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WORLD

Germany's Olaf Scholz Puts Business First in Beijing Visit

Chancellor's meeting with Chinese leader Xi Jinping, his first, comes amid rising suspicion of China in Germany and the West

By *Sha Hua* [Follow](#)

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On a visit to Beijing on Friday, German Chancellor Olaf Scholz let a focus on business ties take precedence over calls to keep a distance from China, make human-rights concerns a priority and squeeze Beijing on its unwillingness to condemn Russia's war in Ukraine.

Mr. Scholz, the first European Union leader to visit Beijing since Russian invaded Ukraine in February, used his whirlwind 11-hour visit to sign business deals and announce new areas of cooperation, reaffirming a once-cozy relationship that has come under strain as Beijing has adopted a harder-edged stance in its dealings with the West and as political pressure has mounted within Germany to lessen economic dependence on China.

Mr. Scholz's visit, part of a flurry of diplomacy by Chinese leader Xi Jinping as he embarks on a fresh five-year term in power, has stirred concern in Washington, U.S. officials said, after months during which the U.S. and its main democratic allies largely worked in unison to respond to Russia's assault on Ukraine.



German Chancellor Olaf Scholz with members of the German delegation during their meeting with China's top leadership on Friday.

PHOTO: KAY NIETFELD/ZUMA PRESS

Russia's war—and the entente between Beijing and Moscow—helped Washington get European allies more involved in countering China. Mr. Scholz's visit is now providing an opening for Beijing, the U.S. officials said. "China's agenda is to divide through commerce," one of the officials said.

Leaders of the Group of Seven leading nations, including Mr. Scholz, this summer issued a statement criticizing China for activities including supporting Russia, running up debts of poor countries and trying to coerce Taiwan. Allies such as the U.K., France and Canada have increased their military presence in the seas around China and the Pacific islands, where Beijing is trying to expand its influence.

The visit Friday harked back to the days when Germany's relationship with China was largely centered on commerce and other exchanges—ties that Mr. Scholz has sought to sustain, despite calls back home to take a tougher stance on China.

Mr. Scholz said Friday that China had agreed to approve BioNTech SE's Covid-19 vaccine for foreign residents, and would discuss a pathway for the vaccine to be administered to the broader population. Chinese regulators had abruptly halted plans last year to approve domestic distribution of the German-developed shot, without explanation.



The German chancellor traveled with a delegation of chief executives of a dozen German companies.

PHOTO: KAY NIETFELD/ASSOCIATED PRESS

China also signed an order to buy 140 Airbus SE jetliners for about \$17 billion, according to a statement from the Chinese state agency that purchases aircraft. An Airbus spokesman said the agreement covers pre-existing orders, without elaborating. In July, China placed a large order on behalf of three of its biggest airlines for 292 Airbus jets.

“It’s good and right that I’m here in Beijing today,” said Mr. Scholz, who also unveiled new collaborations on public health and climate.

This week, Mr. Xi also welcomed counterparts from Vietnam, Pakistan and Tanzania. Later this month, Mr. Xi will head to a summit of the Group of 20 major economies in Indonesia, where he could meet with President Biden.

The visit by Mr. Scholz follows a dozen by his predecessor, Angela Merkel, a champion of closer economic ties with China.

Asked about Mr. Scholz’s China trip, John Kirby, a U.S. National Security Council spokesman, said that the U.S. sees the “logic behind Mr. Scholz’s decision” given that the chancellor and Mr. Xi had never met. In going to Beijing, U.S. officials said, the Biden administration urged Mr. Scholz to carry a strong message about China’s use of coercion against some countries and other actions the U.S., Germany and its allies have previously objected to.

Mr. Scholz used some of his time with Mr. Xi to discuss the Ukraine war, calling on Mr. Xi to exercise his influence to press Russia to adhere to principles of national sovereignty and territorial integrity, he said during a press conference.

Mr. Xi called for Germany and the EU to play a key role in promoting peace talks, according to China’s state-run Xinhua News Agency, adding that he supports building a “balanced, effective and sustainable European security framework” —language seen in the West as a rebuke of the North Atlantic Treaty Organization.

China has said that it is neutral in the conflict, though Mr. Xi and Russian President Vladimir Putin have lavished praise on one another since the invasion began in February, shortly after the two men pledged a “no limits” partnership.

Mr. Xi has yet to speak with Ukrainian President Volodymyr Zelensky since the war began.

Messrs. Xi and Scholz also agreed to oppose the use or threat of use of nuclear weapons, according to Mr. Scholz and Xinhua's report. That language amounted to a measured warning to Mr. Putin from Beijing, said Noah Barkin, Berlin-based managing editor of Rhodium Group, a China-focused consulting firm.



German Chancellor Olaf Scholz was received with military honors Friday in Beijing's Great Hall of the People.

PHOTO: KAY NIETFELD/ZUMA PRESS

One of the testier political exchanges took place even before Mr. Scholz touched down in Beijing. In an op-ed published earlier in the week, Mr. Scholz suggested that he wouldn't shy away from addressing alleged human-rights abuses during his visit. When asked about the op-ed on Thursday, Chinese Foreign Ministry spokesman Zhao Lijian warned against "using human rights discussions as a pretext to interfere in China's internal affairs."

Still, economic cooperation remained the main focus of the visit. Mr. Scholz was accompanied by chief executives from a dozen German companies. In addition to the BioNTech chief executive, Mr. Scholz was joined by the heads of chemicals giant BASF SE, financial conglomerate Deutsche Bank AG and auto maker Volkswagen AG, which makes 40% of its sales in China, according to people familiar with the trip planning.

In a reminder of China's reluctance to loosen pandemic containment measures,

elaborate Covid-19 requirements were imposed on the visitors, who had to undergo PCR testing upon arrival and await negative test results before their meetings, according to German officials. Mr. Scholz was tested by a German doctor aboard the plane.

Those on the ground in Beijing meeting with the Scholz delegation, including German embassy staff and Chinese business executives participating in round-table meetings, were subjected to a quarantine and will have to self-isolate in a hotel and then at home for 10 days after the visit.



Departing Chinese Premier Li Keqiang is introduced to visiting members of the German delegation in Beijing on Friday.

PHOTO: POOL/VIA REUTERS

The Chinese business delegation included executives from car maker Geely Automobile Holdings Ltd., artificial-intelligence company SenseTime Group Inc. and Bank of China Ltd, the people said.

In the meetings, which were attended by Mr. Scholz and outgoing Chinese Premier Li Keqiang, German business representatives pushed China to relax its stringent Covid policy, especially for incoming travelers, the people said.

They also criticized what they saw as a regression in China's market overhauls and hurdles to cross-border data transfers created by China's cybersecurity law, the people said.

Mr. Scholz said he had expressed concern that access to China's market had become increasingly difficult amid China's increased push for economic self-

sufficiency. He also said that Berlin would support German and European companies in efforts to diversify their supply chains and sources of raw material.

Mr. Scholz's trip was set against a backdrop of domestic and international skepticism. A poll conducted ahead of the visit by German public broadcaster ARD found that nearly half of respondents want Germany to reduce economic cooperation with China, with 63% regarding China as a threat to global security.

By calling for deeper economic ties, Mr. Scholz effectively flouted calls by the U.S. and other like-minded countries for a more skeptical approach to Beijing, Rhodium's Mr. Barkin said.

Though some German businesses are hedging their bets by drawing up plans to diversify into Southeast Asia, China remains the biggest growth market for many German companies. "That is why investments keep coming in," Jens Hildebrandt, executive director at the German Chamber of Commerce in China, said in an interview.

On Thursday, a day before Mr. Scholz's departure, foreign ministers from the Group of Seven major economies opened two days of meetings in the German city of Münster, where senior U.S. officials expressed caution over Germany's increased economic engagement with China, including Mr. Scholz's Beijing visit.

Mr. Scholz's visit, complete with a business delegation, is a sign to some observers that the chancellor is willing to pursue what Beijing calls an independent policy, even over the opposition of Western allies and members of his own cabinet.

"For China, Germany's not-yet-executed reorientation of its China strategy are empty words for now," said Max Zenglein, chief economist at the Berlin-based Mercator Institute for China Studies think tank.

—Charles Hutzler contributed to this article.

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