Policy Paper No. 13
December 10, 2021

Belarus–China Relations in 2021

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Summary

The Ryanair airplane incident in May 2021 became a new starting point for Belarus's international relations. The rapidly escalating tensions between Minsk and the West and especially the unprecedented sanctions slapped by the latter brought about changes to the very structural foundation of Belarus's foreign policy and the security framework in the East European region. Minsk Dialogue experts analyze the impact of these processes on Belarus's relations with its key partners in a special series of policy papers.

Contents

1 Main trends in the bilateral relations after May 2021
2 Major developments and processes in the relations after May 2021
3 The Great Stone Industrial Park
4 Belarus's and China's official stances
5 Forecast

Main trends in the bilateral relations after May 2021

- In the political track, bilateral engagement evolved quite fast, including mutual support in international organizations and harmonization of positions. Interparliamentary cooperation was marked with sporadic projects. Belarus emphasized the positive backdrop of political interaction as an example of alternative opportunities and prospects as opposed to Western sanctions.
- Regional, humanitarian, and medical cooperation also expanded. The Year of the Regions of Belarus and China was declared as a continuation of the regional cooperation trend and a new batch of the Chinese Sinopharm COVID-19 vaccine was delivered.
- The Great Stone China-Belarus Industrial Park saw marked alterations to its special legal treatment — expansion, clarifications, and streamlining — as a new version of the presidential decree aiming to further improve the CBIP's legal framework was adopted (in June) and came into effect (in September).

Major developments and processes in the relations after May 2021

Political cooperation was promoted throughout the period. In July, a high-level meeting was held — First Deputy Prime Minister Mikalai Snapkou conducted negotiations with the Minister of Foreign Affairs of China Wang Yi in Tashkent. Representatives of Belarus and China appreciated the status of the development of bilateral relations and mutual support in many dimensions and formats. A substantial delegation led by Snapkou and Belarusian ministers participated online in the China–Shanghai Cooperation Organization (SCO) Forum on the Digital Economy Industry in August. In September, a meeting of the foreign ministers of Belarus and China was arranged on the sidelines of the Dushanbe summit of the SCO heads of state. One of the reported highlights was the "intensification of trade and economic cooperation."

In September, Aliaksandr Lukashenka recorded a video message to the participants of the Global Trade in Services Summit in Beijing, where he pointed to the significance of expanding engagement with China as one of Belarus's key partners in terms of the export and import of services. He also voiced assurances that Belarus "*would continue taking all requisite measures to ensure uninterrupted railway traffic*" along the China–Europe–China route.

During the period under review, cooperation with China as a friendly and supportive nation was frequently addressed in the Belarusian media and statements made by Belarusian officials (R. Halouchanka, M. Snapkou, J. Chebatar, and N. Kachanava), especially when the EU's and U.S.' sanctions were discussed. Belarus's invariable focus was on the positive pace of the two-way trade and furthering of political relations. During the Year of the Regions of Belarus and China opening ceremony in Minsk in August, Deputy Foreign Minister of Belarus Mikalai Barysievich said that the two countries were planning to sign a joint declaration during the following top-level visit. The document will enshrine the new status of Belarus–China relations — "*iron brotherhood, exemplary all-round strategic cooperation and all-weather partnership*."

In May and October, Belarusian officials of various levels repeatedly mentioned China alongside Russia and some other countries (e.g. in South Asia) as promising markets with significant potential for re-directing export flows from the EU and the U.S. amid sanctions, as well as trade destinations with positive development trends. Belarusian Prime Minister Raman Halouchanka said that "*China alone can replace 90% of European and U.S. technologies*." Furthermore, the Ministry of Transport and Communications of Belarus reported that active work was underway with China's *Eximbank* as a possible source of loans for the reconstruction of Belarusian roads to replace funding by European banks.

The Foreign Ministries continued harmonizing their positions in multilateral institutions, including specialized UN agencies, at the level of the deputy foreign ministers of Belarus and the Chinese ambassador to Minsk. The Belarusian ministry also commented on the publication of the U.S. research report on the origin of SARS-CoV-2 and stated that "*Belarus categorically rejects any attempt to politicize and instrumentalize the pandemic*", thereby as good as supporting China's position on the issue.

Belarus once again demonstrated its reciprocal support for China's agenda in the international arena and in June presented the position of more than 60 countries opposing interference in the internal affairs of China with respect to Taiwan, Hong Kong, and Xinjiang at a meeting of the UN Human Rights Committee, which was appreciated at a regular briefing at the Chinese Foreign Ministry on 23 June.

Chinese Ambassador to Belarus Xie Xiaoyun was inalterably active in synchronizing positions with Belarus in international organizations. He was a guest at President Lukashenka's meeting with MPs in late May and had high-level meetings with Natallia Kachanava, head of the Presidential Administration Ihar Sierhiaenka, and had several meetings with deputy foreign ministers of Belarus.

In June, parliamentary engagement also proved rather active – heads of the two Belarusian chambers Kachanava and Uladzimir Andreichanka held an online meeting with the Chairman of the Standing Committee of the National People's Congress of China Li Zhanshu. During the meeting, Andreichanka thanked the Chinese side for its support at the meetings of the UN Security Council with respect to the Belarus issues and said he hoped similar support would be offered when the emergency landing of the *Ryanair* aircraft was considered at the ICAO. He further confirmed the willingness of the Belarusian side to back China in international organizations whenever Xinjiang, Tibet, and Taiwan were addressed.

The Chinese position on the sanctions agenda around Belarus can be traced back to the briefings by the spokesperson for the Chinese Foreign Ministry. During the period under review, Belarus was addressed a few times. On 25 May, a reporter with France's AP news service asked a question about China's stance on the forced landing of the *Ryanair* airplane, and the ministry's spokesperson responded that "*the situation is unclear and escalation should be avoided.*" On 4 June, a Xinhua correspondent asked about the attitude of the Chinese side to the renewal of the U.S. economic sanctions against Belarusian companies, to which the ministry spokesman responded with the standard sanctions-related formula: it is necessary to proceed from the basic provisions

and principles of the UN Charter, comply with international laws, facts and evidence; restrictions should not be applied selectively subject to double standards, and politicization should be avoided.

The Chinese Foreign Ministry's most significant statement on Belarus was made on 22 June in response to the question about the sanctions imposed by the EU, U.S., UK and Canada following their joint statement regarding the ongoing human rights violations by the Belarusian government. Zhao Lijiang, the spokesman for the Chinese Foreign Ministry, said that China was opposed to the unilateral imposition of sanctions in international relations and came out against any external interference in Belarus's internal affairs, and went on to say that China respected Belarus's development path that the country had independently chosen.

In early September, Foreign Minister Vladimir Makei and Chinese Ambassador to Belarus Xie Xiaoyun signed an agreement for the Chinese Ministry of Foreign Affairs to provide gratuitous aid to the Belarusian Foreign Ministry to build up its technical infrastructure. The Chinese Foreign Ministry and the Chinese Embassy in Belarus referred to the document (1 and 2) as "*a minor amount assistance agreement*."

In late September, the first meeting of the Belarus-China working group on trade facilitation was held online. Discussions were led by Belarus's Deputy Minister of Economy Anzhalika Nikitsina and Second Inspector of the Department of Eurasia of China's Ministry of Commerce Yang Xiumin. The agenda for the discussion was reported to include instruments to remove obstacles to two-way trade, such as the accreditation and certification of Belarusian products, logistics networks, transport cooperation, the setup of joint manufacturing facilities, cooperation between industry associations and chambers of commerce of Belarus and China.

In early October, the Council of Ministers of Belarus published its resolution on the opening of the consulate general of Belarus in Hong Kong starting in late 2021. Possibilities for opening a representative office of this level had been explored for a few years; the new consulate will enable Belarus to expand its presence in the region as a whole, in addition to the country's available local contacts in Hong Kong.

The Great Stone Industrial Park

In June, presidential decree No. 215 dated 11.06.2021 on the improvement of the special legal framework for the operation of the China–Belarus Industrial Park (CBIP) was signed and published. It was preceded by a meeting with the president that discussed

the draft decree prepared by the government. The new version of the decree is designed to remove red tape in the work with investors. Specifically, it envisages:

- Additional administrative services to become available locally, rather than in district or regional executive committees;
- Deadlines for a number of design operations and procedures to be reduced;
- The concept of large (anchor) investors (with projects in excess of USD 50 million) and special preferences applicable to such investors to be introduced;
- Preferences for start-ups (income tax exemptions from the sale of shares or equity stakes) to be adopted;
- Options, option agreements, and convertible loans to be introduced.

The new version of the decree contains a provision that makes it possible to significantly expand the preferential treatment. Based on specific decisions by the Belarusian government, preferences under the decree can be applied to companies located outside the CBIP, provided they are involved in the equity or production process of the resident. The CBIP's areas of operation were expanded to include biopharmaceutical production, the manufacturing of medical products, medical services, laboratory diagnostics, 5G and AI technologies, the creation of subpark infrastructure to attract start-ups, residents and investors, and the organization of the development of unmanned automobile transport.

Significant simplifications were introduced in the provision of medical services – they are allowed to be provided within the CBIP subject to exemptions from the local confirmation of qualifications, whereas deadlines for registration and re-registration of medicines and medical devices have been reduced. Decree No. 537 of the Council of Ministers dated 17 September 2021 further streamlined the process of preparing and issuing permits for the construction of facilities in the CBIP and a number of related issues as part of the overall process to improve the legal framework for the Great Stone.

On 17 September, the new version of the decree came into force, and the first start-up (an "innovation entity") – LLC Cropfleet – was registered in the CBIP to pursue a manufacturing project to make drones used for the application of plant protection products. A total of 11 new CBIP residents were registered between May and October.

Belarus's and China's official stances

During the months under review, the Belarus-China relationship was for the most part impacted by the sanctions imposed by the EU, UK, U.S., and Switzerland against certain individuals, companies, and organizations of Belarus in response to local and regional

developments, rather than those regional events themselves (the *Ryanair* flight incident in late May, the migration crisis, etc.). Beijing's reaction to the forced plane landing was rather reserved: a spokesman for the Chinese Foreign Ministry commented only on the ambiguity of the situation and the need to avoid escalation. However, when the EU, the United Kingdom, and the United States slapped new sanctions and restrictions against Belarusian individuals and companies, the response of the Chinese side changed to the condemnation of unilateral sanctions and calls for non-interference in Belarus's internal affairs.

The pressure of the U.S.' sanctions on China and of the restrictions imposed on Belarus by the United States, the EU, the United Kingdom, and some other Western countries became an additional driver for the two countries to harmonize their positions in the international scene and pursue further synchronization on a broad range of issues. Belarus made a number of statements in support of China's position at the UN sessions focusing on matters of importance to China – the origin of COVID-19, the issues of Taiwan, Tibet and Hong Kong – and formed a closer coalition with China when voting in international organizations.

China continued supporting Belarus by supplying the Sinopharm-made COVID-19 vaccine as gratuitous aid (500,000 doses of the vaccine in September, whereas another 1 million doses were bought by Belarus), implementing some projects financed from technical and economic assistance (a swimming pool and a football stadium in Minsk), and rendering gratuitous aid to Belarusian ministries (for example, to the MFA in September).

Forecast

Despite continued rapprochement and harmonization on international issues that have evolved under the influence of sanctions against Belarus, progress in the political track may significantly differ from the economic engagement. Further deterioration of Belarus's relations with the EU, the United States and other countries and the deepening and expansion of sectoral sanctions against Minsk may undermine projects with Chinese investments in Belarus, which are focused on Western markets and/or involve Western partners.

Humanitarian and medical cooperation will continue without losing their relevance during the next COVID-19 wave. These areas of cooperation will also be promoted in the context of the Great Stone Industrial Park in accordance with the new version of the decree to improve the legal framework for the CBIP envisaging an expansion of its operations (biopharmaceuticals, medical products, medical care, etc.).

Belarusian exports of food products to China will also keep growing in absolute terms; however, the share of food in the total exports will increase only moderately.

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