Analyses OSW

CENTRE FOR EASTERN STUDIES 28.10.2015 www.osw.waw.pl

The UK shows its openness to China

Marcin Kaczmarski

The Chinese president, Xi Jinping, paid an official visit to the United Kingdom between 20 and 23 October. What stood out during this visit was the special media coverage and the pomp with which he was received. The British prime minister announced the beginning of a 'golden age' in bilateral relations. A number of economic agreements were signed, worth a total of £40 billion according to the British government's estimates. One of the most important of these provides that the Chinese state-controlled nuclear corporation, China General Nuclear Power Group (CGN), will join the French consortium of *Électricité* de France and Areva, building the construction of the new Hinkley Point nuclear power plant. The Chinese firm acquired one third of the shares, and its investments will reach £6 billion. During the visit, the British officials brought their criticism of China down to an absolute minimum, although numerous voices of criticism were heard from some experts and the British press.

Commentary

- From Beijing's point of view, the way President Xi's visit unfolded reflects the desirable form of bilateral relations between China and European countries: economic openness to the greatest possible extent and restraint in raising issues concerning Chinese domestic and foreign policy. The openness of the British market is especially important in the nuclear and high-speed rail sectors, which have been given top priority in the Chinese economic expansion. In addition to Hinkley Point, Chinese firms will become financially engaged in another power plant in Bradwell, and are likely to be given consent to supply a Chinese-built reactor to one more power plant in Sizewell. It is worth noting that China did not have to open up its market to British goods in return. Furthermore, the British side did not even mention issues such as respect for human rights in China or China's increasing assertiveness in East Asia, including on the South China Sea.
- In addition to the economic benefits, the visit was aimed at building a positive image of China as a key partner for European countries and was intended at dispersing the fears of the negative consequences of China's growth. The UK's greater openness to China will make it easier for Beijing to gain significance in the global economic order. The United Kingdom was the first European country to accept China's proposal to join the Asian Infrastructure Investment Bank in April 2015, and this added credibility to this initiative and encouraged other EU member states to join. London, which is a global financial centre, is able to significantly facilitate the process of the internationalisation of the yuan.

Furthermore, other European countries, especially Germany and France, may compete with the United Kingdom for the position of China's 'best partner' in Europe, offering Beijing further concessions.

- Building closer bonds with the United Kingdom is of strategic importance for Beijing, being an element of the policy aimed at weakening trans-Atlantic relations and the United States' position in the global order. The significance of relations with European countries is growing especially as the USA is drawing closer to reach internal consensus concerning the need to adopt a containment policy with regard to China. London's support for Chinese initiatives and its passive approach towards China's policy in East Asia have provoked a number of negative comments in Washington.