



By: *Tomorrow's Affairs Staff*

China and US pragmatism gives little hope to Russia



The visit of US Secretary of State Antony Blinken to China, at the beginning of next year, may be the point after which Moscow should seriously fear the fate of its aggression against Ukraine. The forthcoming US-China high-level meeting has the potential to threaten Russia's reliance on China as a silent support for its aggressive campaign in Ukraine. Not because China could drastically change its policy, but because it has more reasons to stabilise its relations with the US than to continue to provide Moscow with the ability to count on a close alliance.

A high-level US diplomatic delegation will be in Beijing until December 14. The goal is to prepare the ground for Blinken's visit to China in early 2023. There are no announcements that one of the topics under preparation will be Ukraine, but that "elephant in the room" simply cannot be ignored. The meeting between Joe Biden and Xi Jinping in Bali on November 14 relaxed the previous biggest obstacles in mutual relations, primarily Xi's assurances that China will not attack Taiwan, as well as Biden's position that the US and China do not need a "new Cold War", which the Chinese leader agreed was the case. However, there are still many points on the US-China agenda that require solutions, and the forthcoming visit of the US Secretary of State could further shorten that list.

A new and important moment that has occurred in the meantime, after the meeting of the two leaders in Indonesia, is certainly the oil price cap, which has been applied by the G7 members, the EU and Australia since December 5. This decision, which China does not implement, is a form of additional sanctions against the regime in Moscow to reduce its revenues from oil exports. On the other hand, although not a participant in these agreements, China, as the world's largest oil importer certainly included this decision in its calculations.

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Faced with sanctions on its western oil market, Russia is counting on Chinese demand as an important way out of the problem, but there are not many chances on that side either. As a pragmatic buyer, China is already taking advantage of Russia's unenviable position on the international market and buying its oil at a low price, leaving insurance and transportation costs to suppliers.

However, the real picture of the effects of the oil price cap is expected in a few months, with the increase in Chinese demand, due to the gradual recovery of its economy, which has been in decline after restrictive state measures as a consequence of COVID-19. The high-level talks between Washington and Beijing will therefore take place at a very important moment for the global oil market, where the political interests of the two largest economic global powers are intertwined. China has reasons to "sacrifice" its silent neutrality towards Russian aggression against Ukraine, because it sees a way out of the hard lockdown as a consequence of COVID-19 as an urgent problem, which is already causing serious economic losses.

For the same reason, it is facing mass protests that destabilise it internally, immediately following the Congress of the Communist Party at which the leadership of Xi Jinping was confirmed. China wants to remove these internal turbulences as soon as possible and continue a period of strong growth, and in this respect it can get much more support from the US as a key trading partner (also the No. 1 competitor) than from flirting with Russia, which is burdened by war and strong Western sanctions.

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China has a problem with Russian aggression against Ukraine. This was confirmed even by Vladimir Putin, who, after a conversation with Xi in Uzbekistan in September, said that China

has "questions and concerns in this regard". During the November G20 summit in Indonesia, an unnamed US official, who attended a closed-door meeting with Chinese Prime Minister Li Keqiang, spoke in more detail about those Chinese "questions and concerns" regarding Russian aggression: "I think there is undeniably a discomfort in Beijing about what we've seen in terms of reckless rhetoric and activity on the part of Russia. I think it is also undeniable that China is probably both surprised and a little bit embarrassed by the conduct of Russian military operations."

America is aware that China will not drastically change its foreign policy under the influence of internal problems or problems in the international raw material market, but it is realistic to obtain its true neutrality, which is ignoring Russia's growing needs for foreign markets, in order to continue to finance its invasion of Ukraine. China even agrees with the Western oil price cap, although it does not apply it itself, because it gives it more capital for bargaining with Russia, and therefore lower oil prices.

On the other hand, by buying below \$60 per barrel, which is the oil price cap, China will avoid the danger of so-called secondary sanctions that could hit its companies at the moment when it is trying to reactivate its economy. "Russia is not a peer or near-peer competitor but rather a well-armed rogue state that seeks to subvert an international order it can never hope to dominate. In contrast, China is a peer competitor that wants to shape an international order that it can aspire to dominate," is the conclusion of the analysis by RAND (James Dobbins, Howard J. Shatz, Ali Wyne) from the "distant" 2018. Despite the stormy events and disruptions on the international scene in the meantime, its setting is still more than current today. It also acts as a perfectly good platform for Antony Blinken's talks in Beijing in early 2023.