



Weekly Briefing

Hungary External Relations briefing:
Different Hungarian Interpretations of the CEEC-China 16+1
Summit in Sofia
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Different Hungarian Interpretations of the CEEC-China 16+1 Summit in Sofia

The Bulgarian government hosted the 7th CEEC-China 16+1 summit in Sofia July 6-7, 2018; the event took place only a few days after the Bulgarian presidency of the EU ended the 30th of June 2018. The four priority topics of the summit were defined by China and Bulgaria beforehand and during negotiations, the 16 countries and China focused on following fields: high technologies, investments, industrial partnership, joint ventures; infrastructure; agriculture and tourism. (The next summit will be held in Croatia in 2019.)

Obviously, the summit and its achievements can be framed very differently; and this framing can be very unlike in the 16 European countries and China; however, this briefing only takes a brief look at the different Hungarian interpretations of the summit based on short analyses and news published in Hungarian media sites and newspapers. The briefing doesn't investigate articles written in Hungarian but published in the neighboring countries since the different political and economic environments would get us to very different interpretations of the CEEC-China 16+1 summit in Sofia. Although there are no quantitative data in this respect, the media coverage of the summit was sparse, which can be easily explained by the fact the most Hungarians spend their annual vacation in July and August. In contrast, the last year summit in Budapest was much more in the focus of the Hungarian news portals not only because it was held in Budapest, but it was scheduled for autumn 2017.

From the Hungarian point of view, strong emphasis was given to the notable successes in the bilateral economic cooperation between China and Hungary. The Hungarian Minister of Foreign Affairs and Trade, Mr. Szijjártó stressed that the numbers in the bilateral trade between China and Hungary hit record highs in every aspect. The interview given by the minister was quoted in

many newspapers, and online new portals. In the same interview, the following projects were highlighted by him:

- the increasing importance of Budapest-Belgrade railway project,
- the establishment of a coordination center of the members of the China-CEEC Interbank Association, that will be operated by the Hungarian Development Bank in Hungary,
- the formulation of an action plan on the occasion of the 70th anniversary of the establishment of the diplomatic relations between the two countries; the action plan will have 5-7 projects related to economic and educational cooperation, and infrastructure.
- Budapest will host the summit of the Central Bank leaders of the 16+1 cooperation this autumn.

Speaking of the Chinese and Hungarian relations, the minister stressed that in the Central and Eastern European region, the Hungarian export is the most significant one towards China, and the most significant Chinese investments are located in Hungary, however, they will have to pay more attention to greatly strengthen the financial cooperation to attract more Chinese capital for the Hungarian economic development goals.

After the Sofia summit, the visit of Chinese Prime Minister, Mr. Li Keqiang to Germany was covered by the Hungarian media intensively. The oppositionist newspaper, the HVG covered a short analysis of the visit. In the article, the newspaper stressed that Germany was more important to China than the 16 Central and Eastern European countries combined. It was argued by the newspaper that China's and Germany share in the global trade was not less than that of the United States. The newspaper also stated that the Minister of Foreign Affairs, Mr. Wang Yi promised the Germany not to be aggressive in the Eastern and Southern countries of the EU and the newspaper described the 16+1 cooperation as collaboration of the future.

In our opinion, this argument – at least how it is featured in the newspaper – was falsely put since China has consequently implemented the

principle of no interference in the internal affairs of other countries in the past, thus the Chinese promise ‘not to be aggressive in the Central and Eastern European countries’ would be like an admission of the Chinese, that ‘we broke these rules we adhere to’. Secondly, if considering Chinese intentions, and interests it would be a short term approach, since China doesn’t have real political interests and conflicts in the Central and Eastern European region, thus it doesn’t want to create them.

In its argumentation, the newspaper (HVG) underlined that only around 10 percent of the Chinese investment go to the 16 countries, while the lion share is being invested in Germany, France, the United Kingdom and Italy. The newspaper brought two arguments why they think it is easy and logical to China to make a compromise with the Western European countries:

— The Central and Eastern European countries don’t have any special role in the Silk Road Initiative, they argued.

— China needs technology first of all, and this technology can be found in Western Europe, not Central and Eastern Europe, they underlined.

In our opinion, though it seems to be logical to assume that Central and Eastern Europe doesn’t have any special role in the BRI, however, it is clear that none of the regions can have special role in this initiative since it is a global initiative, basically it is an economic initiative to give a new impulse to globalization, to strengthen international trade and investment. Globalization per se is more about the whole system than its regional parts. Secondly, the fact that Central and Eastern European countries need technology is only one side of the coin.

— *First of all, it is not a good idea to put e.g. the Czech Republic and Albania in the same group of countries. Both countries need modern technology, but their capacities to produce own technologies are entirely different, so it is their dependency on foreign technologies.*

— *Secondly, Central and Eastern European countries are not only economies, where technology can be purchased, but a place where technology*

can be also sold. The presupposition that Chinese firms don't own cutting edge technologies, is simply wrong.

It is very typical that in the articles of the opposition newspapers, arguments against the cooperation with China are often borrowed from Western European media (e.g. Politico; www.politico.eu), while there are only a few new portals referring to Chinese sources. The Magyar Idők (Hungarian Times) is one of them, they covered an article on the Sofia summit and the Li Keqiang and Orbán Viktor meeting, they quoted the Chinese Prime Minister, who underlined China and the CEES are equally developed in terms of economy. In other words, this approach reveals a more balanced view on the motives of cooperation among these countries.

The HVG and other newspapers called attention to the more conciliatory approach of the Chinese delegation regarding the European Union in the Sofia summit. According to the 24.hu, the summit was not about the 16 countries, but the appeasement of the EU leaders and Western European politicians. The approach of the Chinese Prime Minister was highlighted in the following aspects:

— China doesn't consider the 16+1 transregional platform as a geopolitical tool, but as open economic initiative, and China is willing to open and welcomes those who would like to join it.

— Countries of the 16+1 cooperation respect and follow the norms and rules of the EU and the Single Market.

— Opening up of the 16+1 cooperation means also further cooperation with the World Bank and the International Bank for Reconstruction and Development.

The critical question is how the assumed turn of China to the EU is being framed. In the Hungarian media, the trade war (or the beginning of a likely trade war) between the United States and China is being often featured as the ultimate cause for the enhanced cooperation between China and the European Union, because that would be the way how China was looking for a partner and market. Many analysts go further in the conclusions stating, that more cooperation

between the EU and China will harm bilateral relations between China and Hungary. One of assumptions formulated in Hungarian news portals, that China would be willing to drop Budapest-Belgrade railroad project after the European Commission launched an infringement procedure concerning the railway project.

In our opinion, this framing doesn't reflect the real nature of the 16+1 cooperation, since it is not a zero-sum game, in other words, the fact that there are winners in the process, doesn't mean there must be losers. The approach provided above is a geopolitical framing of the 16+1 cooperation, that presupposes an emerging hegemonic power that is willing to entirely change the basic foundations of the political and economic world order. It is obvious that China can have interest changing, improving the existing world order, but it is very much aware of the possible chaos and disorder that would follow if it wanted to reinvent the existing world order. The willingness to cooperate with the EU, the World Bank and International Bank for Reconstruction and Development, very much shows China's deep interests to create a win-win situation.

To sum it up, the Hungarian interpretations of the summit and the entire project still are very much dependent on the political camp of the analysts. Newspapers close to opposition forces usually look at the 16+1 cooperation suspiciously, while newspapers and online news portal are more optimistic about the future of the collaboration between China and the 16 Central and Eastern European countries.