

For a Candid and Frank Exchange with China

It is a good three years since my predecessor last visited China. Three years in which the challenges and risks that we face have increased – here in Europe, in East Asia and of course also in Sino-German relations. Three years in which the world has fundamentally changed – on the one hand due to the COVID-19 pandemic, on the other hand due to Russia's war against Ukraine, with its severe repercussions for the international order, for our food and energy supply, for the economy and prices worldwide. It is precisely because "business as usual" is not an option in these circumstances that I am travelling to Beijing. Meetings such as this were not possible for a long time due to the pandemic and Beijing's strict measures to contain it. Direct conversation is thus all the more important now.

I will be setting off on this trip with five considerations in mind.

1. Today's China is not the same as the China of five or ten years ago. The outcome of the Communist Party Congress that has just ended is unambiguous: avowals of Marxism-Leninism take up a much broader space than in the conclusions of previous congresses. The quest for national security, synonymous with the stability of the communist system, and national autonomy will be more significant going forward. As China changes, the way that we deal with China must change, too.

2. Not only has China changed, so has the world. Russia's war against Ukraine is brutally jeopardising the international peace and security order. Putin does not hesitate anymore even to threaten with nuclear weapons. He thus threatens to cross a red line drawn by humanity as a whole. At the beginning of this year, in a joint statement with other permanent members of the UN Security Council, China expressed clear opposition to the use of or even threats to use nuclear weapons. As a permanent member of the Security Council, China bears a special responsibility. Clear words addressed from Beijing to Moscow are important – to ensure that the Charter of the United Nations and its principles are upheld.

These include sovereignty and the territorial integrity of *all* states. No country is the "backyard" of another. What is true in Europe with regard to Ukraine is also true in Asia, Africa or Latin America. It is here that new centres of power in a multipolar world are emerging, and we aim to establish and expand partnerships with them. We have carried out in-depth coordination work at international level in recent months – with close partners such as Japan and Korea, India and Indonesia, and with states in Africa and Latin America, too. At the end of next week I will travel to Southeast Asia and the G20 summit. While I am visiting China, the Federal President will be in Japan and Korea. Germany of all countries, which had such a painful experience of division during the Cold War, has no interest in seeing new blocs emerge in the world. The new US National Security Strategy also rightly emphasises the goal of preventing a new confrontation between opposed blocs. What this means with regard to China is that of course this country with its 1.4 billion inhabitants and its economic power will play a key role on the world stage in the future – as it has for long periods throughout history. But this justifies neither the calls by some to isolate China, nor a quest for hegemonic Chinese dominance or even a Sinocentric world order.

3. Even in changed circumstances, China remains an important business and trading partner for Germany and Europe. We do not want to decouple from it. But what does China want? Its “dual circulation” economic strategy is designed to strengthen the domestic market and reduce dependencies on other countries. In a speech in late 2020, President Xi also spoke of utilising Chinese technologies to “tighten international production chains’ dependence on China”. We take statements such as this seriously.

We will therefore dismantle one-sided dependencies in the interest of smart diversification. This requires prudence and pragmatism. A significant amount of trade between Germany and China concerns products where there is neither a lack of alternative suppliers nor a risk of dangerous monopolies. Instead, China, Germany and Europe benefit equally. But where risky dependencies have developed – for important raw materials, some rare earths or certain cutting-edge technologies, for example – our businesses are rightly putting their supply chains on a broader footing now. We are supporting them in this, for example with new raw material partnerships. With Chinese investment in Germany, too, we will differentiate based on whether this business creates or exacerbates risky dependencies. That was, incidentally, the yardstick applied by the Federal Government to the purchase of a minority stake in a terminal at Hamburg port by the Chinese shipping firm Cosco. Clear conditions were imposed and the terminal will now remain fully under the control of the City of Hamburg and the port operator. Diversification and the strengthening of our own resilience, instead of protectionism and withdrawal into our own market – that is our stance, in Germany and in the European Union.

We are far, too far, from reciprocity in relations between China and Germany, for example with regard to market access for businesses, to licences, to the protection of intellectual property or issues of legal certainty and equal treatment for our nationals. We will continue to insist on reciprocity. Where China refuses to allow this reciprocity though, that cannot be without consequences. Differentiating like this in our dealings with China is in line with Germany’s and Europe’s long-term strategic interests.

4. President Xi said early this year in Davos: “The world is developing through the movement of contradictions; without contradiction, nothing would exist.” That means permitting and enduring contradiction. It means not avoiding difficult issues in discussions with one another. These include respect for civil and political liberties as well as the rights of ethnic minorities, for example in Xinjiang province.

Concerning is also the tense situation around Taiwan. Like the US and many other states, we pursue a One-China policy. Part of this policy is, however, that any change to the status quo must be brought about by peaceful means and by mutual agreement. Our policy is aligned with the aims of preserving the rules-based order, resolving conflicts peacefully, protecting human rights and the rights of minorities, and ensuring free and fair world trade.

5. If I am travelling to Beijing as Germany’s Federal Chancellor, I am also doing so as a European. Not to speak on behalf of all of Europe; that would be presumptuous

and wrong. But because German policy on China can only be successful when it is embedded in European policy on China.

In the run-up to my visit, we have therefore liaised closely with our European partners, including President Macron, and also with our transatlantic friends. The European Union has accurately described China as filling the threefold role of partner, competitor and rival, although elements of rivalry and competition have certainly increased in recent years. We must address this by accepting the competition and by taking the consequences of this systemic rivalry seriously and accounting for them in our policymaking. At the same time, we must explore where cooperation remains in our mutual interest. Ultimately, the world needs China – for example in the fight against pandemics such as COVID-19.

China also has a crucial role to play in ending the worldwide food crisis, in supporting highly indebted countries and in reaching the UN's Sustainable Development Goals. Without resolute action to reduce emissions in China, we cannot win the fight against climate change. It is therefore good to see that Beijing has set ambitious targets for expanding renewable energies, and I will be advocating for China to join us in taking on more responsibility still for protecting the climate, not least at international level. We are aware that we are in competition when it comes to climate-friendly technologies, too – for the most efficient products, the smartest ideas, the most successful implementation of our plans. This requires, however, that China doesn't close its market to our climate-friendly technologies. We are facing up to the competition, as less competition always means less innovation. The loser would be climate protection – and thus all of us.

This is a great deal of material for an inaugural visit to Beijing. We will seek cooperation where it lies in our mutual interest. We will not ignore controversies. That is part and parcel of a candid exchange between Germany and China.