

SERBIA AND CHINA: FROM STRATEGIC PARTNERSHIP TO THE COMMUNITY WITH A SHARED FUTURE

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Abstract: The relationship between the People’s Republic of China and the Republic of Serbia has deep historical roots, marked by mutual respect and cooperation. Over the years, the relationship between the two countries developed on the ascending line, parallel with mutual recognition of their potential for strategic collaboration across various sectors, including trade, infrastructure development, cultural exchanges, and scientific research. In that respect, the cooperation between China and Serbia has yielded fruitful results, growing from a strategic partnership to a community with a shared future. The development of this relationship is the focus of this article.

Keywords: Serbia, China, strategic partnership, foreign policy, community with a shared future.

INTRODUCTION

Since 2009, when the Agreement on Strategic Partnership between the two countries was signed, Serbia-China relations can be traced on an ascending line. For Serbia, relations with China became as important as relations with the United States of America, the European Union, and the Russian Federation. In other words, China became one of the four pillars of Serbian foreign policy.

On the other hand, the two cooperation mechanisms China offered—first to Central and Eastern European countries (China-CEEC’s cooperation) and

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later to the entire world (the Belt and Road Initiative)—gave an impetus for continuous, steady relations with China. All potential member countries were invited to decide whether they wished to join these forms of cooperation without any pressure or conditions. The Republic of Serbia was among those who decided positively. It turned out to be an excellent decision because, in the following years, Serbia became an example of extraordinary cooperation, which even led to greater achievements. Even under very complicated circumstances, the quality of political relations between Serbia and China stood the test of time. Both countries remained united in their struggle to defend basic principles of international law and the United Nations. Thus, they managed to keep away the efforts of third parties to interfere in their internal affairs and give each other necessary support and assistance during the COVID-19 pandemic, which shook up the world. Under such unusual circumstances, their relations emerged into an “ironclad friendship”, and, in the post-COVID phase, it developed into a community with a shared future.

RELATIONS BETWEEN SERBIA AND CHINA

The overall assessment is that contemporary (political) relations between Serbia and China are at very high level.

Diplomatic relations between the two countries were established in the middle of the 20th century¹ and have been developing on the ascending line since then. The main reason for preserving such quality is the sincere dedication of both countries to develop their relations based on mutual respect and respect for the basic principles of international law: territorial integrity, sovereignty, and non-interference in the internal affairs of a sovereign country. In other words, Serbia supports the “One China” policy,²

¹ Although the Federal Republic of Yugoslavia recognised the People’s Republic of China in October 1949, diplomatic relations between the two countries were not established until six years later, in January 1955. The reasons for this were of “ideological nature”, i.e., the different attitudes of the two leading parties, the Communist Party of Yugoslavia in FNR Yugoslavia (later the Alliance Communists of Yugoslavia) and the Communist Party of China in the People’s Republic of China, regarding the issue of relations between communist and socialist parties in the international labour movement.

² According to the Ministry of Foreign Affairs of the People’s Republic of China, “the One-China principle is a basic norm in international relations, an established international consensus,

considering Taiwan an inalienable part of China. At the same time, China continuously confirms respect for Serbia's sovereignty and territorial integrity, insisting that the issue of Kosovo and Metohija must be resolved in accordance with the Charter of the United Nations and compliance with the Resolution of the Security Council 1244. China's stance is that an acceptable solution should be found through dialogue and negotiations.

After October 5, 2000, Serbian authorities declared China one of its key foreign policy priorities because the People's Republic of China and Serbia share the same values (Đukanović & Lađevac, 2009). Eventually, that decision led to the signing of the Agreement on Strategic Cooperation with China in 2009 (BBC 2009). The most pragmatic aspect of this deal was obtaining financial resources for the infrastructure development that Serbia had been yearning for in the preceding ten years. Among the first financial "injections" was the loan provided by one of the Chinese Export Import Banks for the construction of the bridge over the river Danube near Borča (Srbija Danas 2014).³

The speed at which this project was finished was exceptionally quick for Serbian conditions. The bridge was opened on December 18, 2014, during the visit of Chinese Prime Minister Li Keqiang to Belgrade.⁴ The bridge opening was not the main reason for the Chinese Prime Minister's visit. He came to Belgrade to attend China-CEEC's leaders' meeting.

Namely, after 2009, when Serbia signed the Agreement on Strategic Partnership with the People's Republic of China, the leadership of the country decided to follow the initiatives for multilateral cooperation proposed by Chinese President Xi Jinping. One of the mentioned initiatives was cooperation between China and Central and Eastern European countries, and the other was the Belt and Road Initiative.

and the political foundation on which China establishes and develops bilateral relations with 183 countries". See more at: Embassy of the People's Republic of China in the Republic of the Philippines (2024 March 19) "The One-China Principle is a Universally Recognized Basic Norm Governing International Relations", retrieved from: http://ph.china-embassy.gov.cn/eng/sgdt/202403/t20240319_11262567.htm. Accessed on: 25 September 2024.

³ "Potvrđen zajam za most Zemun-Borča", B92, 30/11/2010, https://www.b92.net/o/biz/vas_komentar?nav_id=475966, accessed on: 25/09/2024.

⁴ Although the bridge was named after the famous Serbian scientist Mihajlo Pupin, for the majority of people, given the fact that it was built by Chinese workers mainly, it remained known as „the Chinese bridge“.

Serbia's decision to join China-CEEC proved to be a wise and long-term beneficial political decision. During the Belgrade Summit, Serbia and China signed the Memorandum of Understanding on the preparation of a feasibility study for the construction of the Serbian-Chinese industrial zones. Besides this instrument, thirteen other agreements and memoranda were signed, encouraging significant investments and cooperation between the two countries in various fields.

Frequent and regular contacts and meetings between high officials of the Republic of Serbia and the People's Republic of China in 2016 led to the Agreement on the Abolition of Visas for Ordinary Passport Holders (TGRS 2016). This action made possible the realisation of the people-to-people dimension as one of the most important constructive elements in promoting political, cultural, educational, linguistic, and other areas of cooperation. Moreover, the Chinese president visited Serbia after 32 years, announcing that the development of political relations was accelerated by concluding the Comprehensive Strategic Partnership Agreement (Xinhua 2016).

Both sides stressed their six-decade, time-tested "all-weather friendship" and "special brotherly bond", vowing to continue support for each other's core interests and to join hands in promoting world peace and development. "China and Serbia are all-weather friends and important cooperation partners. Our two countries enjoy a profound traditional friendship. Our relations have stood the test of time and history and grown even stronger," Xi told his counterpart Nikolić (Xinhua 2016).

Indeed, economic relations between Serbia and China have significantly improved since Serbia joined the Belt and Road Initiative and the cooperation mechanism between China and Central and Eastern Europe. Serbia's involvement in the Belt and Road Initiative (BRI) represents a significant aspect of its cooperation with China. The BRI is a global infrastructure development strategy initiated by China, aiming to enhance connectivity and trade between China and other countries primarily through infrastructure projects, such as roads, railways, ports, and energy facilities.

As a result of Serbia's BRI engagement, China has invested in and participated in numerous infrastructure projects. One of the flagship projects is the Belgrade-Budapest railway, which is part of the broader China-Europe freight railway network (Rencz 2019). This railway aims to improve

transportation links between China and Europe, facilitating the movement of goods and boosting trade.

In addition to infrastructure projects, Serbia and China have also strengthened their economic ties through increased trade and investment. China has become one of Serbia's major trading partners, with bilateral trade steadily growing over the years (Zakić & Radišić, 2019). Chinese companies have invested in various sectors in Serbia, including energy, manufacturing, and telecommunications.

Serbia's cooperation with China within the BRI framework is seen as a means to attract investment, stimulate economic development, and enhance connectivity with other regions. However, like other countries involved in the BRI, Serbia has also faced scrutiny and debate over certain issues, such as debt sustainability, transparency, and the long-term implications of Chinese investment (Miković 2024).

All things considered, Serbia's participation in the Belt and Road Initiative reflects its efforts to leverage its geographical position and strengthen its ties with China to promote economic growth and development. By leveraging their respective strengths and fostering mutual trust and cooperation, Serbia and China can pave the way for a mutually beneficial and prosperous future partnership. Embracing shared values of friendship, equality, and mutual respect can further deepen their strategic relationship and contribute to peace, stability, and prosperity in the region and beyond.

During the COVID-19 pandemic, which lasted from January 30, 2020, until May 5, 2023, as was officially proclaimed by the World Health Organisation, relations between Serbia and China evolved to the next stage. The Serbian Minister of Foreign Affairs, Mr. Ivica Dačić, was the first foreigner to visit China after the beginning of the pandemic. In addition, Serbia was the first country in Europe to receive vaccines from China in sufficient amounts to immunise all its citizens. Besides vaccines, China sent Serbia other necessary medical supplies, including equipment for two laboratories and a team of medical experts to share their experience with Serbian colleagues. Instead of two weeks, as planned, they stayed for two months, contributing to a new dimension of relations between the two countries. Since then, Serbia and China have maintained an "ironclad friendship".

During the Third Belt and Road Forum for International Cooperation, held in October 2023 in Beijing, Serbia and China signed a Free Trade Agreement

(FTA) (Global Times 2023). As the first trade agreement China signed with one Central and Eastern European country, it signalled a promising step towards strengthening economic partnership and greater trade integration, which can promote joint growth and cooperation between China, Serbia, and their regional partners. Namely, the Serbia-China Free Trade Agreement promotes investment flows and provides new impetus for trade cooperation and economic growth between the two countries. At the end of 2023, the central banks of Serbia and China signed a Memorandum of Cooperation on establishing RMB clearing arrangements in Serbia, which is conducive to Serbian and Chinese enterprises and financial institutions using RMB for cross-border transactions and further promoting bilateral trade and investment facilitation. The Serbia-China Industrial Park is currently being developed in collaboration between the two parties, which is anticipated to advance further Serbia's technological and manufacturing development.

Both nations can strengthen trade relations outside the FTA's framework by expanding their economic exchanges beyond traditional sectors. Exploring new avenues such as e-commerce, technology transfer, and innovation cooperation can foster long-term economic benefits for Serbia and China.

Embracing sustainable development practices and green technologies can address environmental challenges and promote ecological balance. To build a greener future, Serbia and China should collaborate on various initiatives, such as renewable energy projects, environmental protection measures, and sustainable urban development. They have similar concepts in the field of green development and work together to create a cleaner and greener future. Wind power, photovoltaic, and other projects funded and built by Chinese companies have brought clean energy to Serbia, helping Serbia achieve its goal of carbon neutrality by 2050. The "Clean Serbia" project in which Chinese companies participate covers the construction of municipal sewage pipe networks and sewage treatment plants in many areas of Serbia, thus providing a cleaner and healthier living environment for millions of residents.

The Free Trade Agreement has enormous potential but also represents a homework assignment for the entire Serbian government and the Serbian Chamber of Commerce. It is not easy to emerge in a wide market, so they should do their best to implement it. Other investors will also find the FTA

with China significant since Serbia is in a position to build vital infrastructure, which is crucial for investment.

A new phase of relationship development between the two countries started during the May 2024 visit of President Xi Jinping to the Republic of Serbia. The Chinese president's second visit in eight years opened up new perspectives for cooperation. Namely, during the two-day visit, the ironclad friendship between Serbia and China was confirmed and even raised to a new level by signing the Statement on deepening and improving the comprehensive strategic partnership and building the community of Serbia and China with a common future in the new era. In other words, Serbia is the first country in Europe to embrace the global Chinese initiative that advocates for beautiful and hard-to-achieve principles, such as peace in the world, common security, and the development of different regions on the planet. Knowing that Serbia was the first in this part of Europe to sign the Comprehensive Strategic Partnership Agreement with China in 2016, it is easy to conclude that we are witnessing the creation of a new chapter in the bilateral relations between the two countries.

CONCLUSION

Despite all obstacles, Serbia and China have a well-developed and multifaceted cooperation that may be attributed to their shared values. Namely, the two countries are deeply connected by their joint struggle to preserve principles of international law and the United Nations as the guardian of world peace and security. Political relations between Serbia and China have an additional quality because both are sincere advocates of the unambiguous implementation of international law principles, primarily the principle of respect of territorial sovereignty and integrity and the principle of non-interference in the domestic affairs of other countries. United around these principles, the People's Republic of China strongly condemns pressures to which the Republic of Serbia is exposed related to the status of its southern province, Kosovo and Metohija. On the other hand, Serbia holds a firm position on "One China" and disagrees with attempts to interfere in China's internal affairs on the grounds of alleged human rights breaches.

Since China-Serbia relations have recently progressed to the community with a shared future, all efforts in the upcoming period must be directed towards attaining the greatest outcomes possible.

Undoubtedly, the existing strategic and comprehensive partnership between the two countries guarantees the stability of their ties and offers a broad basis for further development of cooperation. In that sense, even the sectors like agriculture, services, energy, health, etc., can be improved. Serbian agriculture offers great opportunities for improving economic cooperation with China in farming (production of grains, seeds, fruits, vegetables, etc.), animal husbandry (production of pork, lamb, beef, milk, oil, wine, etc.), and related processing industrial activities. Ownership or joint ventures with Chinese companies would greatly facilitate the export of these sectors to the Chinese market. Since the Free Trade Agreement entered into force on July 1, important conditions for improving the export of Serbian agricultural products to the Chinese market in the form of the abolition of trade barriers and the introduction of preferential treatment have been created. Still, it is necessary to make larger investments in primary production and change the structure of production itself, i.e., to adapt to the Chinese market and the needs and demands of Chinese consumers and invest more in the marketing of Serbian agricultural products exports to China.

The energy sector also offers great prospects in the field of renewable resources (wind, sun, etc.), where Chinese companies have a significant amount of success and experience. Such expectations are not unreasonable, as evidenced by the opening of the Huayi Wind Energy representative office in Belgrade in May 2016.

Proximity to the European market and the expected construction of transport infrastructure may be important for further Chinese investments in Serbian heavy industry (ferrous and non-ferrous metal processing, machinery, and basic chemicals) and light industry (food and textiles). It is also not insignificant that the two parties signed the Agreement on Cooperation in the Field of the Defence Industry and the Agreement on the Development of Cooperation in the Field of Production Capacities in June 2016, which can help Serbia become even more integrated into the global value chain.

Even though international relations today are not as stable as fifty years ago, all countries may eventually be challenged by their unfavourable

development (Zakić et al., 2024). Under such circumstances, there is an open question of whether the existing partnerships, including between Serbia and China, would persist. One of the concerns for Serbia is its continuous struggle with numerous pressures and conditions to fulfil one of its foreign policy goals—joining the EU. Therefore, it will not be a surprise if open demands to end the partnership with China arise. Although such a scenario is unlikely, one should consider potential solutions.

Without any doubt, Serbia should extend its cooperation with China, covering all areas envisioned under the Strategic Partnership Agreements, including maintaining high-level exchanges and dialogue to ensure mutual understanding and trust. Regular meetings between both governments and representatives of their ministries could help to identify possible new areas of cooperation, align strategic interests, coordinate positions in the international venue, and define specific activities that will be undertaken.

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