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“China’s ambiguous position vis-à-vis Russia”
Meeting of the European Parliament Delegation for relations with the United
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I would like to comment about the position of China around this insane and inhuman war. We heard their official comments after meeting with Secretary Antony Blinken, pointing to their cautiously expressed preference for talks and against sanctions.

It seems that China still has to take a political decision whether they want to be seen as supporters of Russia war.

There are risks for China in protecting and supporting Russian economy. China might not want to be seen as undermining western sanctions. They have interests in European markets. This might mean a good leverage for the Union to be used in the context of the EU-China Summit to take place next month.

Both the Russian and Chinese currencies are not useful in international trade. Both countries use the euro in gas pricing. Only 2% in global trade is denominated in renminbi. China has a swap line with Russia since 2014 when China wanted to increase the international use of renminbi. Now they also work on a digital renminbi.

China has not yet communicated about the status of Russian reserves or swap lines. Also, we must bear in mind that in mid-2021 around 13% of Russian reserves were held in Chinese assets. This amounted to USD 77 billion. Russia might want to sell them. They are probably looking into places where their reserves are not yet blocked.

Seeing this ambiguous position of China in the time of war, one might suspect a more strategic approach behind their short term attitude.

It is probably too early to talk about post war time. But taking into account the fact that it is one of five members of the UN Security Council - established to be a guardian of global security - that is waging this insane war, we might need to look anew at the whole global security system. We might need a new global security order.

It is quite likely, that the authoritarian regimes – such as China or Turkey – are already positioning themselves as neutral moderators, attempting to ensure seats for themselves at the post war table that might bring a new global security order into fruition.