

## UKRAINIAN-CHINESE RELATIONS AND THEIR FUTURE IN THE POST-BIPOLAR WORLD

### INTRODUCTION

The late 1980's and early 1990's saw a breakthrough in modern Chinese concepts of foreign policy as the peaceable development with other countries became the country's priority. The guiding idea was to secure several decades of undisturbed work and make sure that China does not engage in international conflicts. As the "cold war" was put to an end, Chinese policy-makers realised that neither military treaties nor any political system could guarantee peace and security [17, p. 32]. The new concept of security for the People's Republic of China, as China's leader Jiang Zemin explained in an address delivered at the 16<sup>th</sup> Congress of the Communist Party of China in November 2002, is founded on the principle of mutual trust, bilateral profits, equality and coordinated operations among countries [15]. The concept can certainly be viewed as the chief principle of China's domestic strategy and the central element of the country's current foreign policy. It embodies the tendency to further reduce the role and influence of the old-time rules espoused of the "great developing power" and to enhance the global assets of the "great power." Beijing officially seeks friendly relationships with neighbour countries and strives to optimally use the opportunities available at present. Chinese diplomacy is crucially informed by the idea of amity with neighbours, with transparency serving as a means to gain new friends and partners.

The theme that this paper addresses is all the more pertinent as China's role as a global player on the international arena is increasing, defining alternative directions in Ukraine's foreign policy is becoming urgent, and Ukrainian-Chinese relations, recognised in 2011 as strategic, are dynamically developing and improving. A leader among the countries of Asia and the Pacific, China is one of Ukraine's top ten trade partners [7, p. 30]. To modernise, Ukraine needs collaboration with the world's leading political and economic actors, one of them being, importantly, the People's Republic of China [3, p. 10]. This paper aims to analyse the crucial stages in the development of Ukrainian-Chinese relations and their current shape as well as to outline future perspectives of relations between Ukraine and the People's Republic of China.

## THE LEGAL AND TREATY BASE OF UKRAINIAN-CHINESE RELATIONS

In terms of legal texts and treaties, the countries' bilateral cooperation is based on nearly 300 documents. The most important of them include The Joint Communiqué on the establishment of diplomatic relations between Ukraine and the People's Republic of China (04.01.92), the Joint Ukrainian-Chinese communiqués (31.10.92 and 24.06.95), the Joint (Kiev) Declaration between Ukraine and the People's Republic of China (06.09.94), the Declaration on development and intensification of friendship and cooperation between Ukraine and the People's Republic of China (04.12.95), the Joint Declaration of Ukraine and the People's Republic of China on friendship and comprehensive cooperation in 21st century (21.07.01), the Joint (Beijing) Declaration of Ukraine and China (18.11.02), the Joint Statement by Ukraine and the People's Republic of China regarding the comprehensive increase of Ukrainian-Chinese relations of friendship and cooperation (02.09.10), the Basic Directions of the development of relations between Ukraine and the People's Republic of China for 2010-2012 (02.09.10), the Joint Declaration on the establishment and development of strategic partnership between Ukraine and China (20.06.11) and also Treaty of Friendship and Cooperation between Ukraine and China, Joint Declaration to further deepen the strategic partnership and Program of the development of strategic partnership between Ukraine and China in 2014-2018 years (all three documents — 05.12.2013) [1].

A range of documents are fundamentally relevant to the overall shape of the bilateral relations. The key bilateral document in the context of Ukrainian-Chinese cooperation advancing onto a new level is the Joint Declaration on the establishment and development of strategic partnership between Ukraine and China. Before it was signed, a prior Agreement between the governments of Ukraine and the People's Republic of China had served to establish the Cooperation Committee, which has become a major platform for the implementation of partnership relations. Currently the Ukrainian-Chinese strategic partnership is executed based on the Joint Declaration to further deepen it and the Program of Development in 2014-2018.

## EVOLUTION OF AND MILESTONES IN UKRAINIAN-CHINESE RELATIONS

China recognised Ukraine's independence on 27 December, 1991. The diplomatic relations between the two countries were first established on 4 January, 1992. In March 1993, the Embassy of Ukraine in the People's Republic of China was opened. Ukraine's general consulate in Shanghai has been in operation since August 2001, serving the provinces of Anhui, Fujian, Jiangxi, Jiangsu, Zhejiang and the city of Shanghai. The Embassy of the People's Republic of China in Kiev was opened in 1992, and in 2006 the Chinese consulate general was established in Odessa,

which operates in the Autonomous Republic of Crimea, the oblasts (provinces) of Donetsk, Zaporizhzhia, Kirovohrad, Mykolaiv, Odessa and Kherson and the city of Sevastopol [7].

In October 1992, the first state visit of President of Ukraine L. Kravchuk to the People's Republic of China took place, commencing a series of reciprocal visits of the two states' highest leaders and laying the foundation for the bilateral legal and treaty base. In September 1994, President of China Jiang Zemin came to Ukraine for an official visit, and in December 1995 a state visit of Ukraine's President L. Kuchma to China was held. In this way, the direct relations between the leaders of the two countries were ultimately confirmed as high-profile ones. Active contacts between state and government institutions of Ukraine and the People's Republic of China were developed. In April 1993, Chairman of Ukraine's Verkhovna Rada (Supreme Council) I. Plyushch came on visit to the People's Republic of China, as did Vice-Prime Minister V. Shmarov in April 1994. In June 1995, Premier of the State Council of the People's Republic of China Li Peng paid a visit to Ukraine, followed by Qiao Shi, Chairman of the Standing Committee of the National People's Congress, in March 1996. In turn, in December 1997, Ukraine's Prime Minister V. Pustovoitenko came on a visit to China. The tradition founded in this way was sustained for years to come as attested by a series of subsequent visits, including a visit of the Chinese Deputy Premier of the State Council to Ukraine in March 1999, a visit of Vice-Chairman of China's People's Political Consultative Conference Chin Cheng Junsheng to Ukraine in July 1999, a visit of Deputy Chairman of Ukraine's Verkhovna Rada S. Havrysh to the People's Republic of China in April 2000, and a visit of Chairman of the People's Republic of China Jiang Zemin to Ukraine in July 2001 [9, p. 33]. In 2002, L. Kuchma paid a state visit to China, and in 2003 Ukraine's President came to Hong-Kong for an official visit [5].

Later, however, the visits were discontinued because of the Ukrainian party's negligence, which impaired the development of the bilateral relations. Sadly, Ukraine failed to tap the considerable opportunities that arose in the wake of the Olympics in Beijing (2008) to promote its interests to its best advantage [5].

A breakthrough in relations between the two states came in 2010–2011, when political contacts at the highest level were resumed and strategic partnership was established. The revival of the political dialogue between the countries was initiated by the meeting of their leaders during the Nuclear Security Summit in Washington in April 2010, where the two parties declared to seek to intensify the dialogue [8, pp. 30 — 31].

The visit of the President of Ukraine to the People's Republic of China on 2 September 2010 proved a historic one [3, p. 10]. The resumption of the dialogue at the highest level was a vital prerequisite of Ukraine and China's successful collaboration in trade, economy, science,

technology and culture. The simple and straightforward communication of Ukraine's President with China's leader crucially fostered enhanced mutual trust between representatives of governments and business circles of our countries [5]. During the visit thirteen bilateral documents were signed to secure the USD 4bln-worth investments for Ukraine. One of the most important documents was Basic Directions of the development of relations between Ukraine and the People's Republic of China for 2010-2012 (Road Map) [9, p. 6]. The signatory parties expressed readiness to implement effective measures to make the bilateral relations strategic and to take maximum advantage of the available cooperation potential [3, p. 11].

Another important event, which actually came to be called historic, was an official visit of Hu Jintao, President of the People's Republic of China, to Ukraine. The essential, key outcome of and conclusion to the visit was the signing of the Joint Declaration on the establishment and development of strategic partnership between Ukraine and the People's Republic of China. The document announces the commencement of strategic partnership between the two countries and defines the rules underpinning their relations. Special emphasis is put on bilateral support for the states' sovereignty and territorial integrity, respect for their individual development paths and bilateral non-use of force or threat of force [13, p. 59].

Essentially, during the negotiations in Kiev, in the small group involved and among the delegation ideas surfaced to expand the pragmatic substance of bilateral relations [13, p. 59]. China is one of Ukraine's most important strategic partners and its second-biggest goods trading partner. Ukraine postulates to strengthen trade and economic contacts with China and to enhance cooperation in science and technology, including space exploration, aircraft industry development and joint infrastructure projects. According to the 2015 statistics, Ukraine-China trade in goods was worth \$7.074bln, with exports of Ukrainian goods to China accounting for \$3.557bln thereof. In January-June 2016, Ukraine-China trade reached \$3.525bln, exceeding the figures for the analogous period of 2015 [7].

The latest visit of the President of Ukraine in the People's Republic of China (December, 2013) was marked by the signing of the Treaty of Friendship and Cooperation between Ukraine and China and the Joint Declaration to further deepen the strategic partnership. Also, the parties agreed on the Program of the development of strategic partnership between Ukraine and China in 2014-2018.

In January 2015, Ukraine's President P. Poroshenko and Premier of the Chinese State Council Li Keqiang met during the World Economic Forum in Davos. In October 2014, Ukrainian Foreign Minister P. Klimkin met with Chinese Foreign Minister Wang Yi at the ASEM summit in Milan.

Relations between the two states' parliaments are quite robust, too. Currently, within Ukraine's Verkhovna Rada there is a Ukraine-China interparliamentary contact group headed by MP A. Pavelko. In China's National People's Congress, there is a group of friendship with Ukraine, led by Fu Ying, Head of the Committee of Foreign Affairs. The interparliamentary relations were showcased in June 2015, when a group of Ukrainian MPs headed by J. Lutsenko visited the People's Republic of China.

The development of cultural cooperation is powered by the Sub-Committee for Cooperation in Culture, which is part of the Intergovernmental Cooperation Committee. At the second meeting of the Sub-Committee (September, 2013), the parties adopted the Program of Cultural Cooperation between the Ministry of Culture of Ukraine and the Ministry of Culture of the People's Republic of China in 2013-2017.

The projects that are currently being implemented or planned for implementation in Ukraine funded from Chinese export credits include:

1. "Air Express," under which passenger rail service between the city of Kiev and the Boryspil international airport is organised and several other infrastructure elements of the Kiev Region are constructed (cost: \$ 372mln).
2. Joint projects under the Memorandum of mutual understanding between the Ministry of Agrarian Policy and Food of Ukraine and the Export-Import Bank of China about collaboration in agriculture worth \$3bln.
3. Joint projects in energy production under a \$3.65bln credit agreement between the National Joint Stock Company Naftogaz of Ukraine and the China Development Bank; specifically, construction of a carbon gasification facility at the Odessa Portside Plant, modernisation of several Ukrainian CHP plants, construction of a gas connector between Ukraine and Poland and modernisation of the PJSC Shebelynka Gas Processing Plant.
4. Pilot project of building mortgage-financed council flats in Kiev totalling at \$1bln under the Memorandum of understanding concerning cooperation in building cheap housing in Ukraine between the Ministry of Regional Development, Building, Housing and Communal Living and Chinese state-owned CITIC Construction Co., Ltd.
5. Execution of the third five-year Program of Cooperation in the Space Sector (2011-2015) and development of the fourth program (in 2016-2020).

The long-term focus of strategic economic cooperation with the People's Republic of China is Ukraine's direct involvement in the implementation of the Silk Road Economic Belt initiative put forward by the President of the People's Republic of China. Specifically, China has made Ukraine an offer of establishing a free trade zone. The idea was presented by China's Ambassa-

dor Du Wei at the 1<sup>st</sup> Ukraine Silk Road Forum held in Kiev on 7 November 2016. The projects listed above also tie in with the Chinese concept of building the Silk Road Economic Belt, attesting to the inherent diversity of the concept and considerable advancement of its implementation forms.

## CONCLUSION

The global interests and limited resources of its foreign policy incline China to focus its energies on high-priority directions of its world policy. Consequently, Ukrainian-Chinese relations are further developed primarily in the fields of economy, investments, agriculture and finances.

In the future, Ukraine-China foreign trade agreements can use the renminbi instead of the dollar. Given that Ukraine is a direct importer of Chinese goods, the transition to the national currencies in foreign trade agreements will help reduce the demand for the dollar on the Ukrainian foreign exchange market.

With relatively low interest rates in place, credit cooperation (especially in the agriculture, industry and power-production credit sectors) will boost the development of the credit-extending entities and the diversification of credit income.

As China's foreign policy is exceptionally pragmatic while Ukraine's economic growth indicators have been low in recent years, modernisation of the Ukrainian infrastructure has proved a challenge and Ukraine has faced some serious territorial problems, Ukraine-China relations are likely to steadily develop, however, without taking on a fully-fledged strategic form in the nearest future.

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