

FOCUS

'German companies

German ambassador to China Patricia Flor talks to the Post in the wake of Chancellor Olaf Scholz's pivotal China visit in April, with the discussion delving into the spectrum of shared understandings and points of contention between the two sides including climate change, overcapacity, Ukraine and the sensitive topic of espionage arrests

Chancellor Olaf Scholz's visit to China generated a lot of discussion. Some said it was very successful while others criticised him for not being tough enough on issues such as the Ukraine war. What do you think both sides achieved from this trip?

We live in a very difficult geopolitical environment. It is essential that our leaders meet and discuss directly and regularly.

Although we do have differences on issues such as the Russian invasion into Ukraine or the situation in the Middle East, diplomatically, it is very much necessary to discuss and find some common messages nonetheless, which we did.

As the German government mentions in its China strategy: we want to continue cooperation with China while we also need to look at de-risking to reduce critical dependencies.

All of these go together with the chancellor's visit, the upcoming intergovernmental consultations next year, and other intensive dialogue formats on the different fields where China and Germany interact.

It is completely normal in a democracy with free media as in Germany to have a free debate on whether the trip was successful or not.

Why did the chancellor pick Chongqing as his first stop?

Chongqing embodies China's development over the past decades. It is a huge and modern city with a population of 35 million. In comparison, Berlin's population is around 4 million.

The visit was an occasion to look at contemporary city management, such as how to govern a metropolis, organise transport and monitor the water quality.

The chancellor also visited a production site of the German manufacturer Bosch in Chongqing that produces hydrogen fuel cell systems for trucks. It is symbolic of our intention to work with China in countering today's global challenges, such as bringing down emissions in the transport sector.

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China and the European Union share different perspectives on overcapacity and have had heated exchanges on the issue. What is your take? Do you see any middle ground? What would you want to see China do to address its partners' concerns?

The European Union and Germany have been asking for a level playing field for our companies, banks and other institutions in China for quite some time, because this is the underlying issue for overcapacity.

China offers subsidies to certain companies and industries, including financial support at low interest rates. To make things worse, this often leads to overcapacity – companies are not profitable but continue to stay in business instead of going bankrupt, which undermines normal competition.

Overcapacity is the consequence of a missing level playing field. And that must change. Our conversation should be about how we can have equal, fair and transparent conditions.

The chancellor mentioned that very clearly during his visit and suggested to address such issues in the context of the World Trade Organization because it will ultimately become a global issue.

The European Union has taken a hardline approach against China by launching several investigations into Chinese new energy products. Meanwhile, Germany and China promised to cooperate on clean energy, such as developing automated driving, and Berlin said it would scale back restrictions for China's



investment. Is there any inconsistency? If the EU is getting tough on China, then where is the room for Germany to cooperate with China?

If the EU gets tough on China, it is also because Germany and all member states of the European Union decide to empower the EU Commission to launch investigations and take measures to protect the European single market whenever they find evidence that something is wrong, such as dumping, subsidies or unfair support measures. The European Commission then decides on its own authority.

The European single market is an open market. It works under market conditions. It is totally transparent and everybody can look up all of the regulations, but this is not equally true all over the world. At a time where we observe additional restrictions and distortions for trade, it is also necessary for us Europeans to be able to protect our own market.

I don't see any contradiction here with regard to cooperation on clean energy and automated and connected driving, because it is equally true that as we embark on a green transformation in a new technological era, we do need to look for global rules and standards.

During the chancellor's visit, our ministries for digital and transport, and for economic affairs and climate action signed an MOU with the

[Chinese] Ministry of Industry and Information Technology.

When we talk about autonomous and connected driving, we have to think about the standards for the auto driving system, which involve safety standards, data transfer, data exchange on accidents and risk assessment.

That is a field where Germany wants to engage with China in order to find good and safe solutions for automated mobility in the future.

Germany arrested four people on suspicion of spying for China. Beijing strongly denied the espionage and summoned you to protest. What is your take and how can both sides move forward?

First of all, it is always a pleasure to go to the foreign ministry and talk to my Chinese colleagues because it offers me an opportunity to share our thinking and approach, and to have a dialogue with them. So I used this opportunity to make absolutely clear that Germany does not tolerate espionage, regardless of which country is involved.

Secondly, we protect our democracy and our state within the constitutional framework, which means through investigations of our independent judiciary. In this case, the federal prosecutor of Germany is the one initiating the arrests. The court then authorised the warrants. Now we will have a judicial procedure. In the

end, it will be a court deciding about these individual cases.

The German foreign minister visited the Philippines in January and expressed concerns about China's practice in the South China Sea. China perceives the South China Sea as a sovereignty issue, core to its interests and opposes foreign interference. What is the importance of the South China Sea to Germany and why is Berlin taking a position, particularly the plan to send warships? Would it have a potentially negative impact on the relationship with China?

In this regard, I would say that China's approach, its close encounters and dangerous interaction with Philippine ships, are highly problematic

Germany, as well as our partners, is deeply concerned about tensions in the South China Sea and East China Sea. It is very important that everybody respects the United Nations Convention on the Law of the Seas [UNCLOS] and that we don't see any unilateral attempts to change the status quo by force.

The issue matters to maritime shipping and our economic relations.

Employees carry out work on the assembly line of new-energy vehicles at a factory in Chongqing. Photos: VCG, Xinhua, EPA, Simon Song

About half of world trade goes through the South China Sea. A lot of it also goes through the Taiwan Strait, through the Malacca Strait.

That is our lifeline. It is clear that for an economy like Germany, it would be a big concern if we had any stability issues where maritime shipping could no longer freely pass.

It is the second time that the German navy deploys to the Indo-Pacific, including to the South China Sea. It is an implementation of the German Indo-Pacific guidelines. The guidelines highlight the importance of this region in today's world, the importance of the maritime routes and crossings to our national interest and economic interest.

We want to reach out to partners in the region, engage with them on issues of maritime domain awareness, coastguard activities and disaster assistance. That is the intention of this deployment.

We see this as symbol of our interest in making a contribution to stability in the region, but also underline the importance of freedom of navigation and free maritime shipping routes throughout this region.

China says there is no evidence that it is trying to stop other countries' ships passing through the South China Sea or Taiwan Strait, and that freedom of navigation, particularly innocent passage, has always been observed. Beijing thinks foreign countries' concerns are a pretext. Why would other nations step in between the Philippines and China's sovereignty dispute?

My response is a very simple one. China, Germany and many other countries have ratified UNCLOS. And on that particular dispute, the arbitration tribunal gave its opinion in 2016.

What we demand is that everybody respects the law of the sea. And in this regard, I would say that China's approach, its close encounters and dangerous interaction with Philippine ships, are highly problematic.

And if you say that the Chinese view that as a sovereign right – well, but the Philippine view is exactly the opposite.

What we are asking for is to find solutions which are in line with international law. So all parties should respect the UNCLOS decision of 2016 and find an arrangement through agreement, not through military or other aggressive means.

Conflicts could come from different interpretations of international rules and responsibilities. The German foreign minister recently called for China to take greater responsibility in supporting developing nations to combat climate change. But many think China is still developing, with a number of poor regions, and the message was received

German Chancellor Olaf Scholz and President Xi Jinping during the former's visit to China in the capital Beijing last month.



just want a fair fight'



end this war, withdraw its troops and restore territorial sovereignty and integrity for Ukraine.

As a large country with strategic partnership with Russia, and also as a member of the Security Council, clearly there is weight and leverage that China can bring into this discussion.

Economic interaction between China and Russia is also of great concern to us, as we do see critical components and dual use components from China go into Russian military production.

The effort and the intention of the chancellor was also to find some common ground beyond all the differences. There are some elements we agree on, namely, that territorial integrity and sovereignty are essential building blocks for a stable and peaceful order in Europe.

The two leaders also agreed that both countries should, constructively and positively, engage and coordinate on supporting the Swiss initiative for a peace conference in June as one track to promote progress in that direction.

It was also very important to reaffirm the opposition to the threat or use of nuclear weapons, and also oppose attacks against civilian nuclear facilities. We also want to jointly support global food security, protect and promote export of grain from Ukraine.

Everybody should respect humanitarian law and protect the civilian population as we see casualties in Ukraine every day, including women and children.

The Middle East is another global focal point. What kind of opportunity is there for China and Germany to work together to address the crisis there? And what more do you think Beijing can do to help bring peace to the Middle East?

It is our goal to promote and find a way towards a peaceful Middle East where Israel and the Palestinians could coexist peacefully.

Germany has strongly condemned the Hamas attack of October 7 and atrocities that we've seen. To release the hostages is a key and concrete objective right now.

Both Germany and China think the humanitarian situation in the Gaza Strip is absolutely critical and of great concern. We must ensure reliable and unhindered access for humanitarian assistance.

We support the role of the United Nations and both countries call for the implementation of Security Council Resolution 2728 in the hope we can get to a ceasefire and release of hostages.

In the long term, we believe that the two-state solution is the only viable solution for the region. So we will work towards that.

What role do you expect China can play in the Red Sea to stop the Houthi attacks?

Germany and China agree there is a shared responsibility of the global community to ensure that maritime shipping could continue unimpeded in the Red Sea.

China has some contact with the Houthis, which would give a starting point to call on the Houthis to stop the attacks.

The European Union has launched the EU Naval Force Operation Aspides in the Gulf of Aden. We have also conducted an EU-led anti-piracy mission in the Red Sea. China has a naval base in Djibouti. I think the situation calls for some coordination, such as exchanging information, assisting each other in terms of protecting the merchant ships.

People-to-people exchanges were disrupted by the Covid-19 pandemic. Are

German students coming back to China? And, with many Chinese parents and students who want to study STEM subjects overseas concerned about restrictions or discrimination, is there any message to those interested in going to Germany?

We have never barred Chinese students from coming. So if they didn't come, it was not because we had any restrictions. The number of Chinese students in Germany has now recovered to the pre-Covid levels. We are issuing lots of visas again. Germany is still very attractive for Chinese students.

However, it is still very difficult the other way around. So far, the number of German students in China is still quite low. Currently, there are around 1,800 German students enrolled at Chinese universities. Before Covid, there were around 8,000.

There are several reasons for this. China has been basically off-limits for three years, and people are still wondering whether it is possible now to go.

We want a reform which ... enhances possibilities for everyone on this planet to enjoy their rights

There are also some issues such as how to survive as a newcomer to China if one does not have WeChat, cannot use international credit cards, and so on – so there are very practical obstacles for foreigners to come and live in China.

And I should not hide there is a critical discussion in Germany about China with many questions. A major one is China's position regarding the Russian invasion of Ukraine.

For Germans and Europeans, Russia's aggression is an existential threat. This is a nuclear power next to us that just invaded its neighbour. It has really shaken up people. The world is no longer the same after the invasion.

But we see China standing side by side with Russia, not having condemned the invasion, while trade between China and Russia is growing.

The situation casts doubt on China's relation with Germany and Europe. The German public wonders about what this actually means, and if this is conducive to a decision about going to China and studying here.

Exchanges at a higher level probably can help to clarify each other's position. The last time President Xi visited Germany was 11 years ago. Are there any discussions about a possible visit in the near future?

What's currently on the agenda is several ministerial visits. We now see bilateral dialogues and delegations going in both directions and we have a much more normal situation this year. Next year we will have the intergovernmental consultations in China. So it means that Chancellor Scholz will come to China for these consultations.

What opportunities do you see for the two countries to cooperate on political issues at multinational platforms?

It is very important to work jointly to achieve the Paris Agreement goals. Both countries' climate envoys coordinated very closely at Cop28 and will do so for the upcoming Cop29.

Germany is the co-coordinator for the negotiations for the United Nations Summit for the Future in September. We need to engage with China to reach a consensus for the summit.

Germany has, together with some others, called for the reform of the UN Security Council and other institutions for quite a long time because the Security Council does not reflect today's world. It was created in 1945 under very special conditions and it needs to be reformed.

We have also supported several initiatives to restrict the veto powers. There are big questions of how to do the reform. A UN where the key body is not representative of today's world has limited sway and limited credibility.

We also insist everything that was achieved so far should be preserved, such as the Human Rights Conventions, the international tribunals and other bodies of the United Nations that deal with different issues.

We want a reform which makes these institutions better, enhances possibilities for everyone on this planet to enjoy their rights, including social rights, development rights and political rights. We want a positive momentum as a trademark or quality sign for such a reform.

Interview conducted by Chow Chung-yan, Wendy Wu and Zhuang Pinghui

differently there, as an unreasonable demand from a well-developed Western country like Germany. How can the two countries bridge these very different interpretations and work together to combat global warming?

The question of how we fulfil the Paris Agreement and how we combat climate change together has been identified and highlighted as a key area of cooperation between Germany and China.

That was also confirmed during the intergovernmental consultations last year in Berlin. We have created Climate and Transformation Dialogue. We will see the first, physical official meeting of this dialogue very soon here in Beijing when our Minister for Economic Affairs and Climate Action will be visiting.

We are trying to find ways to cooperate on issues including the loss and damage fund, the Green Climate Fund, the adaptation fund, and biodiversity in which China has played a very important and constructive role.

We now appeal to China to contribute more. China is now the largest emitter of greenhouse gases. In terms of total emission since the late 18th century it is the second largest and on its way to surpass the US.

The consequences of climate changes are being felt globally. It may take a big toll such as on small islands in the Pacific, which may disappear due to the rise of the sea level. It is fair to say, given the amount of emissions, China should contribute to this international effort, support those who need to adapt urgently. And it fits very well with China's objective of having South-South cooperation.

China is moving up the value chain and is also trying to develop its own high-end products. Does Germany see this as competition, a threat or opportunities for cooperation?

China has moved beyond the stage of a developing country. It is normal that we get new competitors.

When I talk to German companies in the car industry, they say that fair competition is healthy, leads to innovation and that they are ready to take on this challenge. They can compete and want to compete.

German companies will again prove that they can offer high-quality products. It is up to the consumer to decide what to buy.

At the same time, which was very evident when Chancellor Scholz and Premier Li Qiang met the advisory China-German Business Council, German companies urged for a level playing field to ensure fair competition.

This has many elements: as we move into the green transition, trying to get to sustainable mobility and

protecting the environment, it relates to which standards we are using.

Germany has, for example, very high environmental and social standards that our industry needs to comply with, while the standards are much lower in other countries. As a result, we have an imbalance that we need to look at.

In principle, Germany's prosperity is built on a free and open world market. The demand for technology, especially in this green transformation, will be so big that there is room for many players from different countries to compete.

While Germany and China are cooperating on standards in new industries such as autonomous and connected driving, the US and EU are also working on standards in the digital arena. How will Germany balance its position between China and the US?

Our ambition should be to work out a set of standards, take it to an international or multinational body and aim at an agreement by all. It is necessary to build mutual confidence and agreement in order to set up standards which are acceptable to all sides globally.

It is key to find common ground between all of these different actors in order to move forward. I think the debate about space and space governance is a similar one. So we have many fields where it is no longer

sufficient to regulate the local market, but we need to think about the common standards for all.

Germany has been very committed to finding the common ground for these questions. We just think that it is essential to talk to China and our other partners as well.

It was also very important to reaffirm the opposition to the threat or use of nuclear weapons, and also oppose attacks against civilian nuclear facilities

Russian President Vladimir Putin will visit Beijing soon. The Ukraine war has dragged into its third year and people want to see a solution to this global crisis. What role do you think China can play in this, and what kind of message are you hoping it will convey to Putin? What other realistic goals and solutions could China bring to the table?

We are still waiting for China, as a permanent member of the Security Council, to condemn this war of aggression, which clearly violates the UN Charter.

During his press conference in Beijing, Chancellor Scholz called on President Xi Jinping to push Russia to

Rescuers battle to extinguish a fire at the site of an overnight missile strike on private buildings in Kharkiv in northeastern Ukraine on Friday.

