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**Chancellor Merz’s Visit to the People’s Republic of China: Tactical
Stabilization of Germany’s China Vector**

Abstract. *On 25–26 February 2026, Federal Chancellor Friedrich Merz visited the People’s Republic of China under the framework of Germany’s China Strategy adopted in July 2023. The visit did not constitute a strategic reorientation of German policy toward China. Instead, it aimed at stabilizing the China vector in German foreign policy, protecting the industrial competitiveness of the German Standort, and maintaining a managed bilateral dialogue amid intensifying technological competition, persistent trade imbalances, and politicization of economic interdependence, while preserving a normative approach in foreign policy (including matters related to Ukraine). This paper analyzes the evolution of Germany’s approach to the PRC under Merkel, Scholz, and Merz, objectives and outcomes of the negotiations, European and transatlantic dimensions, main parameters of interdependence, and implications for Russia.*

Keywords: *Germany, China, European Union, United States, Russia, dialogue, strategic partnership, competition, normative confrontation.*

Introduction. Evolution of the German Approach to China

The visit of Federal Chancellor Friedrich Merz to the People’s Republic of China on February 25–26, 2026, took place against the backdrop of a well-established, institutionally embedded, but internally contradictory model of German–Chinese relations. It was not a “reset” in the classical sense. Rather, the visit represented an attempt to stabilize the Germany’s China vector, especially its economic dimension, in rising technological competition, chronic trade imbalance, and growing politicization of interdependence between economic spaces (*Standorts*).

To assess this event adequately, it is useful to consider it in the historical dynamics of three phases: Angela Merkel period, institutionalization of the *de-risking without decoupling* formula under Olaf Scholz, and current course adjustment of Friedrich Merz.

During Angela Merkel’s chancellorship (2005–2021), economic rapprochement between Germany and China intensified. China consistently became Germany’s largest trading partner in

terms of goods. By 2016, bilateral trade had exceeded 170 billion euro, rising close to 206 billion by 2019. German automakers earned up to one-third of their global profits in China; mechanical engineering firms regarded the Chinese market as one of key drivers of growth. Economic interdependence between *Standorts* was perceived as a factor of resilience and even a component of strategic stability. Political disagreements over human rights, subsidies, technology transfer, and market access were acknowledged, but did not become structural determinants of policy.

By late 2010s, signs of transformation appeared. China's strategy *Made in China 2025*, active subsidization of high-tech industries, and accelerated development of its automotive, digital platform and battery sectors gradually altered the competitive balance. Germany faced a qualitatively new phenomenon: Chinese firms began competing not only in China's domestic market but also in Europe – including the segments traditionally regarded as strongholds of the German *Standort*. Nevertheless, under Merkel, this did not lead to an institutional revision of Germany's China policy.

A paradigm shift occurred under the traffic-light coalition led by Olaf Scholz, especially after 2022. The Ukrainian crisis and the associated energy shock heightened sensitivity to unilateral dependencies. In July 2023, the German government issued its first national strategy on China, in line with the EU's approach, defining the PRC as a partner, competitor, and systemic rival. The focus of the policy was on *de-risking* – reducing critical dependencies while avoiding a complete rupture of economic ties (*decoupling*). The strategy underlined that Germany did not seek to dismantle *Standort* cooperation, but would strengthen supply diversification, broaden investment screening tools, and coordinate actions with the EU¹.

Economic imbalances and structural asymmetries gradually became arguments for a harder policy line. Key observations included: a) Germany's dependence on Chinese intermediate goods and components remained high; b) in terms of direct investment, Germany was more deeply integrated into China's manufacturing circuits than vice versa; c) this configuration amplified the vulnerability of Germany's export-oriented model amid global geo-economic fragmentation².

The coalition that came to power in May 2025 (CDU/CSU and SPD) engaged with Beijing within an institutionalized framework of Germany's China policy. The 2023 strategy remained in force; EU-level trade defense instruments continued to operate, and transatlantic coordination on technological restrictions retained importance. At the same time, within Germany, calls for more active defense of industrial competitiveness grew stronger. The automotive sector faced a rising share of Chinese producers in the European market, mechanical engineering felt price competition

¹ Belov V.B. O novoy strategii Germanii po otnosheniyu k Kitayu // Analiticheskiye zapiski Instituta Yevropy RAN. 17.07.2023. № 3(35). S. 16–24. <https://www.zapiski-ieran.ru/images/analitika/2023/an313.pdf> (In Russian). [V. Belov. On Germany's New China Strategy // Analytical Notes of the Institute of Europe RAN. 17.07.2023. No. 3(35), pp. 16–24] (accessed: 26.02.2026)

² Belov V.B. Germano-kitayskiye ekonomicheskiye otnosheniya v usloviyakh aktual'nykh geopoliticheskikh vyzovov // Sovremennaya Evropa. 2023. № 7(121). S. 111–126. DOI: 10.31857/S0201708323070094 (in Russian) [V. Belov. German–Chinese Economic Relations amid Current Geopolitical Challenges // Contemporary Europe. 2023. No. 7(121), pp. 111–126]; V. Belov. Germany's Relations with China: An Uneasy Trinity of Partnership, Competition, and Rivalry. Herald of RAS 94, pp. 141–150 (March 23, 2025). DOI: 10.1134/S1019331625600453, <https://link.springer.com/article/10.1134/S1019331625600453> (accessed: 26.02.2026).

pressure, and energy transition required stable supplies of critical materials – many of which were embedded in Chinese processing chains. It was precisely in this configuration – deep interdependence, institutionalized *de-risking* formula, and intensifying competition – that Chancellor Merz’s initial position took shape on the eve of his Beijing visit.

Initial Position of the Chancellor on the Eve of the Visit

Friedrich Merz’s position prior to his visit to the PRC was characterized by a threefold constraint in Germany’s approach toward Beijing. First, the economic interdependence between Germany and China remained deep and structural, with bilateral trade relations and integrated supply chains continuing to underpin the German *Standort*. Second, the institutional framework of *de-risking* had already been codified at both national and European Union levels, limiting the scope for substantive revision without incurring significant political and regulatory costs. Third, EU-level regulatory mechanisms substantially circumscribed the space for purely bilateral initiatives, requiring Berlin to align with broader European policy coordination on China.

Cancellation of a planned visit to Beijing by Germany’s Foreign Minister Johann Wadephul in October 2025 was widely interpreted as a signal of heightened sensitivity in the bilateral track³. The minister did undertake a visit to Beijing on December 8–9, 2025, to restore dialogue and discuss key economic and political issues, including trade, market access, and international security concerns. In this context, the February visit of Friedrich Merz was an attempt of tactical stabilization rather than a strategic departure from existing policy. Its initial goal was to reaffirm the manageability of bilateral relations, support Germany’s industrial sector, and concurrently respect the frameworks of European policy coordination. Special emphasis was on composition of the delegation, with representatives from major export-oriented industries – a sign of the priority attached to preserving Germany’s export-driven model of the *Standort*.

The visit’s initial phase showed that Berlin had not abandoned the *de-risking* concept. Rather, it now seeks to frame it in a more pragmatic and economically rational manner, minimizing ideological overtones. There is an ongoing recognition that quantitative parameters of the interdependence remain significant and rapid economic decoupling from China would impose substantial costs on German industry in the short term. Maintaining dialogue with Beijing is thereby viewed as means of preserving Germany’s strategic maneuverability in the geopolitical triangle of *Brussels–Washington–Beijing*, and mitigating risks without severing economic ties.

This constellation of factors – deep interdependence, institutionalized *de-risking* framework, and intensifying competition – defined the character of Germany’s China vector in late February 2026: a managed interdependence rather than strategic illusions of partnership, coupled with deliberate avoidance of abrupt economic disengagement.

³ Anders als geplant: Wadephul reist doch nicht nach China. ZDF heute. 24.10.2025. <https://www.zdfheute.de/politik/wadephul-china-reise-absage-100.html>; German foreign minister cancels China trip amid mounting tensions. Chin@Strategy. 24.10.2026. <https://www.chinastategy.org/2025/10/24/german-foreign-minister-cancels-china-trip-amid-mounting-tensions/> (accessed: 26.02.2026).

Content and Outcomes of the Visit

The visit was structured to emphasize its economic and industrial focus⁴. Negotiations with Chairman Xi Jinping and Premier Li Qiang were accompanied by meetings with representatives of business community, institutionalizing the priority given to the industrial agenda⁵. Unlike ceremonial diplomatic visits, dominated by political rhetoric, this trip displayed a clearly defined economic–political orientation. It corresponded both to the internal demands of German business and to Merz’s own logic; during the pre-campaign and post-election periods he repeatedly stressed the need to restore competitiveness of the German *Standort* in the era of global fragmentation.

The delegation’s composition was an important indicator of the visit’s objectives. It included representatives from major automotive corporations, mechanical engineering, energy sector, chemical industry, and high-tech sectors – all of which view the Chinese market as one of key elements of their global supply chains. Automotive manufacturers, whose sales in China account for a significant share of global profit, were in the spotlight. For these firms, the visit had ambivalent significance: preserving market access in China while responding to the expanding presence of Chinese electric vehicles in Europe.

The economic logic of negotiations was defined by several interrelated parameters. Friedrich Merz, as well as Olaf Scholz in his 2024 visit⁶, underscored the necessity of «fair competition», which in current conditions is distorted by Chinese subsidies and industrial policy. This is one reason why China became one of the main competitors in industries that are key for Germany – for example, the electric vehicle segment – while German dependence on Chinese supply chains remains significant in battery components, rare earth processing, intermediate electronics. Chinese investments have attracted heightened scrutiny in sensitive infrastructure and technology domains.

During the visit, Merz did not signal willingness to relax foreign investment screening mechanisms introduced by recent EU decisions. He preserved institutional continuity with the Scholz era. The rhetoric of «fair competition» aligns with the position of Brussels and is embedded in the EU’s industrial strategy. The visit was not an attempt to circumvent EU frameworks for bilateral deals; rather, it demonstrated a desire to strengthen Germany’s position within that framework.

Among the few concrete results was China’s intention to purchase up to 120 Airbus aircraft, a development significant for both Germany and the EU as a symbol of their ability to maintain

⁴ Bundeskanzler Merz reist nach China. Bundesregierung. 20.02.2026. <https://www.bundesregierung.de/breg-de/aktuelles/bundeskanzler-merz-reist-nach-china-2408226> (accessed: 26.02.2026).

⁵ Eyssel B. Merz sieht "großes Potenzial" zwischen Deutschland und China. Tagesschau. 25.02.2026. <https://www.tagesschau.de/merz-china-102.html> (accessed: 26.02.2026).

⁶ Belov V.B. Osnovnyye itogi aprel'skogo vizita kantslera FRG O. Shol'tsa v Kitay // Analiticheskiye zapiski Instituta Yevropy RAN. 19.04.2024. № 9(341). S. 12–19. <http://www.zapiski-ieran.ru/images/analitika/2024/an341.pdf> (in Russian). [V. Belov. Main results of the April visit of German Chancellor O. Scholz to China // Analytical notes of the Institute of Europe of the Russian Academy of Sciences. 19.04.2024. No. 9 (341). Pp. 12–19. <http://www.zapiski-ieran.ru/images/analitika/2024/an341.pdf>] (accessed: 26.02.2026).

competitive positions in the Chinese market for high tech products⁷. But even such a substantial deal (if realized) does not alter the structural imbalance in trade or eliminate the fundamental contradictions in industrial policy.

There were also agreements on closer cooperation in dialogue on climate issues and green transition. Beijing expressed willingness to lift bans on certain German agricultural imports. Additionally, China Media Group signed cooperation agreements with German Football League and German Table Tennis Association, and Chinese interlocutors emphasized their interest in cooperation with Germany in high technology and science, particularly in artificial intelligence⁸.

The parties confirmed continuation of structured economic dialogue, including government-level and sectoral consultations. No new strategic cooperation formats were announced – the visit did not serve as a platform for institutional deepening, but rather consolidated the existing architecture of interaction⁹.

Throughout the visit, Merz made it clear that Germany was operating within the framework of overall EU policy, including the industrial strategy. The transatlantic dimension adds an extra layer of complexity to Germany's China vector. The United States continue to pursue a tough line on China, tightening export controls in high tech and stimulating domestic industry through large subsidies. This constitutes dual pressure for Berlin: on the one hand, it is necessary to maintain transatlantic coordination, which remains a cornerstone of German foreign policy; on the other, German industry cannot afford losing even a small share of the Chinese market. Consequently, for the current black-red coalition the key challenge remains in finding balance between strategic solidarity with the United States and economic rationality.

Merz, like Olaf Scholz before him, articulated the normative–value dimension of German position by expressing concern about China's role in the Ukrainian conflict. The Chinese party refrained from public polemics, limiting itself to a general formula of the need for peaceful resolution and dialogue. Thus, this aspect of the visit remained in the realm of political–normative position articulation and did affect the economic agenda of negotiations.

The Russian Factor

Viewed through the prism of the Russian–German–Chinese trilateral configuration, Chancellor Merz's visit to the PRC transcends a purely bilateral dimension. Although it did not alter Berlin's firm policy toward the Russian Federation, the visit must be understood within a broader dynamics

⁷ Merz: China will bis zu 120 Flugzeuge bei Airbus bestellen. ZDFheute. 25.02.2026. <https://www.zdfheute.de/politik/ausland/merz-china-reise-xi-airbus-wirtschaft-beratung-bundeskanzler-wettbewerb-100.html> (accessed: 26.02.2026).

⁸ Merz nennt China einen „umfassenden strategischen Partner“. Wirtschaftswoche. 25.02.2026. <https://www.wiwo.de/politik/deutschland/schwieriger-besuch-merz-stellt-fuenf-leitlinien-fuer-china-reise-auf/100202959.html> (accessed: 26.02.2026).

⁹ CGTN: China-Besuch von Merz verleiht den Beziehungen zwischen China und Deutschland sowie zwischen China und Europa neue Dynamik. Finanznachrichten. 27.02.2026. <https://www.finanznachrichten.de/nachrichten-2026-02/67809118-cgtn-china-besuch-von-merz-verleiht-den-beziehungen-zwischen-china-und-deutschland-sowie-zwischen-china-und-europa-neue-dynamik-382.htm> (accessed: 27.02.2026).

of redistribution of geo-economic and political centers of gravity across Eurasia. The key question is not whether the visit weakens Russia–China partnership, but how it affects the balance of interests and degree of strategic autonomy among the three actors.

For Moscow, it is critically important that China continues to balance its economic interests in the EU with strategic partnership with Russia. Between 2022 and 2024, Russia–China trade turnover demonstrated resilient growth, and in 2025 it remained significant, with energy cooperation intensifying and bilateral economic ties remaining robust. At the same time, Beijing has avoided steps that could lead to secondary sanction consequences from the EU or member states, indicating a cautious policy aimed at preserving market access and mitigating conflictual spillovers from tensions with the West. In this context, the activation of Germany–China dialogue does not signify a shift of China toward the European West, but reinforces the pragmatic component of Beijing’s foreign policy. The greater the economic significance of the European market for China, the more cautious Beijing will be in the actions that might provoke widespread escalation with the EU.

For Russia, this creates an increasingly complex strategic environment. Russia–China partnership retains relative resilience in the energy sector, financial arrangements, and political coordination. However, China has an evident interest in maintaining uninterrupted access to the European market and Western technologies, which places constraints on the extent to which Beijing can prioritize Moscow in face of competing imperatives. Merz’s visit underscores that Berlin does not intend to sever ties with Beijing, thereby diminishing the probability of a rigid bipolar configuration of «West vs. China–Russia». Instead, the trip highlights the growing competition for Chinese resources, investment flows, and diplomatic attention.

The energy dimension is particularly sensitive. Following 2022, Germany significantly reduced its dependence on Russian energy resources, leading to a structural transformation of its energy balance. In the emerging configuration, China plays an important indirect role as a major producer and processor of rare earth metals, battery components, and renewable energy technologies, critical for Germany’s drive toward electrification, decarbonization, and climate objectives. Chinese firms dominate as well the key segments of global supply chains for solar panels and renewable infrastructure equipment, essential for achieving Germany’s environmental goals.

In this sense, Merz’s visit can be interpreted as an effort to ensure the predictability of technological and raw material supply chains in the intensifying strategic competition. For Russia, this signals a long-term decline in its relative energy significance for Germany, while China’s role as a central node in the new European and German energy architecture grows. Nevertheless, the resource complementarity of Russia–China partnership remains intact: Russia continues to supply significant energy and raw materials to China, fostering robust mutual dependencies.

If the EU – alongside Germany – succeeds in diversifying critical material supply chains through alternative routes, the potential for China to exert geo-economic pressure on European capitals could be mitigated. The calculus behind Merz’s visit aligns with this logic: reducing vulnerability through managed diversification rather than abrupt decoupling. This approach reflects a strategy seeking to maximize Germany’s economic leverage and strategic maneuverability while navigating the intersecting pressures of great-power competition and interdependence.

The Baltic–Scandinavian Macro-Region Factor

A noteworthy strategic node in the broader Eurasian security configuration is the Baltic–Scandinavian macro-region. Since the accession of Finland and Sweden to NATO, the region has acquired a qualitatively new level of military-political density. The growing presence of NATO in the Baltic Sea is coupled with increased significance of critical infrastructure – maritime communication routes, subsea energy cables, and digital data highways. In this context, German–Chinese economic interdependence gains an additional strategic dimension: the resilience of logistics corridors becomes both an economic and security factor, not merely a matter of trade.

China has demonstrated interest in Northern transport routes, including Arctic passages and the *Polar Silk Road* concept promoted by Beijing as a part of broader *Belt and Road initiatives*¹⁰. Germany, as a major trading power, seeks diversification of its logistics channels. The Baltic and Arctic regions serve as connecting links between Europe and northern maritime passages, enhancing Berlin’s strategic options. Thus, a stabilized Germany–China dialogue has indirect effects on the region’s infrastructure without decreasing the underlying military-political tensions.

For Russia this has dual implications. On the one hand, the increased NATO presence in the Baltic–Scandinavian space heightens strategic tension. On the other, ongoing economic ties between Germany and China impede the crystallization of a fully confrontational geo-economic architecture. A multi-layered structure emerges, where deep economic interdependence coexists with military-political competition and strategic rivalry.

A comprehensive strategic forecast must account for several variables. First, the pace of China’s technological autonomy: as Beijing reduces reliance on Western technologies, it enhances its ability to balance relations between the EU and Russia. Second, the depth of European industrial policy: strengthened protectionism and initiatives to build indigenous supply chains increase pressure on Germany–China relations. Third, the dynamics of transatlantic relations: a more assertive U.S. stance toward China – including export controls and trade measures – could constrain Berlin’s room for maneuver, further complicating the strategic calculus.

Conclusion

The outcomes of Friedrich Merz’s visit to China provide for several key conclusions.

Germany, in coordination with the EU, will continue to deploy existing tools to protect its internal market while striving to avoid full-scale trade confrontation with the People’s Republic of China. By maintaining regulated access to the European single market, Beijing has incentives to refrain

¹⁰ Although China promotes the idea of a *Polar Silk Road* (an Arctic shipping corridor linked to the *Belt and Road Initiative*) that envisages extended cooperation along the Northern Sea Route (NSR) as part of its Arctic logistics ambitions, Russia consistently emphasizes that NSR is its national transport artery governed by Russian law and jurisdiction, and is not formally treated by Moscow as an autonomous component of foreign-integrational initiatives such as China’s *Polar Silk Road*. Under Russian legislation, NSR is a sovereign logistical and regulatory domain, and cooperation with external actors is managed on that basis rather than as a merger of separate strategic frameworks.

from abrupt retaliatory measures. Both parties recognize the risks associated with tariff escalation and anti-dumping measures amid ongoing global economic fragmentation.

Berlin is not looking for a tough choice between transatlantic or China-centered economic orientation. Merz, similar to his predecessor, promotes a model of *managed competition* that seeks to balance cooperation with competition. He is not prepared for strategic alignment with China at the expense of European or transatlantic coordination – yet he does not advocate severing ties with Beijing. Economic focus of the delegation and emphasis on industrial priorities confirm Berlin’s primary objective to ensure predictability and stability for German companies operating in China.

The visit was to ensure tactical stabilization in conditions of structural interdependence. It did not resolve the enduring contradictions, but reduced the likelihood of their escalation. Germany demonstrated its ability to maintain dialogue with China within the European institutional framework and in concert with transatlantic partners, while safeguarding the interests of its manufacturing core.

With high probability, the current governing coalition will strive to preserve the managed multi-vector model in its China policy. Within the framework of collective European coordination, Germany will continue dialogue with Beijing, which in turn will balance relations between the EU and Russia. This allows Berlin to adapt to contemporary geo-economic challenges without dismantling existing ties and while minimizing vulnerabilities – in contrast to abrupt *decoupling*.

For Russia, it preserves the complex – but not strictly bipolar – Eurasian architecture. China remains a strategic partner for Moscow while being a key economic actor for Germany and the EU. Outcomes of the visit do not reflect a simple shift in the balance of power, instead they reveal the increased complexity of strategic configurations. German–Chinese economic interdependence reduces the likelihood of definitive Eurasian polarisation, even as the competition for technological, infrastructural, and normative spaces intensifies.

Germany is entering a phase of strategic management of interdependence: China remains a systemic competitor, yet it is not excluded from Germany’s economic architecture. Through regulated interconnection, Berlin aims to preserve the competitiveness of its industrial core in the era of increasing global fragmentation – a strategy that pursues stability and flexibility over confrontation or decoupling.

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