



Weekly Briefing

**Greece external relations briefing:
Greek-Chinese relations:
the meeting of the Greek PM with the President of China
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Greek-Chinese relations: the meeting of the Greek PM with the President of China

Summary

The briefing presents the status of the relations between Greece and China. The recent visit of the Greek PM to Beijing and his meeting with the Chinese President was an opportunity for the two countries to reaffirm its diachronically good relations, as well as extend their cooperation in many sectors such as trade, tourism, culture and green energy. Greece's successful participation for one more year to the China International Expo (CIIE) is also presented. The win-win cooperation between Greece and China shines as a paradigm of mutual understanding and trust - a valuable example in times of geopolitical tensions.

Introduction

Since diplomatic relations between Greece and China were established, the two countries enjoy good relations. During the last decade Greece and China have increased their cooperation, especially in the economic and cultural sectors. Hence, relations between Athens and Beijing have emerged strong under the spirit of a “win-win” cooperation. The flagship project of the Belt and Road Initiative, the investment of the Chinese company COSCO Shipping in the port of Piraeus, works as a great example of the fruitful cooperation between the two countries. Despite the hardships emerged during the last three years, namely the COVID-19 pandemic and the Ukraine crisis, Greece and China remain on the path of mutual understanding and respect. Both sides demonstrate the will to continue the productive cooperation and further deepen their ties. China values Greece, as a crossroad between three continents, as well as a member of the EU and NATO and Greece recognizes China as an emerging geopolitical power, which can contribute to the peace and stability of the region.

The recent visit of the Greek PM in Beijing, after four years, signals that despite much have changed in international level, the Greek-Chinese relations remain strong. Furthermore, it is important to note that the meeting between the Greek and Chinese leadership came at a period that the US and the EU have engaged in a consistent dialogue with China, which is a positive sign for the future of the global geopolitical balances. Greece may not have the power to influence and solve international tensions, however it has the will to work as a bridge between

China and the EU. Greece follows the general Western trend but at the same time in the case of China the win-win cooperation between the two countries demonstrates the world that under the basis of mutual understanding positive outcome can be achieved.

Greek Chinese relations

Greece and China established diplomatic relations in 1972, following the Beijing's and Washington's normalization of relations (1). Specifically, Greece officially recognised People's Republic of China on the 6th of June that year and dissolved the Embassy in Taiwan. In May 1973 the first official visit to Beijing took place, when Colonel Nikolaos Makarezos visited China. Since then, the two countries aspired to forge closer ties, especially after the restoration of democracy in Greece in 1974. On a political level the ties have been forged on the basis of two fundamental issues; Greece adheres to the "one China" policy and China supports the resolution of the Cyprus Question, as a permanent member of the Security Council of the UN (2). It is worth noting that during the Cold War the two countries also engaged in a dialogue of friendship and cooperation. Specifically, the visit of the Greek PM Konstantinos Karamanlis to China in 1979 marked the beginning of a new chapter in the relations, since Karamanlis had clarified that Greece would search for cooperation regardless of the political system of the other country. In 1986, PM Andreas Papandreou, Karamanlis successor, in period of serious Greek Turkish tensions visited China in the hope to offset the good Sino-Turkish relations. He led a business delegation as well, attempting to strengthen the trade ties between the two countries. Papandreou, following his return to Athens, declared his optimism for the generations of fruitful results in the course of time (3).

Following the end of the Cold War the relations between Greece and China further improved. The Chinese Vice-Premier Zhu Rongji visited Athens in 1994 and in 1995 the then Greek Foreign Minister Karolos Papoulias went to Beijing. In 2000 President Jiang Zemin visited Athens and became the first Chinese president to visit Greece. In 2002 PM Kostas Simitis visited China and promoted closer bilateral ties. It should be mentioned that according to a report published by the Bank of Greece, Greek exports to China increased from 18.4 mil euros in 1999 to 58.3 mil euros in 2004, while imports rose from 52.4 mi euros l to 1.4 bil euros during the same period. In addition, the two countries opened new channels of communication to other fields, such as technology, science, and initiated cooperation on the organization of the Olympic Games, which took place in Athens in 2004 and in Beijing in 2008 (3).

Hence strong basis of close relations had been already established. Along with the flourishing bilateral relations trade was also steadily increased. However, the cornerstone of the relations and the most major success story of the Greek Chinese cooperation came with the investment of COSCO Shipping in the port of Piraeus. In a period when Greece needed to privatize the Piraeus Port Authority, under its bailout obligations, China seized the opportunity to invest in the Greek port. The process for the tender started in 2014 and concluded in 2016. COSCO Shipping expanded its presence in the Port and took control of all its activities by managing Piers I, II and III. It is worth noting that following COSCO's investment in the Piraeus, the port in 2016 climbed to the 8th position in the top-15 container ports in Europe. In 2017 the port reached the 7th place and the 6th in 2019. In 2020 Piraeus port kept the 4th position, surpassing Valincia port, meaning that Piraeus became the biggest container port in the Mediterranean. Via taxes the Greek state was profiting by 4.1 mil euros in 2017, 4.8 mil in 2018, 5.4 mil in 2019 and 4.9 mil in 2020, during the pandemic. In addition, more than 1.000 Greek employees are working to the port. Another Chinese investment in Greece that is worth noting is the purchase of a 24% stake of the Independent Power Transmission Operator (IPTO) by the State Grid Corporation of China, in 2017. The deal worth approximately 320 million euros. This investment empowers IPTO to take part in energy interconnectivity projects in Greece and the wider region. The energy project Ariadne Interconnection, for instance, founded in 2018 works as the vehicle of the energy connection between Crete and the region of Attica. In addition, one of the largest investment companies in Greece, namely Copelouzos, and the China Energy company, have agreed to collaborate in the green energy sector (3).

Without any doubt 2019 was a historic year for the bilateral relations between the two countries. During this year the Greek PM Kyriakos Mitsotakis visited Sanghai to attend the second China International Import Exhibition (CIIE). During the CIIE Mitsotakis took the change to present the successes of the Sino-Greek ties and the will to further deepen the relations. A few days following the visit of Mitsotakis to Shanghai, the Chinese President President Xi Jinping visited Athens, making this visit the first visit of a Chinese president since 2008. It was then that the two sides signed 16 memoranda, in many different sectors, such as education, investment, finance etc. Moreover, during the same year Greece joined the Chinese 16+1 initiative. It should be mentioned that in 2018 Greece joined the Belt and Road Initiative. Under these schemes of cooperation, both sides exhibit the success story of the good bilateral relations and underline the road for a future fruitful cooperation (4).

The visit of PM Mitsotakis to China

On the 2nd and 3rd November of 2023 the Greek PM visited Beijing. During the official visit Mitsotakis met with President Xi Jinping. In addition, Mitsotakis met with Premier Li Qiang and Chairman of the National People's Congress Zhao Leji (5). The Greek PM was accompanied by the Greek Minister of Transport and Infrastructure, Christos Staikouras. It is worth noting that this visit was the first visit to China of a Greek PM, since 2019, when PM Mitsotakis had visited the country (6). The visit gave the opportunity between the two leaders to discuss issues of bilateral relations, as well as the regional and international developments. In addition, the two leaders examine ways to deepening economic cooperation and further strengthening the relations in the tourist sector. It is important for Greece, especially since the country is at its road to economic recovery, to increase its exports. China can provide a large market for the Greek products to be exported. Moreover, the Greek side, despite adopting EU's positions in geopolitical issues, is aiming to act as a bridge between China and EU and through dialogue and mutual understanding di-risk the relations between EU and China (5).

Following Mitsotakis arrival to Beijing on the 2nd of November, the Greek PM visited the Forbidden City. As the Ambassador of the People's Republic of China to the Hellenic Republic, Xiao Junzheng, who accompanied Mitsotakis to the trip, stated "During Prime Minister Kyriakos Mitsotakis's visit to the Forbidden City, I could feel the deep appreciation that exists between our ancient civilizations" (7). Next day Mitsotakis first met with People's Republic of China Prime Minister Li Qiang and then with National People's Congress of China Chairman Zhao Leji. Then the Greek PM met with the President Xi Jinping, at the Great Hall of the People in Beijing. At the beginning of the meeting between the two leaders, PM Mitsotakis conveyed the greetings of the Greek President, Katerina Sakellaropoulou. Moreover, Mitsotakis emphasized that Greece has left the economic crisis behind and declared its satisfaction that two of the biggest Chinese credit rating agencies have upgraded the sovereign credit rating of Greece, which evidently confirms that Greece is ready to swich to a strong and sustainable economy. The Greek PM, during his speech, also stressed the achievements of the Greek-Chinese economic cooperation. He stated "Greece and China have a strong relationship, a strong economic relationship. The Port of Piraeus signifies this. It has been a successful investment for both parties and we're looking forward to further expand it. Of course, there is significant room to also improve our trade relationship for more Greek products to enter the Chinese market, for more Chinese visitors to visit Greece". Thus, Mitsotakis clearly emphasised the aim of Greece to enhance cooperation with China in the fields of trade and tourism. In addition, the Greek PM, highlighted the cultural exchange and

cooperation between the two countries. Specifically, he stated “Greece and China, as two ancient civilizations, have a lot to share with the world and a lot to learn from each other. I’m glad that also at your level, at the level of the President of China, this importance of the cultural relationship between our two countries is acknowledged”. Lastly, Mitsotakis closed its speech by thanking the Chinese President for his warm welcome and invited him to visit Greece “the earliest possible time” (8).

The President of China, during his speech pointed out that China and Greece are partners of the Belt and Road initiative and emphasized that mutually beneficial cooperation and civilizational exchange lie at the heart of the China-Greece relations. He further stated that “China cherishes its traditional friendship with Greece and stands ready to work with Greece to maintain strategic guidance, and uphold openness and cooperation to add new dimensions to China-Greece comprehensive strategic partnership in the new era”. Moreover, Xi Jinping during his speech stressed that China encourages Chinese enterprises to invest and do business in Greece and welcomed the Greek enterprises’ participation in the cooperation between China and the Central and Eastern European countries. He also added that China welcomes high-quality Greek products to the Chinese market, as well as supports the cultural exchange mechanisms, such as the Center of Chinese and Greek Ancient Civilization and the Ancient Civilization Forum and looks forward in deepening cooperation in the fields of education, culture, scientific research, tourism and youth (9).

It should be mentioned that both leaders discussed the relations between EU and China, under the new geopolitical context. The Greek PM repeated Greece’s long-standing position on the necessity for keeping the communication channels between EU and China open and emphasised the mutual interest in maintaining stable relationship. He also pointed out the potential role of Greece as a “bridge” between EU and China. Mitsotakis also stressed his belief that the EU must develop a strategic autonomy in order to address effectively global geopolitical challenges. As the PM mentioned, EU and China can cooperate in order to tackle major global challenges, as the climate change and the UN Sustainable Development Goals. He further underlined the important role that China can play in maintaining international peace and resolving global crisis, as a permanent member of the UN Security Council. The Greek PM also reaffirmed Greece’s position regarding the need for peaceful resolution of disputes based on International Law (8). On his behalf the President of China pointed out that this year marks the 20th anniversary of the establishment of a comprehensive strategic partnership between China and the EU. He stressed that the relationship is based on the well-being of the people of China and the EU and on world peace and stability. Xi Jinping declared that China and EU cannot

achieve sound development of their relations without upholding independence, mutual respect, as well as mutually beneficial cooperation. Most importantly he stated that China is ready to work with the EU to uphold the right perception of each other, focus on consensus and keep relations to the right direction via activating mutually beneficial cooperation across the board. The Chinese president expressed his hope that Greece will continue to play a constructive role in this regard (9).

In addition, on the 3rd of November, during the visit of the Greek PM and delegation to China, the Greek Transport and Infrastructure Minister Christos Staikouras signed a new bilateral aviation agreement between Greece and China, which is fully consistent with the EU legislation and the horizontal agreement between the EU and China and aims to update the institutional framework of aviation relations. As Staikouras mentioned the new agreement will replace the one applicable since 1973 and modernize the existing framework, as well as enhance the transport of goods and passengers between Greece and China (10). It should be mentioned that following the meeting of the two leaders PM Mitsotakis was also planning to visit the Greek pavilions in the China International Expo (CIIE) in Shanghai but according to government sources, due to region developments, he had to return to Athens immediately after the meetings with the leadership of China (5).

It is evident that the meeting between the two leaders demonstrated the good relations between China and Greece and the win-win cooperation, aiming towards deepening the relations especially in the sectors of trade, tourism, culture and green energy. To this end, COSCO's investment in Piraeus port still is a highly successful project and is cherished by both sides. In addition, both Greece and China look forward to a more comprehensive and effective partnership approach towards green energy. Moreover, concerning trade and according to Eurostat data, Greek exports to China decreased in 2022 and fell to 408 mil euros from 800 mil euros in 2019, which is the year before the COVID-19 pandemic outbreak. On the contrary, Greek imports in 2022 increased and reached 7.9 bil euros, when in 2019 totalled 4.5 bil euros. Hence, the Greek government aims to boost its exports to China, increase the tourist flows in 2024 and greater benefiting from the plan of COSCO to strengthen the cruise sector in Piraeus. In terms of the geopolitical balances, Greece does not belong to the big powers, meaning that it cannot play a key role in geopolitical issues in international level. However, Greece exhibits a balanced foreign and economic policy and its strategic geopolitical position along with its EU and NATO membership level up the country as a key player of peace and stability in the turbulent region of Eastern Mediterranean. Greece also values China's role as a rising geopolitical power and calculates on the Chinese foreign policy in its neighbourhood (11).

The 6th China International Expo (CIIE)

From the 5th until 10th of November, the 6th China International Expo (CIIE) was held in Shanghai. For one more year the CIIE set a new record with over 3,400 exhibitors and 394,000 professional visitors participating. Greece participated in the CIIE this year as well, with pavilions based on shipping, industry construction, mediterranean products, tourism and culture. The Minister of Infrastructure and Transport, Chrisots Staikouras, the Deputy Minister of Foreign Affairs, Kostas Fragogiannis, accompanied by the Secretary General of International Economic Relations and Openness and Chairwoman of the Board of Enterprise Greece, Maria Myrogianni and the Consul General of Greece in Shanghai, Georgios Partheniou participated in the opening ceremony of the 6th CIIE (12).

Enterprise Greece, as the official trade and investment promotion agency of the Greek State, operating under the auspices of the Ministry of Foreign Affairs, organized the country's participation to the exhibition, which was consisting by 20 Greek companies and three pavilions, a National Pavilion of 136 m², and two sectoral pavilions of 110 m² and 9 sqm². The Greek delegation visited the Greek pavilions and spoke with the representatives of the Greek companies. Moreover, the delegation, after this visit, attended an Enterprise Greece event at "Hellas House", private event venue, where Fragogiannis highlighted the important role of Greek exporters in the Chinese market and their participation in the 6TH CIIE (12). The event was also attended by high-ranking Chinese officials, such as the Director of European Affairs Division of Shanghai Foreign Affairs Office, Li Chunping and the Vice President of Shanghai Administration Institute, Prof. Mei Mei Lihong. In addition, Greek and Chinese entrepreneurs of companies such as Huawei, Juneyao Airlines, ZTE, Port of Piraeus, COSCO, Laskaridis Shipping and Association of Banking and Financial Executives of Hellenic Shipping, also attended the event (13). For one more consecutive year the Greek presence in CIIE was successful offering the unique opportunity for the Greek companies to present their products to the Chinese market.

Conclusion

The meeting between the Greek PM and the President of China demonstrated the good relations between the two countries and the will for deepening cooperation. Greece aims to increase its exports to China, as well as further cooperate in sectors of green energy, infrastructure and tourism. In addition, Greece is in the path of economic recovery and aims to attract Chinese investments in order to strengthen its economy. The strong presence of Greece in the 6th CIIE, once again, gave the opportunity to the Greek companies to enter the vast Chinese market. Hence, the win-win cooperation between Greece and China continues and it is expected to further deepen in the near future. It is also important to note that the meeting of the two leaders came at a period of increased geopolitical antagonism. However, on the onset of the 24th China-EU Summit, the example of the fruitful cooperation between Greece and China demonstrates the positive aspects and benefits of mutual understanding and respect between nations.

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