




Weekly Briefing

**Greece external relations briefing:
Greece's current relations with China**
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Greece's current relations with China

Summary

Bilateral relations between Greece and China are steadily good and progressing year by year. Despite the latest tensions in the relations between US-EU and China, the two countries have built a trustful cooperation, that does not ignore the general context. Frequent high-level officials' meetings and calls from both countries mark the open dialogue and the possibility for further economic and cultural cooperation. In particular, the latest telephone conversation, on the 15th anniversary of Strategic Partnership, between President of China Xi Jinping and Kyriakos Mitsotakis, the Prime Minister of Greece, was another step towards the upgrading of the relations of the two countries.

Introduction

Since the establishment of diplomatic relations between Greece and China in 1972, bilateral relations between the two countries can be characterized as smooth. In 2006 Greece and China upgraded their relations to a Strategic Partnership. This was the first big step for the establishment of close cooperation of the two countries in sectors such as political, economic, and cultural relations.

Despite the current deterioration of EU-China affairs, Greece and China relations are close and dynamic for further development. On the 7th of July 2021, on the occasion of the 15th anniversary of Strategic Partnership, President of China Xi Jinping and Prime Minister of Greece, Kyriakos Mitsotakis had a telephone conversation concerning the upgrading of relations between the two countries. These marks the way forward on setting up stronger ties between Greece and China in a period where tensions in the relations of US-EU and China have been risen. On the framework of the continuation of the cooperation between the two countries, Greece and China continue the dialogue in good faith in order to compromise the transfer of 16% stake in Piraeus Port Authority (PPA).

Greece and China current relations

On the 7th of July and on the occasion of the 15th anniversary since Greco-Chinese relations were promoted to strategic status, the Greek Prime Minister Kyriakos Mitsotakis and the President of the China Xi Jinping, discussed via the phone and confirmed that bilateral relations between two countries are elevated. The two leaders summarized the multidimensional cooperation between the two countries and gave emphasis on investment, trade, tourism, and cultural collaboration (1).

It should be noted that the telephone conversation between the two leaders is the latest event at a series of frequent high-level communication and visits. In May 2019 the then President of the Hellenic Republic P. Pavlopoulos visited Beijing. In November 2019 Prime Minister K. Mitsotakis visited Shanghai on the occasion of the Second International Export Exhibition, where Greece was a country of honor. In addition, in November 2019 an official visit of the President of China Xi Jinping took place in Athens, where PM K. Mitsotakis stated "I expressed our appreciation for China's support when Greece was hit by the financial crisisNow that our country's economy is growing again, now that it is going to take a leading role, we will expand our common goals" (2).

Hence, the 7/07/2021 conversation can be interpreted as one more step towards the continuation of the cooperation and good relations between the two countries and the achievement of their common goals. During the phone call the two leaders agreed that "Greece-China Year of Culture and Tourism", which will start in September 2021, is an opportunity to further strengthen relations. The Memorandum of Understanding was signed on November 2020 in Beijing. In terms of culture, the two countries will help each other in preserving their archeological monuments and promoting their cultural heritage. Concerning tourism both countries, among others, will exchange of statistics, management, promotion of touristic destinations and certification of quality services (3). On 24-30 June the Cultural Center of China in Athens organized a series of initiatives in Athens on the framework of the "Week of Tourism and Culture 2021" (4). Moreover, the Embassy of China and the Cultural Center of China in Greece organized in June and July an online photographic exhibition and a Week for Chinese films on the occasion of China's Communist Party 100-year celebration (5).

Additional topics that were discussed during the phone conversation was the international and regional issues. China as a permanent member of the UN Security Council can promote stability in the Eastern Mediterranean. The Greek PM, K. Mitsotakis expressed Greece's appreciation of China's commitment for the resolution of the Cyprus issue on the basis of the

UN Resolutions. Furthermore, both sides stressed that Greece is an important factor of stability in the region, which is beneficiary for China and the international community in general. On the Greco-Turkish relations the two leaders agreed that the maintenance of the recent de-escalation is very important, in order to keep the lines of communication open. The Greek PM noted that the goal is to build an atmosphere of trust between Greece and Turkey, which will need the respect of international law and the prevention of provocative actions against both Greece and Cyprus (1).

China has been following closely the Cyprus problem. This year is the mark of 50 years of diplomatic relations between the two countries. As the China's Ambassador to Cyprus, Liu Yantao, declared "Our principled position remains that the Cyprus Problem should be resolved on the basis of relevant UN resolutions and the will of the Cypriot people for a comprehensive, just and lasting settlement" (6). Last year's tensions between Greece and Turkey can be viewed as a small scale of the South China Sea situation. China, Greece and Cyprus by working together can promote a solution to the Cyprus-problem and China's influence in the UN framework can make a difference (7).

In addition, during the telephone conversation, Mr. Xi Jinping invited Mr. Kyriakos Mitsotakis to the 2022 Winter Olympics, which will be held in Beijing (1). The Greek Prime Minister accepted the invitation, despite the expected non-binding resolution in the European Parliament, which called for a diplomatic boycott of the Winter Olympic Games because of the Uyghur Muslims and Hong Kong alleged human rights violations. The European Parliament further suggested to all the diplomats and officials of the member states to decline any invitation for the Games (8).

President Xi Jinping in his phone conversation with Greek PM Kyriakos Mitsotakis declared that China aims to deepen the cooperation with the central and eastern European countries via the Belt and Road Initiative (BRI). It should be noted that he delivered a similar message to Mr. Milos Zeman, the Czech President in another phone conversation on the same day, which highlights the importance of the BRI to the Chinese government. The BRI is an infrastructure development strategy adopted in 2013 by China's government and it aims to operate in 70 countries. Greece officially signed the memorandum of understanding for the cooperation under the BRI in 2018 (9). Through the BRI Athens aims to become the main hub between Central Europe and Asia, to strengthen its position as the main Mediterranean gateway, by the development of the Mediterranean ports, mainly that of Piraeus. The investment of the Chinese state company COSCO in the Piraeus Port is the flagship project in Sino-Greek relations and has been characterized as a success story for both countries. On 29 June, Piraeus

Port Authority (PPA) Deputy CEO Captain Weng Lin met with Asean's Committee in Athens (ACAT) diplomatic delegation at Piraeus port authority's headquarters in order to be briefed on the strategic importance of the port for the sectors of trade and tourism and to discuss about further cooperation (10). It should be mentioned that COSCO Shipping bought in 2016 a 51% holding in Piraeus Port Authority (PPA) for 280 million euros and agreed to bring investments worth about 300 million euros over five years to acquire an additional 16%. Due to bureaucratic issues COSCO has signed the contracts but have not be able to conclude them. On May 2021 Alternate Minister for Fiscal Policy Theodore Skylakakis said that seeking solutions "in good faith and through dialogue" has been in Greece's interest (11).

The Chinese presence in Greece and in the Balkans has been a topic of discussion among officials in Brussels and Washington. On 26 July 2021, U.S. Deputy Secretary of State Wendy Sherman met in State Councilor and Foreign Minister Wang Yi in Tianjin (12). The purpose of the meeting was to engage in a constructive dialogue but was not marked by any agreement and progress. On the side of the EU, the Council on 12 July approved conclusions on "A Globally Connected Europe", which highlighted the importance of connectivity for economic growth, security and resilience (13). This initiative can be seen as a counter-scheme to the BRI. In particular, EU-China relations have deteriorated since March 2021, when the EU imposed sanctions against China for the allegations of violating human rights of the Uyghurs ethnic minority. The Chinese government reacted by announcing countersanctions against members of the European Parliament. This resulted in the EU putting on hold the confirmation of the EU-China Investment Deal (14).

The format which is also called China-CEEC (Central and Eastern European Countries) is a platform initiated by China in 2012 to expand the cooperation among Beijing, EU and Balkan countries. The main priority of the initiative is the increase of cooperation in the sectors of advance technologies, infrastructure and green technologies. Greece on the one hand will benefit from the investments of initiative and on the other can, in practice play, a valuable role in constructing and maintaining an open dialogue between Beijing and Brussels to better coordinate the initiative with the existing Sino-European cooperation institutional platforms (15). On the framework of the China-CEEC the two countries continue the cooperation and the organization of initiatives. For example, the Chamber of Greek-Chinese Economic Cooperation participates regularly in business events. The next one will be the "Online China-CEEC Small and Medium Enterprises Cooperation" and it is expected to take place in September 2021 in Cangzhou.

Conclusion

Greece and China, the last decades, have established good bilateral relations. The two countries cooperate in economic, political and cultural sectors. Initiatives such as the Belt and Road and the China-CEEC have proved to be beneficial for both countries. Despite the latest tensions between EU, US and China, Greece continues to have good relations and seeks to further enhance the cooperation between the two countries.

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