German Chinapolitik in the Era of the Belt and Road Initiative

Introduction

German-Chinese relations are currently one of the most complex and intense bilateral relations, and their roots date back to the seventies of the last century, when diplomatic relations between the Federal Republic of Germany (FRG) and the People’s Republic of China (PRC) were officially established in 1972. From the early nineties of the twentieth century one can speak about the development of special German-Chinese relations. They were characterized by high pragmatism, which caused that the problems of human rights, Taiwan or Tibet – often complicating the relations of the PRC with other Western countries – did not play a significant role in relations with Germany. This was due to Berlin’s prevailing attachment to the economic nature of these relations and the mutual recognition of the role played by partners in the world. In Germany, for many years, there was an awareness that for effective policy it is necessary to understand and take into account the local conditions and enormous diversity of the country, which – as emphasized in the official document of the Federal Foreign Office (Auswärtiges Amt) – “offers many opportunities and places important tasks”.


as a strategy of “quiet diplomacy” (not touching topics sensitive to Beijing) focused solely on building intensive economic cooperation, also in the multilateral dimension (including in the framework of G-20, G8 + 5)\(^3\).

Today, China is Germany’s most important political, economic and cultural partner in Asia – and vice versa, Germany has become China’s most important partner in Europe. Politically, a close relationship is reflected in the yearly German-Chinese intergovernmental consultations (organized since 2011, their task is to develop inter-state dialogue on issues identical for both governments in the dimension of domestic and international policy), which are an element of the “Strategic partnership in global responsibility” signed by the two countries in 2004. The dimension of this close political cooperation was additionally raised to the status of “Comprehensive Strategic Partnership” during the state visit of Chinese leader Xi Jinping in Germany in March 2014. In total, at the intergovernmental level there are now more than 80 mechanisms for dialogue between individual ministers, secretaries of state, heads of departments and heads of government agencies. The key formats of political cooperation include the strategic dialogue between foreign ministers and ministers responsible for security policy as well as the high-level fiscal dialogue of the finance ministers and presidents of the Federal Reserve. In addition, there are more than 1,000 partnerships between universities and an intensive exchange between NGOs from both countries\(^4\).

However, the priority has undoubtedly the economic cooperation – already in 1978, the Federal Republic of Germany was in the fourth place among the world’s and in the first place among the European trade partners of China\(^5\). Currently, Germany and China are among the main beneficiaries of globalization and are in favor of free trade and opening markets, which was emphasized by German Chancellor Angela Merkel and PRC Prime Minister Li Keqiang during an official meeting in early June 2017\(^6\). China is the most important economic partner for Germany, both in Asia and around the world, because in recent years the PRC has overtaken the USA and France in terms of trade with Germany\(^7\) – in 2018 Germany and China achieved an exchange rate of EUR 199.3 billion\(^8\). Bilateral economic transactions in 2016 amounted to almost EUR 170 billion\(^9\), and in 2017 Germany and China reached turnover of

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German-Chinese cooperation in the era of the Belt and Road Initiative

An excellent opportunity to intensify bilateral cooperation in recent years is the Belt and Road Initiative (BRI), known also as the New Silk Road. The term “Silk Road” itself was created in the 19th century by a German traveler and geographer Ferdinand von Richthofen, who in this way defined the ancient trade route connecting China with the Middle East and Europe.

Currently, this project linking the Eurasian regions with the eastern and western parts of the world, stretching from Japan and the Korean Peninsula to the Mediterranean, is gaining a whole new dimension. As the Silk Road Economic Belt (SREB) it was presented by Xi Jinping during his visit to Kazakhstan in September 2013 – Xi suggested then that China and Central Asia should work closely together to build a new dimension of the Silk Road. The idea of creating the New Silk Road was concretised by the President of the PRC in October of the same year, when he suggested building an agreement between China and the countries belonging to the Association of South-East Asian Nations (ASEAN) and presented the assumptions regarding the Maritime Silk Road (MSR) project.

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Therefore, the plan was based on two pillars – the land and maritime Silk Road – and is considered one of the largest infrastructural and investment ideas in history. It covers almost 70 countries inhabited by 65% of the world’s population (4.4 billion people) generating 40% of world GDP in 2017. The project is focused on expanding the infrastructure network connecting China and Central Asia, the Middle East, Africa and Europe to making it possible to build favorable cooperation opportunities in the scope of infrastructure and financial projects. Starting from 2013, the BRI arouses great interest among European and Asian countries.

This huge interest is particularly evident in Germany, a country which is considered to be the leading Chinese partner in Europe, distinguished by a key role in European politics and high technological innovations. Recent years of cooperation between China and Germany indicate, however, that these countries are beginning to enter the phase of “difficult friendship.” This is primarily the result of the Chinese investment offensive in Germany. According to the E&Y consulting company, Chinese investors spent EUR 12.2 billion in 2017 for the purchase of German companies, an increase of 9% compared to 2016 and the largest ever expenditure in this area. In 2018, investment fell (up to EUR 10.7 billion, a decrease of 22%), nevertheless Germany (and the United Kingdom) were the most popular destination countries for Chinese investments. Investors from China are especially fond of enterprises operating in the electromechanical and chemical industry, which causes critical opinions in the industry, because over the years representatives of the German economy have complained about the growing purchases of high-tech companies by Chinese entrepreneurs. However, it was only taking over in 2016 the leader in the field of robotics, Kuka, as well as buying shares of the Krauss-Maffei machine industry and shares of the EEW Energy renewable energy concern (which, until now, was the most expensive acquisition of a German company by a Chinese investor – for EUR 1.4 billion), caused widespread discussion in the German political and social circles on the need to develop a new Chinapolitik.

The takeovers of companies by Chinese investors show that Germany has difficulty in assertively defending its interests in bilateral relations with China. The Federal Ministry of Economy and Energy also admitted that China is on its way to becoming the “largest economy in the world and one of the largest geopolitical players in the 21st century”, and thanks to initiatives under the aegis of the Belt and Road Initiative, it wants to become an economic superpower. This expansion of China may pose a threat to the high position of the European Union and some of its member states. Hence the Germans are looking at the New Silk Road concept with great interest, but

13 In China, there are currently over 5,000 companies from Germany that do not have access to the ICT sector, can not apply for public contracts, are subject to restrictions of the act on cyberspace (in force since 1 June 2017). On the other hand, the EU market is open to Chinese investors in accordance with the rules of free competition.


with caution – since Chinese political and economic influence in Europe is growing, German politicians insist that the European Union should oppose China’s geopolitical strategy by creating its own cooperation projects with China. The effect of this discussion was the European Commission’s document entitled “EU-China – A strategic outlook” presented in mid-March 2019, in which China was named “system rival” for the first time, and the Commission proposed – in the form of 10 points – actions that must be taken up in relations between the Community and China in order to systematise mutual cooperation, guarantee freedom of investment and jointly solve pressing global challenges (i.e. including climate change, development of the newest 5G technologies, Iran)\(^\text{18}\).

However, this plan does not exhaust the scale of the challenges currently present in the relations between European countries and China. In German-Chinese relations the biggest discrepancies refer to matters connected with Chinese involvement in building their own sphere of influence in the countries of Central and Eastern Europe, with regard to intense Chinese investments in Germany and competition in the African continent.

Critical fields in German-Chinese relations

1. The “16+1” Initiative

The biggest discrepancies under the Belt and Road Initiative relate to Chinese activity in Central and Eastern Europe, primarily in countries belonging to the “16+1” format\(^\text{19}\). In fact, the countries of Central and Eastern Europe were one of the main points of interest of German politics and the economy over the last 30 years. After the fall of the “Iron Curtain”, it was all about continuing the policy of historical responsibility for the tragedy of World War II, but also about using new economic opportunities in this huge Central and Eastern European market and the need to stabilize the political and social situation, according to the opinion of German President Roman Herzog: “If we do not stabilize the East, the East will destabilize us”\(^\text{20}\). These arguments meant that successive federal governments were active in seeking opportunities for cooperation with the countries of the region\(^\text{21}\). For the CEE countries,


\(^\text{19}\) The “16+1” format, initiated in 2012 during the meeting of the head of the Chinese government Wen Jiabao with the prime ministers of the region in Warsaw, aims to intensify cooperation of the Middle Kingdom with 11 EU member states and 5 Balkan countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia and Hungary) in the fields of investment, transport, finance, science, education and culture. This cooperation is integrated in three potential priority areas of economic cooperation: infrastructure, modern technologies and environmental technologies. The “16+1” initiative is to be an integral part of the BRI project and facilitates talks with the countries of the region on the implementation of Chinese investments. During the “16+1” summit in Dubrovnik in April 2019, also Greece joined the initiative.


the opportunity to win German investments was a key issue, especially after the turn of the 1980s and 1990s, when the collapse of communism and the liquidation of the CEE dependence system on the Soviet Union caused a huge political and economic gap. At that time, German companies were tempted by high economic growth and progressive demand, increasing legal security of investments (especially after opening of the accession negotiations with the European Union and the World Trade Organization and thanks to implementation of the *acquis communautaire*), relatively cheap labor force, geographical proximity and strong cultural ties. The CEE countries, aspiring to the European Community, were determined to encourage capital from the West to invest, and the competitiveness of German products, the financial potential of German companies, as well as an efficient and coordinated system of support for German public institutions enabled building strong economic relations.  

Today, German companies are still seen as desirable partners who contribute to the modernization of the economy and job creation, and their activities are considered independent of political turbulence. The value of investment and trade with the Federal Republic of Germany for the economies of the CEE countries, especially for the Czech Republic, Hungary, Poland and Slovakia, means that the economic growth of these countries depends to a large extent on the market situation in Germany and the plans of German investors. The importance of the German research and development, automotive, chemical or machine sector is still strong and has huge consequences for the labor market and exports of these countries, however CEE countries must also adapt more and more to changes in the structure of the German economy, where the increasing role is played by technologies related to ecology and environmental protection (i.e. renewable energy and energy saving sector).  

The current period of political and economic instability in the world increases the importance of Central and Eastern Europe for Germany for several reasons. On the one hand, the geographic proximity of this region guarantees that economic cooperation will not cause geopolitical disturbances resulting in a possible interruption of supplies; on the other hand, due to the euro zone crisis and the dispute about its future, the discussion about the future shape of economic policy in the EU intensifies, and Germany needs allies who will support the Union’s free market model.  

Current data show that the relations of the Visegrad Group countries (V4) and Germany are crucial for their mutual economic development. The German turnover with Poland, Hungary, the Czech Republic and Slovakia reached EUR 257 billion

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in 2016\textsuperscript{25}, a year later it was EUR 277.6 billion\textsuperscript{26}, while in 2018 it reached a record EUR 292.98 billion\textsuperscript{27}. Employees from these four countries also play an important role – over half a million of them operate legally on the German market, and after UK exiting the Community their significance is likely to increase.

Due to the faster GDP growth in these countries than the EU average and further strengthening of cooperation with German companies, the importance of this region for Germany will constantly be growing, although Berlin realizes that this economic bond is not guaranteed once and for all. The statements of German politicians clearly show that the FRG is afraid of the disintegration of the European Community, which may have a multidimensional genesis and originate from the economic crisis, the migration crisis and different perception of its possible solutions or British decisions to withdraw from the EU\textsuperscript{28}. In Germany, there is also an assumption that the EU project may break down due to external reasons – such as the search for new partners in a non-European environment.

Germany’s concerns regard China’s efforts to break up the unity of the euro zone or the EU as a whole, which would bring about a change in the international political situation\textsuperscript{29}. Sigmar Gabriel, former Federal Minister for Foreign Affairs, spoke about these anxieties during his widely commented China speech. During a conference of French ambassadors on 30 August 2017 in Paris, the German Vice-Chancellor said that EU members must conduct a common foreign policy towards China, otherwise “China will succeed in dividing Europe”\textsuperscript{30}. Gabriel argued that Beijing’s cooperation with the 16 countries of Central and Eastern Europe is a threat to EU unity and that is why it should be countered, while China should create a “One-Europe Policy”. Referring to the multilateral agreement on cooperation between the People’s Republic of China and the CEE countries, the German politician warned about the great influence of China on European Union policy and justified that the New Silk Road project is “a huge geopolitical, cultural, economic and, ultimately,


\textsuperscript{26} Bundesministerium für Wirtschaft und Energie, \textit{Fakten zum deutschen Außenhandel}, Berlin, Oktober 2018, p. 12.

\textsuperscript{27} Statistisches Bundesamt, \textit{Rangfolge der Handelspartner im Außenhandel der Bundesrepublik Deutschland}, 2019, p. 2.


\textsuperscript{29} J. M. Pepe, ‘China’s Inroads into Central, Eastern and South Eastern Europe. Regional and Global Implications for Germany and the EU’, \textit{DGAP Analyse}, 2017, no. 3.

also a military strategy therefore, it cannot be compared with the standards and values represented by Berlin and Brussels, and should therefore be countered.31 In fact, the German head of diplomacy acknowledged then that through the “16+1” project, the PRC is seeking to break the EU’s unity and attract Central and East European countries. Thus, the “16+1” Initiative is intended to be a way to secure more Chinese investments in Europe and its wider neighborhood, which was also indicated by Chancellor Angela Merkel. Berlin is concerned about the negative potential of the initiative, which could adversely affect the investment principles of the European Union and weaken the political community of the member states applying for Chinese investments. The Chinese concept of building cooperation with the countries of Central and Eastern Europe is moreover perceived in Berlin as an attempt to take over the German position of the “advocate” of CEE countries’ interests in the European and international arena and the position of the most important economic partner of the region’s countries. German political and economic circles consider the “16+1” cooperation to be anti-EU and putting the EU in the face of fait accompli, pointing out that Beijing is using the EU’s internal weakness to expand its own sphere of influence in Central and Eastern Europe, making it “submissive”. They also argue that the initiative is a Chinese “Trojan horse” in Europe.32

2. Acquisitions of strategic companies in Europe and Germany by Chinese investors

As mentioned, the Federal Ministry of Economy and Energy represents the opinion that China will soon become “the largest economy in the world and one of the largest geopolitical players”, which will threaten the high position of the European Union and some of its member states. Therefore Germany is looking very seriously at the development of Chinese investments in European countries in the field of robotics, electromobility or information technology, since it is afraid of gaining easy access to strategic knowledge.

According to joint research carried out by Merics and Rhodium Group, in 2018, Chinese companies have realized foreign direct investments in European Union countries worth EUR 17.3 billion, which is a 40% decrease compared to the level in 2017 and over 50% in relation to the peak of these investments, which was achieved in 2016 – EUR 37 billion. A large part of these investments were received by the so-called Big Three – Great Britain (EUR 4.2 billion), Germany (EUR 2.1 billion) and France (EUR 1.6 billion), but their share in total Chinese FDI fell from 71% in 2017 to

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31 Ibid.
35 J. Dams, I. Grabitz, op. cit.
45% in 2018\textsuperscript{36}. Despite the decline of foreign direct investment of the PRC in EU countries, it should be noted that the trend is still high, especially in Germany, where Chinese companies are particularly interested in companies operating in the electrical machinery and chemical industries.

More and more buyers from the People’s Republic of China are focused on technologically sensitive industry sectors – in autumn 2016, a Chinese manufacturer of household appliances Midea acquired a robot manufacturer Kuka for EUR 4.5 billion, the Chinese HNA Group acquired 10% of Deutsche Bank\textsuperscript{37}, whereas Li Shufu, the head of the Geely car group, bought almost 10% of Daimler’s shares in spring of 2018\textsuperscript{38}. According to data from the \textit{German Economic Institute} in Cologne, in the period 2005–2018 Chinese enterprises acquired over half of the shares in more than two hundred German companies.

This growing trend causes concern among both public opinion and politicians. The media more and more often emphasize that Chinese enterprises buy German companies “wholesale”, and describe their main strategy as “gut and take advantage” (\textit{ausweiden und ausschlachten})\textsuperscript{39}. This threat was also pointed by the president of the Federal Office for the Protection of the Constitution, Hans-Georg Maaßen. The head of the German civil counterintelligence emphasized that admitting investors from China to the strategic knowledge of German corporations would result in the exploitation of their experience acquired over the years. Maaßen sees a great danger in this tactic and believes that Chinese companies are obliged to cooperate with national intelligence services, which may prove to be a threat to German state secrets in the long run\textsuperscript{40}.

It seems that the new maxim of German policy towards China should therefore be “we are liberal, but we are not naïve”, or – as the former Minister of Economy and then Foreign Affairs of Germany, Sigmar Gabriel stated – German companies should not be sacrificed “on the altar of the free market”. The German side is also closely monitoring the implementation of the “Made in China 2025” strategy, which was introduced by Prime Minister Li Keqiang in May 2015. It lists ten industries in which China strives to achieve a leading position by 2025. They cover such areas as robotics, information technologies, aircraft and electric vehicles. Experts are of the opinion that the “Made in China 2025” is modeled after the German “Industrie 4.0” strategy. However, in China, it is the state, not the industry, which is the driving force of innovation and investment. That is why the directors of two respected think tanks Sebastian Heilmann (Merics) and Guntram B. Wolff (Bruegel Institute) indicate in their

analysis that China’s industrial policy aims to acquire important industrial technologies, and in the medium-term should lead to the replacement of the current technological leader in the automotive industry, machines and the chemical industry – which is Germany. Researchers are therefore in favor of “robust foreign trade policy”, which should protect Germany from “being taken over through market manipulation practices”.

The recent moves of the federal government indicate that Berlin will soon protect the domestic industrial infrastructure with great force against Chinese investments – an example of this is the fact that at the end of July 2018 Angela Merkel’s cabinet prevented Chinese state-owned companies from acquiring shares in the 50Hertz operator’s network. The battle lasted for several months, and the Ministries of Economy and Finance underlined that the government is determined to “protect critical energy infrastructure”. The 50Hertz company operates a transmission network in the north and east of Germany (about 30% of the FRG area), employs about 1,000 employees, and 80% of its shares were in the hands of the Belgian group Elia. The state-owned Chinese company State Grid Corporation of China (SGCC) has been trying to acquire the remaining 20% of shares since spring 2018. The amount paid by the German government for the purchase of shares in 50Hertz by the German development bank KfW remains secret, but according to the statements of both ministries, it was only a “bridging solution”, because the share will be resold in the future to another “trusted investor”.

During the same period of time, the German government also considered the possibility of using the right of veto against the planned takeover of Leifeld Metal Spinning, one of the leading German companies in the field of high strength materials for the aerospace industry, by a Chinese investor, Yantai Taihai. Berlin indicated that the company operates in the nuclear industry, and thus is active both in the civilian and military sectors, which will threaten the security of Germany. Ultimately, the investor withdrew itself, which freed Germany from making a difficult decision, although the political pressure was certainly a key reason for the resignation.

In response to these events and to protect German companies against another wave of acquisitions by Chinese entrepreneurs, in December 2018 the federal government introduced an obligation to conduct an investment audit in enterprises where the foreign investor’s share will be at least 15% (instead of 25% as before) – if the company is active in the defense sector or in the area of technologies relevant to civil security. The Minister of Economy, Peter Altmaier, pointed out that thanks to this “the interests of national security as well as public policy and security issues will be better protected”.

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44 ‘Wenn wir nicht handeln, sind andere schneller’, Der Tagesspiegel, 23.03.2019.
In Germany, however, there are also voices warning against too rapid use of state-owned investment control instruments. As indicated in an analysis from mid-2018, the Federation of German Industries (Bundesverband der Deutschen Industrie, BDI) pointed that “available statistics on Chinese investments in Germany do not indicate that concerns about the loss of competitiveness and the outflow of technology are justified”. Industrialists associated in BDI warned not to lose sense and carefully look at every takeover undertaken by Chinese companies. But they also stressed that fair trade and investment rules cannot be enforced with brute force, and opposed the practice of a policy modeled on the approach of US President Donald Trump, who is risking the transformation of the economic dispute into a new trade war in the area of the latest technologies⁴⁵.

The BDI opinion was maintained and extended in the document entitled “Partner and Systemic Competitor – How to cope with China’s state-driven economic model?” (“Partner und systemischer Wettbewerber – Wie gehen wir mit Chinas staatlich ge lenkter Volkswirtschaft um?”) published on 10 January 2019. It formulated 55 recommendations for German and European policy in order to increase efficiency in relation to measures taken by China. According to the text of the strategy, action is necessary to prevent the economic position of Germany and the EU from weakening as a result of China’s decisive actions, mainly in the field of new technologies⁴⁶.

3. Competition in Africa

Despite intense bilateral political and economic cooperation between Germany and China, both countries are increasingly competing with each other on third country markets. In recent years, African countries have been the focus of attention. According to data provided by the Africa Association of German Business (Afrika-Verein der deutschen Wirtschaft) interest in investing in Africa among German entrepreneurs is growing, and in 2018 companies from the FRG have invested over a billion euro in Africa, thus increasing the investment portfolio by more than 10% compared to 2017⁴⁷. The growing concentration of German business on trade with Africa is caused by the fact that the federal government has facilitated export credit guarantee conditions for many African countries, thus meeting the long-term needs of enterprises. The result is the offensive of German investors – in June 2018 Volkswagen opened an assembly plant in the capital of Rwanda, Kigali; from September 2017 Strabag is realizing in South Africa the construction of the highest bridge on the continent on the Mtentu River; whereas Gauff Engineering has been working for several months in the capital of Mozambique, Maputo, on the creation of the longest hanging bridge in Africa. The latter investment is carried out in cooperation with the Chinese company China Road and Bridge Corporation (CRBC), the third largest construction company in the world, which is responsible for the execution of construction works.

China has been one of the largest investors in Africa for years, and for most countries of the continent it is also the most important trading partner. According to the research conducted by the aforementioned Africa Association of German Business, in 2016 alone the PRC has made more than twice as many new direct investments in Africa as the United States. The huge investments of Chinese enterprises in infrastructure and industry are fueling the African economy, but they also undoubtedly mean increasing the dependence of African countries on China. Nevertheless, German entrepreneurs point out, that solutions implemented by Chinese companies with the help of state funds are highly profitable and call for Germany to start implementing a more bold policy towards Africa as well. Meanwhile, Germany is not even one of the ten largest investors on this continent. Therefore, industrialists from Germany see the possibilities of increasing their activity through close cooperation with Chinese corporations and demand that the federal government should stop looking at China as a competitor in Africa and treat it as a business partner.

China is criticized in Berlin’s political circles because the state is trying to gain access to ever-growing resources around the world – especially in Africa. It is noted that China is rising i.e. government buildings, football stadiums, railways, airports, barracks and refineries, and Chinese investors even finance entire cities, such as Nova Cidade de Kilamba in Angola. In addition, Germany emphasizes that the PRC is increasingly striving to pursue its military interests in Africa – China secures its economic profits on the continent and at sea through extensive military cooperation. Since 2017 China has its first foreign naval base in Djibouti, in the Horn of Africa, from where anti-piracy operations under the UN are supported. German observers point out, however, that in the future China will be even more active in Africa as a supplier of weapons and instructor for African troops, although the data indicate that already as much as 21% of Chinese arms exports have reached Africa in the last ten years. In addition, it is stressed that Chinese companies almost completely dominate the construction services market – so it is not local companies, but Chinese consortia that are the largest winners of projects implemented under the aegis of the BRI. Critics warn that these projects can become a debt trap for participating countries.

Yet, in this issue German entrepreneurs see an opportunity, stressing that the German economy should contribute to the stabilization and development of African countries – what is extremely important because the majority of immigrants who have come to Germany in recent years come from the African continent. The task for the German political elite should therefore be to implement sustainable development assistance and make conditions for creating local jobs, while cooperating in this matter with the Chinese authorities and Chinese entrepreneurs in order to form projects profitable for all parties within the Africa-China-Germany triangle. Currently, according to the estimates of the consulting company McKinsey, there are more than

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49 ‘Deutsche Wirtschaft will stärker in Afrika investieren’, *Handelsblatt*, 22.08.2018.
10,000 Chinese companies employing several million Africans in Africa. Germany is not able to offer investments at a similar level, but it hopes that through the development of the latest technologies, the sale of patents and attractive know-how, it will be possible to become a partner for Chinese companies investing in Africa\textsuperscript{52}.

At the Forum on China-Africa Cooperation (FOCAC) held in Beijing in early September 2018, Xi Jinping promised that his country would provide African countries with a further USD 60 billion (EUR 51.7 billion) in loans and investments in the next few years. In addition, he said, some debts are to be canceled by some particularly poor countries\textsuperscript{53}. Analyzing this meeting, Sabine Mokry emphasized that many African leaders welcome China’s commitment as an alternative to what they see as half measures on the part of the United States or Europe. She pointed out that neither the US nor European Union countries have a coherent policy towards Africa. Although Germany and other European countries have started to increase their involvement in Africa in recent years, there can be no common European approach\textsuperscript{54}.

Therefore, it is necessary to develop a new strategy for German foreign and economic policy towards African countries. It seems that the ground for it is already created in the milieu of Chancellor Angela Merkel, who traveled to Africa a few days before the FOCAC summit (August 2018). The head of the government stressed during meetings with the heads of governments of Senegal, Ghana and Nigeria that “the welfare of Africa lies in the interest of Germany” and it is necessary to develop a model of cooperation and development assistance, which is insufficient for the vast needs. German Development Minister Gerd Müller, who at that time paid a visit to i.e. Eritrea, Ethiopia, Mozambique and Zimbabwe; and Minister of State Michelle Müntefering from the Federal Ministry of Foreign Affairs who visited Namibia, made similar remarks\textsuperscript{55}.

Merkel indeed rightly promotes German investments – out of 400,000 German companies operating abroad, only 1,000 are involved in Africa (including 600 in South Africa alone). But the federal government has no instruments to oblige German companies to invest in this continent. So far, as part of the “Year of Africa 2017” program, the Germans have managed to develop, above all, new documents, guidelines and proposals for initiatives. Meanwhile, in a similar period, China managed to become the leader of investment on the African continent and make major infrastructure changes\textsuperscript{56}.

Competing with China will therefore be very difficult, if not impossible, especially since trade between Germany and African countries is carried out exclusively through the European Union. In fact, it will be necessary to develop new Economic


\textsuperscript{56} Ibid.
Partnership Agreements (EPAs), which currently overload the economies of African countries, at the same time result in the reduction of jobs, and in the further consequence bring economic and social problems that contribute to mass emigration. Germany faces a serious challenge to, on the one hand, lobby in Brussels for amending EPAs and reduce bureaucratic requirements for goods produced in Africa, and on the other, to seek a place for its own companies in the African market dominated by Chinese enterprises – most likely only in close cooperation with China.

Conclusions

Current events as well as this, what seems to be a phase of transformation for the global order, sheds light on unexpected connections in the back rows of the international scene. As two industrial powers on their continents, in Asia and Europe, China and Germany are increasingly seen as potential contenders for an informal alliance in the world. US President Donald Trump does not seem to be willing to provide global leadership, and many expect Germany and China to fill this vacuum. Trump’s difficult relations with China and Germany help to bring the two countries closer together. When Chinese President Xi Jinping met German Chancellor Angela Merkel in July 2017 before the G-20 summit in Hamburg, he said that the ties between the two countries must enter a new phase, and Chancellor Merkel underlined that the Chinese-German relationship must develop in times of global uncertainty57.

Indeed, we are currently seeing signs of greater closeness – the Sino-German relations have been transformed from the “Strategic Partnership in Global Responsibility” into “Comprehensive Strategic Partnership”. China, however, wants something much more than a mutual commitment: it seeks the possibility of creating multifaceted cooperation – during one of the highest level meetings, President Xi said “The strategic nature of Chinese-German relations is gaining more and more importance” and that these two countries “should intensify cooperation in implementing the Chinese Belt and Road Initiative and jointly contribute to the security, stability and prosperity of neighboring countries”.

Despite intense economic cooperation, there are also the challenges that the BRI is throwing up to the Germans and the European Union (as well as to the whole world). Given the importance of Germany in European and global politics and economy, their high role in the Community and the value of multilateral cooperation, Germany could shape the cooperation with the Middle Kingdom, which would be beneficial for EU countries. It is also the declared position of China, which supports the issue of building prosperity in countries under the umbrella of the BRI, in line with the “win-win” strategy. For this purpose, Germany can pursue the objectives of its international policy towards China on several levels:

• through coordinating the establishment of a committee regulating cross-border cooperation between China and the European Union and piloting projects aimed at creating a tripartite shareholding model (PRC, EU, countries belonging to the

“16+1” Initiative) – in this way, advanced Chinese-German cooperation could be implemented on third-country markets in the field of high technologies;

- through supporting the involvement of German and European small and medium-sized enterprises in the process of developing joint economic projects, which could lead to a decrease in distrust of cooperation with China;

- through strengthening dialogue within the existing EU-China Connectivity Platform, engaging in the emergence of a new form of cooperation between the European Union, Germany, China and African countries, and supporting the creation of multilateral investment opportunities in selected fields.

To conclude it has to be stated, that despite the difficulties and challenges in Sino-German relations, the FRG needs intensive cooperation with China, especially to compensate the increasingly more aggressive actions undertaken by President Trump’s administration. The disconnected from the world United States is a sufficiently serious problem for Germany; and China, which the West will postpone, or China, which will be based only on global institutions, can also be subject to risks in international relations. It seems, therefore, that a strong grip, as well as rejection or confrontation with the PRC would be unreasonable. Thus, the points of contention mentioned in the article – the “16+1” Initiative, Chinese investments in Germany and competition in Africa – may be employed a rebour as a base for building a broad cooperation, going beyond bilateral relations, although it is necessary to develop a unified strategy for the German Chinapolitik.

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German Chinapolitik in the Era of the Belt and Road Initiative

Abstract

The German-Chinese relations have significantly intensified over the last years. As part of the construction of the Belt and Road Initiative (since 2013), China strives to strengthen its relations with the Federal Republic of Germany, using them as an alternative to the deteriorating transatlantic relations. Germany is now to be the main partner in the promotion of free trade, climate protection and the construction of a multipolar world. For this purpose, the PRC puts away disputable issues in Sino-German relations, for example by speeding up the legalization of German political foundations in China. However, the intensification of these associations does not mean that there are no problems and rivalry on the political and economic levels. A huge challenge for Berlin has been in recent years, i.e. the issue of building a Chinese sphere of influence in Central and Eastern Europe.
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through the 16+1 cooperation, the acquisition of strategic German enterprises and China’s investment activity in Africa. The article highlights Germany’s approach to selected problems in relations with China, analyzing the contemporary Chinapolitik. The text has been divided into several parts - in the first one, the author highlights the contemporary German-Chinese relations, then analyzes the critical fields of cooperation and competition (“16+1” Initiative, Chinese takeovers of German companies, competition in Africa) and completes the whole paper with a summary.

Key words: Germany, China, German-Chinese cooperation, Belt and Road Initiative, “16+1” Initiative, competition

Deutsche Chinapolitik im Zeitalter von Belt-and-Road-Initiative

Kurzfassung


Schlüsselwörter: Deutschland, China, deutsch-chinesische Zusammenarbeit, 16+1-Initiative, Wettbewerb

Германская Chinapolitik в эпоху «Инициативы пояса и пути»

Резюме

На протяжении последних лет германо-китайские отношения значительно активизировались. В рамках «Инициативы пояса и пути» (с 2013 г.), Китай стремится укрепить сотрудничество с Федеративной Республикой Германия, выстраивая его как альтернативу для ухудшающихся трансатлантических отношений. Германия рассматривается в качестве основного партнера в развитии свободной торговли, защиты климата и строительства многополярного мира. С этой целью КНР нивелирует спорные вопросы с ФРГ, например, ускоряя легализацию работы немецких политических фондов в Китае. Однако, улучшение китайско-германских отношений не означает отсутствия политических и экономических проблем и соперничества этих
государств. В частности, в последние годы для Берлина проблемными являются вопросы построения китайской зоны влияния в Центральной и Восточной Европе в формате 16+1, проблема захвата стратегических предприятий в Германии, а также китайская инвестиционная активность в Африке. В статье освещен подход Германии к некоторым проблемам в отношениях с КНР, дан анализ современной, германской Chinapolitik. Статья состоит из нескольких частей, в которых рассмотрено: состояние германо-китайских отношений, дан анализ проблемных сфер сотрудничества (инициатива 16+1, захват китайскими фирмами стратегических компаний в Германии, конкуренция в Африке).

Ключевые слова: Германия, Китай, германо-китайское сотрудничество, «Инициатива пояса и пути», «16+1», соперничество