of Coordination for a New Era', characterised by 'cooperation on all issues, including international affairs, military and technological development'.

Figure 1 – Not all partnerships are created equal: Hierarchy of China's diplomatic partnerships, in order of closeness

TYPE OF PARTNERSHIP	DESCRIPTION	COUNTRIES
1. Strategic Partnership of Coordination 战	· 略协作伙伴关系	
Comprehensive Strategic Partnership of Coordination for a New Era (新时代全面战略协作伙伴关系)	China's highest level of foreign partnership; cooperation on all issues, including international affairs, military and technological development.	Russia
2. Strategic Cooperative Partnership 战略合	作伙伴关系	
2.1 All-Weather Strategic Cooperative Partnership (全天候战略合作伙伴关系)2.2 Comprehensive Strategic Cooperative Partnership (全面战略合作伙伴关系)	Wide-ranging coordination and cooperation – both political and economic – with strategically im- portant countries. Pakistan tops the list, ranked as an "all-weather" partner.	Pakistan 11 countries, all in Southeast Asia and
2.3 Strategic Cooperative Partnership (战略合作伙伴关系)		Africa Six countries, mostly in South Asia (including India)
3. Strategic Partnership 战略伙伴关系		
3.1 All-round Strategic Partnership (全方位战略伙伴关系)	Strategic partners are countries China considers strategically important for political, economic or geopolitical reasons. They warrant a higher level of engagement from Beijing, though relations are not without friction.	Germany
3.2 Permanent Comprehensive Strategic Partnership (永久全面战略伙伴关系)		Kazakhstan
3.3 Comprehensive Strategic Partnership (全面战略伙伴关系)		40 countries, including eight EU member state and the UK
3.4 Friendly Strategic Partnership (友好战略伙伴关系)		Austria
3.5 Strategic Partnership (战略伙伴关系)		16 countries, including Canada and the Czech Republic
3.6 Innovative Strategic Partnership (创新战略伙伴关系)		Switzerland
4. Cooperative Partnership 合作伙伴关系		
4.1 All-round Cooperative Partnership (全方位合作伙伴关系)	Cooperative partnerships focus mainly on economic cooperation. Even if relations are friendly, cooperation is limited to specific issue areas.	Singapore
4.2 Comprehensive Friendly Cooperative Partnership (全面友好合作伙伴关系)		Romania, Maldives
4.3 Comprehensive Cooperative Partnership (全面合作伙伴关系)		Six countries, including South Korea and the Netherlands
4.4 Friendly Cooperative Partnership (友好合作伙伴关系)		Japan
4.5 New-Type Cooperative Partnership (新型合作伙伴关系)		Finland
5. Partnership 伙伴关系		
Innovative Comprehensive Partnership (创新全面伙伴关系)	Other partnerships tend to signify that, though relations may not be close, there is a wish to improve them.	Israel

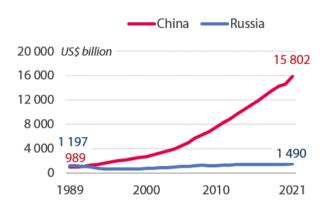
Note: As China's only treaty ally, North Korea is not included in this partnership framework. Sources: Ministry of Foreign Affairs of the People's Republic of China, MERICS.

...and the reality

Population, GDP, and commercial and energy ties

According to World Bank data for 2019, **China's population** stood at 1 408 million and Russia's at 144.4 million (this latter figure being slightly lower than that of Germany and France combined, and constituting 44 % of the US figure of 323.33 million), meaning that China was almost 10 times more populous than Russia. Russia's population started declining in 2019 and is very likely to continue to do so in the near future. However, the decline in China's population – which a few months ago was only expected in a few years – has already started. In 2022, China's overall population fell to 1.411 billion and it is likely that India's population has just overtaken China's.

Figure 2 – Trends in Chinese and Russian GDP growth since 1989 (constant 2015 US\$ billion)



Source: EPRS, based on World Bank data.

On the eve of Russia's full-scale <u>invasion</u> of Ukraine in February 2022, China's GDP was almost 10 times higher than Russia's (according to <u>World Bank data</u>, Russia's **nominal** GDP in 2021 increased to US\$1 778.8 billion, while China's GDP rose to US\$17 734.1 billion).

Furthermore, the same source indicates that **GDP per capita** in China in 2021 (US\$12 556.3) **was higher** than in Russia (US\$12 194.8).

However, Russian-Chinese **bilateral trade relations** appear less impressive than the joint statement of 4 February 2022 would have its readers believe. In 2019, the last year before the pandemic

struck, Russia's total exports amounted to US\$422.78 billion, of which US\$56.79 billion – a little more than a quarter of Russia's total – went to China, making it Russia's top trading partner. Although no figures for Russia's total exports in 2022 are yet available in UN Comtrade, it is more than certain that Russia's dependency on exports to China has risen considerably. Compared to 2019 figures, Russia's exports to China in 2022 in nominal terms reached US\$114.15 billion, slightly more than double the 2019 figure.

In 2019, 'mineral fuels, oils and products of their distillation' constituted 73 % (EPRS, based on <u>UN</u> <u>Comtrade</u>) of all Russian exports to China and their share in 2022 (74 %) was only slightly higher.

In 2019, China's **exports** to Russia were worth US\$54.19 billion, or just 2.1 % of China's total exports of US\$2 590.61 billion – showing Russia's relative insignificance to China as an export destination. In 2020, Russia <u>ranked</u> only 14th among China's trading partners, despite its efforts to <u>pivot to Asia</u> as its relations with the West continued deteriorating. While in nominal terms Chinese exports to Russia in 2022 rose to US\$76.12 billion, they still corresponded to an unchanged 2.1 % of total Chinese exports only (China's exports have also expanded strongly in general). Exports of machinery, equipment and vehicles accounted for 45.6 % of all of China's exports to Russia in 2020; in 2022, their share had risen to 48 % (own calculations, based on ITC data).

In the first quarter of 2020, 46 % of Russian-Chinese <u>trade-based transactions</u> were paid in US dollars, 30 % in euro and the rest in Russian roubles and Chinese renminbi.

On 4 February 2022, the two countries also signed a contract for the additional delivery by Russia of 10 billion cubic metres (bcm) of natural gas per year to China <u>for at least 25 years</u>. This appears relatively modest in volume compared to the <u>38 bcm already contracted by China from Russia</u> and

the 174.9 bcm Russia <u>delivered</u> to European countries in 2020 (this new contract had already <u>been announced</u> in 2021).

On 28 February 2022, four days after the onset of the Russian war on Ukraine, Gazprom announced that it had signed a contract to perform design and survey work in view of the construction of the 'Soyuz Vostok' gas pipeline – a continuation of the Power of Siberia 2 pipeline which would go through Mongolia – planned to deliver up to 50 bcm a year of Russian gas to China. Discussions on this pipeline had been underway for some time, but no official agreement had been reached. Now, after the contract has been signed, Gazprom – probably with the help of an interconnector – will be able to use the same gas deposits it currently uses for exports to Europe as a source of supply to the Chinese market. Given the size of the new pipeline – very similar to the envisaged volume of 55 bcm for North Stream 2 – this would be an important step in reinforcing the mutual Russian-Chinese dependency. This is all the more so in view of the fact that, according to the China National Petroleum Corporation (CNPC), China plans to increase the share of gas in its energy mix from 8 % in 2020 to 12 % in 2030. Some observers were surprised that, following the March 2023 visit by Xi to Moscow, the Joint Statement did not mention the final agreement on Siberia 2, with at least one source claiming that the absence was due to ongoing discussions about the price of future gas deliveries.

On 4 February 2022, Russian oil company Rosneft also signed a contract with the CNPC for the supply of 100 million tonnes of oil to China through Kazakhstan over 10 years, an important contract for the Chinese in light of the country's diminishing oil reserves that currently cover less than 30% of its oil consumption. While the share of oil in China's overall energy mix is planned to decrease slightly from 20% in 2020 to 18% in 2030, it would still be the second most important fossil energy source after coal (whose share is expected to decrease to 44%).

In **strategic terms**, the ongoing increase in China's reliance on oil and gas imports from Russia will reduce its dependency on energy imports from the Middle East. As per available trade data, Russian exports to China under the <u>category</u> 'Mineral fuels, mineral oils...' rose from US\$33.224 billion in 2020 to US\$85.378 billion in 2022.

As oil and gas are currently primarily delivered via <u>sea lanes</u> that China will in all likelihood not be able to <u>control completely</u> (in 2016, almost 80 % of China's oil imports still passed through the South China Sea via the Strait of Malacca), China has a strong strategic interest in further promoting energy imports via <u>land links</u> to Russia.

Regarding **trade in military goods**, between 2018 and 2022 Russia was by far China's most important source of arms imports (83 % of total arms imports, up from a share of 77 % for the period 2016 to 2020). The second most important source of arms imports for China in the 2018 to 2022 period was France (8.1%), followed by Ukraine (5.6 %).

Accounting for close to 20 % of Russian arms exports, China was Russia's second-largest client for these commodities after India. Furthermore, Russian arms exports to China in the period from 2016 to 2018 were up by almost 50 % when compared to the preceding five-year period. Today, probably also as a consequence of the 2014 crisis between Russia and the West following Russia's illegal annexation of Crimea, Russia is now much more willing to share advanced defence technologies with China.

In mid-April 2023 – and as a follow-up to Xi's visit to Moscow – Chinese defence minister Li Shangfu paid a <u>visit to Moscow</u>, meeting President Putin on 16 April. While Li, in terms of protocol, is only the number 4 in China's defence architecture, his appointment to the Central Military Commission (CMC) by the 20th Party Congress in October 2022 was considered a reflection of the importance Xi Jinping attaches to <u>modernising China's</u> military equipment (as Li had headed the CMC's Equipment Development Department since 2017). It is in this function that Li was put under US sanctions in 2018 over the purchase of surface-to-air missiles and combat aircraft, weapons which, <u>according</u> to a leading analyst on China-Russia relations, are 'really crucial to potential planning around Taiwan or

anything that comes up in the maritime domain'. Although no official confirmation of Russia's willingness to share its most advanced arms with China has been given, such an agreement would be another sign of the increasing 'vassalisation' of Russia in its relationship with China. Following the meeting, Putin was <u>reported</u> as stating that the two countries, inter alia, 'regularly exchange useful information, work together in the field of military-technical cooperation, and hold joint exercises'.

Russian <u>food exports</u> to China have also grown from a nominal value of US\$3.486 billion in 2020 to US\$5.433 billion in 2022. In that area, China might be said to be pursuing a strategic goal: having less than 10 % of the planet's <u>arable land</u> but about 20 % of its population, China seems increasingly concerned about <u>securing food</u> for its people. According to a January 2023 <u>report</u> by the Council on Foreign Relations (CFR), between 2000 and 2020 China's food self-sufficiency ratio <u>decreased</u> from 93.6 % to 65.8 %. Furthermore, from 2013 to 2019 the country lost at least 5 % of its arable land due to factors such as excess fertiliser use and land neglect. Finally, this study points out that, due to extreme weather, environmental degradation, water scarcity and pollution could further exacerbate the problem.

At the same time, as pointed out by the <u>European Council for Foreign Relations (ECFR)</u>, agriculture in Russia's far east is experiencing a boom, in part due to rising demand from China. Taking into account that China's relations with the US, Canada and Australia (currently numbers 2, 3 and 4 after Brazil in terms of value of <u>food imports</u> by China) are still at or close to historic lows, and that Russia is trying to consolidate its position as one of the <u>largest producers</u> of food, the Russian far east might become a major source of food supplies to China.

Consequently, while for China its bilateral trade with Russia is still relatively insignificant, this might change, given the deepening antagonism between Russia and the West, and the fact that Russia could at least partially solve China's problems in terms of energy and food supply.

During Xi's March 2023 state visit to Moscow, a <u>number of agreements</u> on economic cooperation were signed. The agreement which received most media attention was the one on the intended increased use of 'local' currency in bilateral trade, with Putin <u>claiming</u> that 65 % of bilateral trade in 2022 was paid in yuan or roubles. The other <u>areas of agreement</u> (expanding bilateral trade, energy and food security and rail and cross-border logistics infrastructure) illustrate very well the priorities of China in its (economic) relationship with Russia.

Strategic aspects of the joint statements

In their **2022** joint statement on serious international security challenges, Russia and China criticised AUKUS – the trilateral security partnership between Australia, the UK and the US – and 'the formation of closed block structures and opposing camps in **AsiaPacific**'. Russia declared 'its support for the One-China **principle** (China's definition of what One-China policy means), confirms that Taiwan is an inalienable part of China and opposes any forms of independence of Taiwan'. The two countries voiced their opposition to NATO enlargement, and China gave its support to Russia's 'proposals to create long-term legally binding security guarantees in Europe'. This <u>marked the first time</u> since 1959 that China had taken a definitive stance on a major European security issue in support of Russia.

The 2022 statement, however, did not directly mention Ukraine or the South China Sea. The absence of an explicit reference to Ukraine has been attributed by some <u>observers</u> to Beijing's <u>good relationship</u> with that country <u>in both trade (food) and military terms</u> before Russia's invasion started.

The <u>summary</u> of the **2023** statement published by the Chinese State Council following Xi's visit to Moscow interestingly only repeats the three assurances already made by Russia in February 2022 (support for the One-China principle; confirmation that Taiwan is a part of China and opposition to Taiwan's independence), but again refrains from mentioning Ukraine. All in all, it therefore seems

appropriate to <u>conclude</u> that the 2023 statement primarily repeats previous joint statements by both parties. In this context, it should, however, also be stressed that the new joint statement no longer uses the term 'no-limits friendship'.

Central Asia's role in the bilateral relationship

In their 2022 joint statement, Russia and China also agree to 'focus on building the Greater Eurasian Partnership in parallel and in coordination with the Belt and Road construction (...) to promote greater interconnectedness between the Asia Pacific and Eurasian region'. The five ex-Soviet Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) would play a key role in these projects. In the past, many experts were rather <u>sceptical</u> about the prospect of Russia and China coming to a mutual understanding about Central Asia. However, events so far have proven these experts wrong, as China and Russia – probably also driven by their shared hostility to 'colour revolutions' – seem to have reached a <u>modus vivendi</u>, with China acknowledging Russia's military influence over the five Central Asian countries, and the fact that Russia is (still) the main provider of their security, and Russia accepting that China be their first choice economic partner.

However, given not least the <u>shrunken geopolitical influence</u> of Russia in the region following its invasion of Ukraine, it could be argued that China has been empowered to engage with the five Central Asian countries on its own, as illustrated by the <u>Chinese announcement</u> on the holding of the first ever China-Central Asian summit at leaders' level on 18 and 19 May 2023. The Global Times, considered the Communist Party's <u>mouthpiece</u>, in its article on the summit, insisted in particular on the importance of extending infrastructure among participating nations in the framework of the Belt and Road Initiative. However, just as China's trade with the five countries has risen strongly recently, so has <u>Russia's trade</u> with them, and, with the end of the pandemic, remittances from Central Asian workers from Russia have again become a major source of GDP for countries like Kyrgyzstan (33 % of GDP in 2021) and Tajikistan (34 %). While the five countries' economic and security dependency on Russia remains high, there is, however, some <u>speculation</u> that the rising vassalisation of Russia might lead to a situation where Russia will have to agree to People's Liberation Army (PLA – the armed forces of China) installations in Central Asia.

Major international developments in the first year after the launch of the war

The joint statement of 4 February 2022 also gave Russia a tactical advantage to use while building up its military presence around Ukraine prior to launching a full-scale invasion of the country. As one analyst <u>observed</u>, Russia-China 'alignment' has enabled Russia to cut its military presence in its far east to levels not seen for decades, and to shift at least 12 battle groups from that region to Belarus. Since August 2021, Russia and China have repeatedly engaged in joint <u>military exercises</u> and naval patrols, e.g. together with the South African Navy over the first <u>anniversary</u> of Russia's invasion of Ukraine.

Since the outbreak of Russia's war on Ukraine, China's public stance on the issue has not been very clear. It has performed a <u>balancing act</u> to try to reconcile its important partnership with Russia with its declared devotion to the territorial integrity and sovereignty of countries, something it considers essential for attaining its long-term goal of <u>reunification with Taiwan</u>. President Xi has, however, <u>clearly voiced</u> his opposition to the use of, or threats to use, nuclear weapons – not least because China <u>fears</u> that, in such a case, at least South Korea might also be tempted to go nuclear.

On 2 March 2022, the UN General Assembly (UNGA) adopted resolution <u>ES-11/1</u>, by a strong majority (141 votes in favour, five against, 35 abstentions and 12 absent, with China abstaining).

In its main points, the resolution:

1. reaffirms its commitment to the sovereignty, independence, unity and territorial integrity of Ukraine within its internationally recognised borders, extending to its territorial waters;

- 2. deplores in the strongest terms the aggression by the Russian Federation against Ukraine in violation of Article 2 (4) of the Charter;
- 3. demands that the Russian Federation immediately cease its use of force against Ukraine and refrain from any further unlawful threat or use of force against any Member State;
- 4. and also demands that the Russian Federation immediately, completely and unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognised borders.

UNGA resolutions and the International Criminal Court (ICC)

The joint statement of 4 February 2022 declares that Russia and China 'support the deepened strategic partnership with BRICS countries (...) as well as the increased coordination between BRICS countries on international platforms'. However, when, on 2 March 2022, the United Nations General Assembly (UNGA), with a clear majority, approved a resolution asking Russia to 'immediately, completely and unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognised borders', the BRICS countries did not support the Russian position; China, India and South Africa abstained, while Brazil supported the resolution condemning Russia's aggression. This very same voting pattern by the BRICS countries also prevailed when, on 23 February 2023, on the eve of the first anniversary of Russia's attack on Ukraine, the UNGA voted a resolution asking Russia to immediately withdraw all forces from the territory of Ukraine.

On 17 March 2023, the International Criminal Court <u>issued warrants</u> of arrest for two individuals: a panel of judges agreed that there were 'reasonable grounds' to believe Putin and his children's rights commissioner, Maria Alekseyevna Lvova-Belova, bore responsibility for the 'unlawful deportation' of Ukrainian children. The warrants are the <u>first to be issued</u> by the ICC for crimes committed in the Ukraine war. While Russia does not recognise the court's jurisdiction, the two individuals will face limits on their freedom of travel to the ICC's 123 member states. As during the vote on 2 March 2022, Russia <u>voted</u> against, China, India and South Africa abstained and Brazil voted in favour.

At the G-20 summit held under Indonesia's presidency on 15 and 16 November 2022 and attended by Xi, but not Putin, <u>leaders</u> 'reiterated their national positions as expressed in this resolution, stating furthermore that 'most members strongly condemned the war in Ukraine and stressed it is causing immense human suffering and exacerbating existing fragilities in the global economy – constraining growth, increasing inflation, disrupting supply chains, heightening energy and food insecurity, and elevating financial stability risks'.

However, the statement then continues to say that 'there were other views and different assessments of the situation and sanctions', this line being a compromise as <u>China in particular</u> seems to have defended the Russian position.

It should be noted that China had also abstained in the UNSC in 2014 following Russia's illegal annexation of Crimea (India at the time was also a member of the UNSC and condemned the annexation). In 2014, China also refrained from formally recognising Russia's illegal annexation of Crimea. According to the Nikkei newspaper, China at that time did not fully support Russia because of its 'robust weapons trade' with Ukraine and because Ukraine was considered as 'key' to the Belt and Road Initiative.

Ongoing developments

On 24 February 2023, the first anniversary of Russia's invasion of Ukraine, China published a so-called 'Position on the Political Settlement of the Ukraine Crisis'. Featuring highly among the 12 points proposed were the 'upholding of sovereignty, independence and territorial integrity of all countries' and the proposal for a 'direct dialogue between Russia and Ukraine (...) to ultimately reach a compromise ceasefire'. The paper stresses China's opposition to the strengthening or expansion of

military blocks and stresses the country's willingness to play a constructive role in the resumption of (peace) negotiations.

Ukrainian President Zelensky had already outlined a 10-point peace plan during his intervention via videolink at the G-20 summit in Bali on 15 November. The plan insists in particular that 'Russia must withdraw all its troops from the territory of Ukraine' and must reaffirm the territorial integrity of Ukraine. Furthermore, it asks for the establishment of a special international tribunal for war crimes and for a mechanism to ensure the payment of reparations by Russia. Finally, the plan envisages the holding of an 'international conference to cement the key elements of the post-war security architecture in the Euro-Atlantic space, including guarantees for Ukraine'.

The EU and the US have also engaged in discussions with China on Ukraine. Following the confirmation of Xi Jinping at the 20th Party Congress of the CCP in October 2022, a number of European leaders, including the German Chancellor, the Spanish Prime Minister, the French President and the President of the European Commission have travelled to Beijing to meet with the new leadership.

Most of those leaders have proposed to President Xi not only to try to push President Putin to stop Russia's brutal behaviour, but also to encourage Xi to engage with President Zelensky. President Macron in particular <u>is said</u> to have asked Xi to talk to President Zelensky, as he believes that 'China has a role to play in influencing Russia', and to have told his top diplomat to liaise with his Chinese counterparts to prepare for potential peace talks, should Ukraine agree to take part.

While some commentators had expected an earlier call between Xi and Zelensky (around the time of Xi's visit to Moscow, probably shortly <u>thereafter</u>), the delay might be explained by the surprise visit of Japanese Prime Minister Kishida to Kiev on 21 March, when Xi was in Moscow meeting President Putin.

In fact, the phone conversation between Xi and Zelensky took place on 26 April, following a <u>request</u> <u>by the Ukrainian side</u>, and President Zelensky seems to have taken the 'day when Ukraine honours the memory of the victims of the Chornobyl accident' as a basis to launch a discussion on questions surrounding the safety of the Zaporizhzhia nuclear plant and of (nuclear) arms in general.

Following this phone call, the Chinese side <u>announced</u> that it would dispatch as special envoy 'to shuttle between the warring parties' the former ambassador to Moscow, <u>Li Hui</u>, currently China's special envoy for **Eurasian** affairs.

The Ukrainians, for their part, announced the appointment of <u>Pavlo Riabikin</u>, previously minister for strategic industries, as Ukraine's new ambassador to Beijing. In his previous position, the promotion of 'future-oriented industries' was one of his main tasks.

While early public reactions from inside the US were viewed as very <u>critical</u> about the recent positioning of China, on 3 May the Washington Post <u>reported</u> that senior US officials were seriously discussing 'potential US and Chinese cooperation' to mediate in the conflict, once Ukraine had improved its bargaining position on the battlefield. US Secretary of State Blinken also implied this in an <u>interview</u> when stating that, in the short term, the 'intense focus' would be on the counteroffensive; while he did not exclude anything in the medium and long term, he insisted in particular that 'there is zero evidence that Russia is prepared to engage in meaningful diplomacy'.

President Putin, when asked to comment on China's plan during the visit by President Xi in March, stated that 'many provisions of the Chinese peace plan can be taken as the basis for settling of the conflict in Ukraine, whenever the West and Kyiv are ready for it'.

The reactions to the Chinese plan coming out of Ukraine, however, have been much more nuanced, Deputy Foreign Minister Melnyk <u>stating</u> that, in his opinion, China prefers an end to the fighting to the ongoing destabilisation of the global order. As a Ukrainian counteroffensive is now <u>expected</u> in the summer of 2023, the immediate outlook for even a ceasefire looks relatively grim.

At their summit in Hiroshima, Japan, on 19 May 2023, the leaders of the G7 <u>declared</u> their support for the Peace Formula of President Zelensky and – in line with the UNGA <u>resolution</u> of 23 February 2023 mentioned above – asked, inter alia, for a halt to the ongoing aggression by Russia and the immediate, complete and unconditional withdrawal of its troops from the entire territory of Ukraine.

Prospective outlook

When Russia started the war in Ukraine, some analysts believed that Xi Jinping would in all likelihood try to avoid humiliating President Putin, prompted by a fear of (pro-democratic) <u>regime change</u> – one of the main ideological pillars of the Russian-Chinese informal alliance – and by his <u>close</u>, <u>personal relationship</u> with the Russian leader. Furthermore, given that China's economic situation seemed to be <u>darkening</u> (real estate problems and the negative economic impact of the 'zero-COVID strategy' pursued by President Xi) and that Xi was preparing for the 20th <u>Party Congress</u> coming up in the autumn of 2022, it could be expected that China's behaviour would be risk-averse.

Now that Xi has been confirmed as the undisputed leader of China, the COVID restrictions have been lifted and the economy is at least recovering, it appears that the Chinese leader would have more leeway to adopt a more flexible approach, with the presentation of the 12-point position paper in February 2023 only the beginning of more active involvement by China (as also illustrated by the May 2023 European tour by special envoy Li Hui).

Furthermore, it is argued that China does not want the 'West' to come out of this conflict (much) stronger: according to an analysis by Chatham House, China perceives that this would very likely (also) have further repercussions on the West's stance on Taiwan. G. Rachman has made a very similar point in the *Financial Times*, stating that 'rather than weakening the US-led alliance system, the war in Ukraine has pulled the US, Europe and Asian democracies closer together'. From the Chinese point of view, getting involved in a negotiated settlement could allow China to promote an outcome that would best secure its political and economic interests and – as Rachman put it – 'to rebuild China's reputation in Europe (...) and would also have a global impact – supporting Xi's preferred narrative'. It should also not be forgotten that the huge structural challenges to the Chinese economy (very high debt level, fast demographic decline, a greatly oversized real estate sector and unbalanced growth structures) remain unresolved.

MAIN REFERENCES

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