



Weekly Briefing

Bulgaria external relations briefing:
BULGARIA AND CHINA - ESTABLISHING STRATEGIC
PARTNERSHIP RELATIONS
Evgeniy Kandilarov

China-CEE Institute

Kiadó: Kína-KKE Intézet Nonprofit Kft.
Szerkesztésért felelős személy: Chen Xin
Kiadásért felelős személy: Huang Ping

 1052 Budapest Petőfi Sándor utca 11.
 +36 1 5858 690
 office@china-cee.eu
 china-cee.eu

BULGARIA AND CHINA - ESTABLISHING STRATEGIC PARTNERSHIP RELATIONS

One of the key international events for Bulgaria this month was the official state visit to China of the Bulgarian President Rumen Radev held from 1st until 5th of July. The visit was at the invitation of Chinese president Xi Jinping. This was very important visit especially in the context of the gradually growing political and economic power of PRC and all the strategic opportunities that Belt and Road plan and “17+1” Initiative are offering to Bulgaria and its economic and social development and improvement. That’s why It was not surprising that leading accents in all the meetings of the Bulgarian president with Chinese governmental and state officials were the upgrading of the bilateral relations between Bulgaria and China at strategic level and the establishment of guidelines for their further development and deepening. Bulgarian president discussed a series of concrete prospects for increasing Chinese investment in Bulgaria, promoting business contacts, as well as partnerships in information technology, transport infrastructure and communications, tourism, science, education and culture, agriculture etc.

The delegation led by Bulgarian Head of State includes Iskren Veselinov, chairperson of the parliamentary committee on regional policy, urban development and local government, Halil Letifov, chairperson of the parliamentary committee on transport, information technology and communications, and also assembly deputies, members of the Bulgaria-China Friendship group at the National Assembly – Christo Prodanov, Georgi Kolev, Boryana Georgieva. The delegation includes representatives of scientific and educational institutions, and also of Bulgarian companies in the sphere of information technologies, investments, tourism and agriculture.

The occasion of the official state visit of Bulgarian president was the fact that 2019 marks the 70th anniversary of the establishment of diplomatic relations between China and Bulgaria. Bulgaria was one of the first countries to establish diplomatic relations with New China and this fact as well as many other acts of friendship and support through these years has been created a fruitful atmosphere for more than good relations between both countries in the contemporary stage of its development.

During his visit Bulgarian President had meetings with Chinese president Xi Jinping, with Chinese Prime Minister Li Keqiang, with the Chairman of the Standing Committee of the National People's Congress (NPC) Li Zhanshu as well as with Chinese representatives of the

business, tourism and academia. Except the official meetings and talks Bulgarian president attended the 13th World Economic Forum "Summer Davos" in the town of Dalian from 1 to 2 July 2019. The Bulgarian President took part also in a session on the dialogue between Chinese state-owned enterprises and the Bulgarian authorities.

During the talks with Li Keqiang on 1st of July, in Dalian, the common position that the Chinese premier and the Bulgarian president agreed upon was that Bulgaria and China should raise to a new level the bilateral political relations, which will give an impetus to and open up new prospects for partnership in economy, investments and other spheres of mutual interest.

During the meeting in Dalian the Bulgarian Head of State put forward a proposal for the basic directions of the development of the Bulgarian-Chinese relations to the Chinese Prime Minister. The document contains nine priority spheres in which Bulgaria and China have a great potential to implement mutually beneficial projects: transport infrastructure; financial and investment activity and financial technologies; IT sector and start-up companies; research and development activity and innovations; opening up a direct airline Sofia-Beijing; tourism, agriculture; sustainable development and urban planning; energy.

The opinion of the Bulgarian Head of State expressed is that Bulgaria is still a blank space on the map of Chinese investments in the Southeast Europe and this should be decisively changed. Rumen Radev identified opening a direct airline Sofia-Beijing and also opening a branch of the Chinese Bank in Bulgaria as key prerequisites for the accelerated development of the bilateral relations and for creating conditions for implementing the remaining projects in all spheres. Bulgarian president emphasized that relieving the investments and the financial exchange and trade between Bulgaria and China serves the interests not only of the two countries but also of the whole region. The Bulgarian President also reaffirmed that the Belene NPP project was one of the talking points during the meeting with Li Keqiang and that the Chinese Prime Minister expressed Beijing's willingness to take part in the contest for investor in the project.

The Chinese Prime Minister highly appreciated the Bulgarian President's idea, shared at the meeting in Sofia in 2018, for establishing in Bulgaria a Global Partnership Center within the "17+1" initiative, which will contribute to improving the interpretation of the EU legal framework and to implementing promising investment projects. The governments of both countries are already working to put this idea into practice. At the meeting in Dalian Bulgarian Head of State further noted the opportunity for establishing a Bulgarian-Chinese center for scientific research and innovations in Sofia, which is a key factor for the economy's strength and competitiveness. Rumen Radev emphasized that *"Such research and innovations are a guarantee for a competitive economy and ensure that it develops precisely in the IT sphere and*

in the added-value productions". Rumen Radev gave as an example the partnership between a Bulgarian software company and the biggest Chinese tourist operator and called for multiplying this success.

Of course the core of the visit of the Bulgarian President was the meeting and talks with Chinese head of state Xi Jinping held on 3 July. The two state leaders exchanged views on bilateral relations, cooperation between the countries of Central and Eastern Europe and China, relations between the European Union and China and other international and regional issues of mutual interest, in which they achieved broad consensus. With a view to consolidating the robust and steady development of bilateral relations, the two heads of state announced their intention to raise relations between the Republic of Bulgaria and the People's Republic of China to the level of strategic partnership by signing a **Joint Declaration between the Republic of Bulgaria and the People's Republic of China**.

The main point of the signed document is focused in the article three which states that "Both sides express their willingness to achieve the objectives set out in the intergovernmental Memorandum of Understanding on the Joint Implementation of the "One Belt One Road" initiative, following the principles of broad consultation, joint contribution and mutual benefit, in order to foster practical cooperation in a range of areas, for the purposes of implementing the "One Belt, One Road" initiative to the highest level of quality."

During the talks Chinese president stressed that the two sides should respect and trust each other and strengthen exchanges between the two governments, legislative bodies and political parties while maintaining mutual support on issues involving each other's core interests and major concerns. Xi Jinping pointed out that China is willing to strengthen the synergy between the two countries' development strategies, promote infrastructure connectivity, expand trade and investment and cement people-to-people exchanges. Another key point of the Chinese president was that China firmly supports the European integration process, EU's unity and growth and Europe's more important role in international affairs hoping that "*... the new EU institutions will maintain the stability and continuity of their China policy and will work with China to promote the building of partnership on the basis of mutual respect, fairness and justice, cooperation and win-win result.*"

Bulgarian president confirmed that lifting the bilateral ties to a strategic partnership will further strengthen the foundation of bilateral relations and pointed out that the Bulgarian side is willing to expand cooperation with the Chinese side in such areas as trade, transportation, aviation, logistics, finance, innovation, local areas and people-people exchanges, and welcomes Chinese enterprises to increase investment in Bulgaria. While expressing Bulgaria's support for multilateralism and the World Trade Organization, the Bulgarian president said that Bulgaria

stands ready to step up communication and work for advancing Europe-China relations and cooperation between the Central and Eastern European countries and China.

In conclusion the two presidents have agreed that the strategic location of Bulgaria as one of the investors' doors to the EU and the common European market requires a much more active use of the opportunities of the Bulgarian transport infrastructure – airports, rail roads, ports, highways. In this regard Rumen Radev outlined three important projects: the establishment of a regular direct Beijing-Sofia airline, which is considered as an irrevocable condition for intensifying bilateral relations; the second one is about the opportunities for the opening of a branch of a Chinese bank in Bulgaria in order to relieve the investment and financial; the third project is related to the idea of the construction of a Bulgarian-Chinese Center for Research and Innovation in Sofia.

Regarding the first issue the opening of a direct airline between the two countries is seen as a key condition for facilitating dialogue and promoting mutual investment, trade, tourism, and exchanges in education, science and culture. Xi Jinping answer was that airlines are striving to maximize profits, but a state framework needs to be set up to respond to the new nature of bilateral relations, and opening a direct airline is a natural step in that direction. Both presidents also discussed the opening of a branch of a Chinese bank in Bulgaria, which should stimulate the activity of Chinese investors and the realization of projects of mutual interest. On the third place the Chinese president expressed strong interest in the establishment of a Bulgarian-Chinese Center for Scientific and Technical Research and Innovation in Sofia, with the support of Chinese companies, to promote the transfer of technology and knowledge between Europe and China and to create a new environment for enhancing the competitiveness of the economies of both countries.

Rumen Radev raised the issue of the problem regarding meeting the requirements for importing agricultural goods in China by Bulgarian export companies of dairy products, which has existed for more than two years. The answer of the president Xi Jinping was an assurance that the issue would be solved. The four companies that have been affected are already on the list of Chinese customs for the companies that are authorized to import such products. Chinese president even expressed further interest of the Chinese side and the subsequent expansion of imports of food and beverages from Bulgaria.

Finally Bulgarian President expressed his gratitude for the increase in the number of scholarships for Bulgarians studying in China.

The Bulgarian President highly appreciated China's achievements in the past decades vis-à-vis increasing the standard of life, fighting poverty and creating opportunities for the development of the Chinese citizens.

Before coming back to Bulgaria on the 5th of July Bulgarian President delivered a lecture in the Shanghai University Jiao Tong. Within his visit the Head of State visited the Bulgarian research center at the university, which works to expand the bilateral partnership in the sphere of culture and education. The university is one of the oldest national schools of higher education in China. It is also the third ranking university in the Asian country. The Shanghai University Jiao Tong collaborates with the Bulgarian University for National and World Economy. Since January 2017 a Bulgarian-Chinese center for scientific programs and exchange of students between Bulgaria and China has been opened in UNWE.

What will be the real impact of the newly signed Joint Declaration on establishing strategic partnership relations on the further development of the relations between Bulgaria and China is about to understand in the near future. Unfortunately its full and comprehensive realization doesn't depend so much on the presidential institution but rather on Bulgarian prime minister as a head of the Government. Whether Bulgarian government will fully recognize and strictly follow the goals and postulates of the Joint declaration for strategic partnership is very hard to be predicted. One is clearly sure and it is that Bulgaria is one of the first Central and Eastern European countries to sign intergovernmental cooperation documents with China on the Belt and Road Initiative. With this declaration Bulgaria shows clearly once again that it is an essential participant and advocate of the cooperation between China and the Central and Eastern European countries. Least but not Last, through signed Declaration Bulgaria shows that it considers the "One Belt, One Road" and "17+1" initiatives not only as a projects for transport connectivity, but also an investment in the future and the prosperity of the countries that participate in them.