

Assertiveness in retreat. Merz visits China

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On 25–26 February, Friedrich Merz (CDU) visited China for the first time in his capacity as Chancellor. During a joint press statement with Xi Jinping, General Secretary of the Chinese Communist Party and the leader of the People's Republic of China, he stressed that cooperation between the two countries was in their mutual interest and that the framework for such cooperation was 'exceptionally strong'. Both sides agreed to address existing problems through dialogue and expressed support for efforts towards a 'ceasefire and lasting peace in Ukraine based on the Charter of the United Nations'. The ongoing war in Ukraine was mentioned only briefly in the official statements. Merz reportedly asked Xi to exert influence on Russia to bring the invasion to an end. The Chancellor reaffirmed support for the one-China policy and noted that the 'reunification of China and Taiwan' could take place by peaceful means.

Merz was accompanied by a delegation of 30 representatives of German companies. Together with Premier Li Qiang, he attended a meeting of the China-Germany Economic Advisory Committee. The meeting led, among other outcomes, to the conclusion of a strategic cooperation agreement between Bosch and Nio in the field of intelligent electric vehicle technologies. Five additional agreements were signed, including on the continuation of cooperation in addressing climate change. China also plans to order up to 120 aircraft from Airbus. On the final day of the visit, the Chancellor toured facilities operated by Mercedes-Benz and Siemens Energy, as well as those of the Chinese robotics manufacturer Unitree in Hangzhou. He expressed appreciation for the technological sophistication of Chinese companies and encouraged them to invest in Germany. Sino-German intergovernmental consultations are set to resume in late 2026 or early 2027.

The course of the visit indicates that the German Chancellor is retreating from his previously assertive rhetoric towards China and positioning himself as a stable and pragmatic partner in the face of the unpredictable policy of the United States. For its part, Beijing views Germany as a key actor capable of slowing the EU's agenda of reducing dependencies on China and seeks to influence Berlin's political decisions by developing closer cooperation with German companies.

Commentary

- **Given the poor condition of the German economy, Merz seeks to strengthen the strategic partnership with Beijing, even though he is aware of the risks posed by China.** This is reflected in the Chancellor's notably conciliatory tone, his efforts to establish a positive personal relationship with Xi, and his decision to sidestep contentious issues

such as security in the Indo-Pacific. In this context, his remarks on the 'reunification with Taiwan' represented a controversial attempt to secure additional goodwill from Beijing. This stance stands in clear contrast to Merz's earlier position on China: as recently as January 2025 he branded China the leader of an axis of authoritarian regimes. Criticism of Beijing had even led to the cancellation of a planned visit to China by Foreign Minister Johann Wadephul (CDU) (see [Easing tensions: German finance minister visits China](#)).

- **Merz is reverting to the conciliatory approach of his predecessors in economic relations with Beijing.** This also marks the end of the period of relative cooling in bilateral relations caused by the stance **adopted by** Green Party politicians in the cabinet of his predecessor, Olaf Scholz. Although Merz raised the issues of export controls on rare earth metals and China's industrial overcapacity, he did not suggest any retaliatory measures and instead confined himself to calling for the matter to be resolved through dialogue. The Chancellor is guided by the interests of major corporations, including Volkswagen, Mercedes-Benz, BMW and BASF, which seek to avoid protectionist measures that could jeopardise their cooperation with Chinese partners. Economic cooperation with China is declining in quantitative terms. In 2025, German exports to China fell by 9.7% year on year, while the trade deficit increased by €22.4 billion to around €90 billion. Companies point to the benefits for their competitiveness stemming from access to Chinese innovation, a trend that is beginning, unprecedentedly, to place Germany in the position of being technologically dependent on China.
- **Against the backdrop of rising tensions in transatlantic relations, Beijing views Germany as a key partner capable of slowing the EU's agenda aimed at reducing dependencies on China.** Berlin is regarded as an important partner primarily because of strong economic ties, particularly in the automotive sector, which remains deeply integrated with the Chinese market in terms of both sales and supply chains. This dependence continues to grow. In 2025, BMW entered into cooperation with the Chinese company Momenta to develop advanced driver-assistance systems (ADAS) for models intended for the Chinese market. Momenta also cooperates with the Mercedes-Benz Group on autonomous driving technologies. In this context, 'technology diplomacy' is becoming an important element of China's strategy towards Germany. By showcasing its achievements in artificial intelligence and robotics, Beijing seeks to present itself as an innovative and pragmatic partner in future-oriented sectors. Symbolic gestures during the Chancellor's visit to Hangzhou, such as demonstrations of humanoid robots performing dance routines and boxing, were intended not only to reinforce China's image as an innovative state but above all to foster deeper structural technological interdependence with Germany. In the longer term, this may make Berlin less willing to support a more confrontational EU policy towards China.