Analyses OSW

CENTRE FOR EASTERN STUDIES 29.10.2014 www.osw.waw.pl

An attempt at a new start in Czech-Chinese relations

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The Czech president, Milos Zeman, along with a large delegation of businessmen, met the Chinese government and representatives of China's regions and firms on 24–27 October. Intergovernmental agreements between the ministries in charge of the economy, culture, foreign affairs and healthcare, and a number of co-operation agreements between Czech and Chinese regional governments were signed in Beijing, Tianjin and Chengdu. Business agreements concluded on the occasion of this visit concern, for example, strategic co-operation between the Czech-Slovak financial group J&T and CEFC China Energy Company, opening a branch of Bank of China in the Czech Republic, the firm Changhong increasing investments in the Czech city Nymburk and Czech firms' entering the Chinese aviation and food sectors. The Czech government's attempts at signing an agreement to launch a direct airline connection between the two countries proved unsuccessful.

Commentary

- The Czech Republic started to intensify its efforts to improve relations with China in 2012, when Prime Minister Petr Necas, representing the right wing, was governing the country. His efforts are now being continued by President Zeman and Prime Minister Bohuslav Sobotka. The Czech government views China as a priority destination for developing exports. Representatives of the Chinese and Czech governments have met on five official visits, in Prague and Beijing, over the past six months. Czech officials have confirmed on several occasions that their stance on Tibet was the same as China's. also the Czech Republic's approach to the role of human rights issues in relations with China has changed. Czech diplomacy now prefers a broader definition of human rights, emphasising China's achievements in the area of social rights or environmental protection. These moves are criticised by some Czech right-wing parties, which accuse the government of depreciating the legacy of Vaclav Havel and the reputation of the Czech Republic as a country which is sensitive to human rights violations worldwide.
- Political and business circles linked to the Czech Social Democratic Party (which is a member of the government coalition) and the most powerful entrepreneurs support closer co-operation with China. The meeting of Czech and China presidents was attended by Petr Kellner, the wealthiest man in the Czech Republic, whose company named Home Credit was the first foreign company to be granted an independent licence to offer consumer loans in China in 2010. Closer Czech-Chinese relations are also serving the interests of Skoda Auto well, since it sells 25% of its production to the Chinese market,

however most of these cars are manufactured in Chinese factories owned by a German-Chinese joint venture. Czech exports to China have almost doubled since 2009, reaching US$1.7 billion, while imports have grown by 50% within the same period, reaching US$13.9 billion.

- The Czech Republic's traditional export offer includes machines, but it has been making attempts to promote biotechnological innovations and environmental protection solutions on the Chinese market, and at the same time to attract Chinese investment to the Czech Republic, for instance, in the energy sector. Chinese firms are interested in taking part in the Czech project envisaging the construction of new nuclear reactors. However, the Czech government is cautious about this, since this sector is treated as strategic and at the same time as the strongest trump card to play in relations with France, Japan, Korea, Russia and the USA. Further proof that China is interested in the energy sector is the co-operation between the financial group J&T (holder of a 40% stake in the energy company Energeticky a Prumyslovy Holding, EPH) and CEFC China Energy Company, which in the longer term may lead to the Chinese partner taking over part of J&T's shares.