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Sino-Romanian Relations

–From the First Ponta’s government to Klaus Werner Iohannis’s victory in the presidential elections

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Sino-Romanian Relations

--From the First Ponta's government to Klaus Werner Iohannis's victory in the presidential elections

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Abstract: The relationship between Romania and China is an ancient one, despite the geographic distance and the difference in size of the two countries. During the cold war, the relationship reached its apex because China's conflict with the Soviet Union coincided with Romanian diffidence towards Moscow. After the events of 1989, however, the two countries undertook different paths. China's rise allowed Beijing to become a global player in the international arena, while Romania limited its foreign policy to the Euro-Atlantic domain. Nevertheless, the economic crisis that is currently affecting Europe pushes the Balkan country to look for new partners. In such a scenario, China may represent a strong option, especially in the economic field. Until now, however, Bucharest policies towards Beijing are characterized by twists and turns. Uncertainty prevails among the Romanian foreign policy decision-makers on the matter. This paper, therefore, aims to understand the possible choices of Romania with regard to China after the election of Klaus Iohannis to the presidency and the Chinese attitude in front of the new Romanian leader.

Key Words: Sino-Romanian Relations Ponta Government Trade and Investment Relations Political Relations History and Present

1. Introduction: a brief history of Sino-Romanian relations

Sino-Romanian relations dated back to the 19th century, when King Carol I notified Romania's independence to the Chinese Emperor Guangxu, which replied through Prince Kong and declared his felicitations for the event^①. Since then, the relations between the two countries remained negligible. Indeed, the geographic distance and both countries' internal troubles played a decisive role in stopping any chance to improve the bilateral relationship for almost 70 years.

In fact, the Sino-Romanian bilateral relationship started during the 1950s thanks to the common membership to the Soviet bloc at the beginning of the Cold War. The rise of the Sino-Soviet split at the end of that decade entailed a more pronounced approach between Beijing and Bucharest. After much hesitation, the Romanian government led by Gheorghe Gheorghiu-Dej decided to launch a policy of national communism, taking some distance from Moscow and slowly getting closer to the People's Republic of China. Gheorghiu-Dej's successor, Nicolae Ceausescu, was determined to undertake autonomous external relations and strongly pursued a policy of friendship towards China. For two decades, political and economic relations between the two countries increased

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^① Ion Buzatu, *Istoria relațiilor României cu China. Din cele mai vechi timpuri până în zilele noastre [History of Sino-Romanian relations. From the ancient times to today]*, Meteor Press, Bucharest 2005, pp. 182-183; Iolanda Țighilui, "Românii din China în prima jumătate a secolului XX" [Romanians from China in the first half of the XX Century], in *Revista Română de Studii Eurasiatice*, Year I, no. 1, Ovidius University Press, Constanța, 2005, pp. 245-250.

continuously: Zhou Enlai's open support to Romania's independence in the wake of Prague's events in 1968^①, Bucharest's role in the Sino-US approach^②, Ceausescu's triumphal visit to Beijing in 1971^③, all testify the intensity of the relationship. Trade ties reached their apex on 1979. Since then, Romania and China undertook different paths: Ceausescu decided to pay back Romania's huge external debt, forcing the country in a difficult economic position, while the Chinese leader Deng Xiaoping pushed the People's Republic to a path of reforms and opening to external markets. During the 1980s, the bilateral relationship remained cordial on a political and diplomatic level, but Romania was not an important economic partner for China anymore^④.

The downfall of Ceausescu's regime in December 1989 definitely modified the bilateral relationship. Actually, the conditions in order to improve the relationship were good. Beijing immediately recognized the new Romanian government and the Chinese press outlined the mistakes made by Ceausescu, who had lost the right

^① Joseph C. Kun, *Chinese Communist reaction to Czechoslovak crisis*, Background Reports, Radio Free Europe, 27 agosto 1968, http://storage.osaarchivum.org/low/80/28/80287568-a70b-4224-8c52-40476f40d34d_1.pdf.

^② Ion Buzatu, "Un moment inedit, de mare succes al diplomației române: România-parte importanta în procesul normalizării relațiilor americano-chineze și, implicit, în conturarea unui nou raport strategic de forțe în lume" [An important success of Romanian diplomacy: Romania's important role on the normalization of Sino-US relations and consequentially in establishing a new strategic balance of forces in the world], in *Paginii din Diplomația României*, Vol. I, Junimea, Iași 2009, pp. 189-197; Henry Kissinger, *On China*, Italian edition "Cina", Mondadori, Milano 2011, pp. 205-206; Mircea Munteanu, "Communication Breakdown? Romania and the Sino-American Rapprochement", in *Diplomatic History*, Vol. 33, Issue 4, September 2009, pp. 615-631; Mircea Munteanu, "Romania and the Sino-American Rapprochement, 1969-1971: New Evidence from the Bucharest Archives", in *Cold War International History Project Bulletin*, Issue 16, pp. 403-445.

^③ Adam Tolnay, *Ceausescu's Journey to the East*, www.ceaurescu.org/ceaurescu_texts/TolnayPAPER.pdf.

^④ On the history of Sino-Romanian relations until 1989, see among others: Ion Buzatu, *Istoria relațiilor României cu China. Din cele mai vechi timpuri pînă în zilele noastre*, cit.; Ion Buzatu, *Istoria Chinei și a civilizației chineze. România și China [History of China and its Civilization. Romania and China]*, Editura Uranus, Bucharest 2009; Liu Yong, *Sino-Romanian Relations 1950's-1960's*, Academia Română, Institutul Național pentru Studiul Totalitarismului, Bucurest 2006; Liu Yong, 影响中罗关系曲折发展的若干因素。Several Factors that Shaped the Development of Sino-Romanian Relations], in *Contemporary China History Studies*, Vol. 10, Issue 4, July 2003, pp. 85-94; Romulus Ioan Budura, "Aniversarea stabilirii relațiilor diplomatice între Republica Populară Română și Republica Populară Chineză" [Anniversary of the establishment of diplomatic relations between the People's Republic of Romania and the People's Republic of China], in *Revista Română de Studii Eurasiatice*, Year I, nr.1-2, Ovidius University Press, Constanța 2005, pp. 45-50; Romulus Ioan Budura, eds., *Relațiile Româno-Chineze 1880-1974. Documente [Sino-Romanian relations, 1880-1974. Documents]*, Ministerul Afacerilor Externe, Arhivele Naționale, Bucharest, 2005; Romulus Ioan Budura, eds., *Politica Independentă a României și relațiile româno-chineze 1954-1975. Documente [Romanian independent policy and Sino-Romanian relations 1954-1975. Documents]*, Arhivele Naționale ale României, Bucharest, 2008; Romulus Ioan Budura, "Politica Independentă a României și relațiile româno-chineze 1954-1975" [Romanian independent policy and Sino-Romanian relations 1954-1975], in *Paginii din Diplomația României*, Vol. I, Junimea, Iași 2009; Iolanda Țighiliu, "Dezvoltarea relațiilor economice între România și Republica Populară Chineză" [Development of economic relations between Romania and PRC], in *Revista Română de Studii Eurasiatice*, Year II, no. 1-2, Ovidius University Press, Constanța 2006, pp. 167-173;

Marxist way^①. During the early 1990s a flow of thousands of Chinese migrants reached Central Eastern Europe, Bucharest included, building a stable community in the capital city^②. Contrary to other CEE countries, Romania did not question the “One-China Policy”, avoided any formal contacts with the Dalai Lama or Taiwan, and was not interested in the “human rights” issue. The first Romanian President after Ceausescu, Ion Iliescu, travelled to Beijing on January 1991, signing several agreements and reaching a grant of \$ 20 million. Nevertheless, the Balkan country turned its eyes to West^③, therefore following a general diplomatic trend that interested the entire Eastern Europe.

The Trade relations confirmed the new orientations of the Romanian foreign policy. The graphic no. 1 shows that Sino-Romanian trade decreased in the period 1990-1992. Import from China (that it was experiencing some years of economic recession until 1992), in particular, felt down, while Bucharest’s export raised exponentially until 1993, originating a positive trade balance for the Balkan country. Starting in 1994, however, Romanian exports continually decreased until 1998, while imports from China slowly recovered and the trade balance became positive for Beijing once again in 1996. Actually, this trend depended on a bilateral agreement reached prior to 1990 that envisaged Romania’s reimbursement of Chinese credited matured during the years before 1989. Moreover, in 1997 Beijing terminated the custom preferential treatment allowed to the Romanian exports. This event combined with the scarce dynamism of Romanian enterprises, their lack of knowledge of China’s market and culture, as well as the poor quality of their products, provoked the crisis of Bucharest’s exports to China^④.

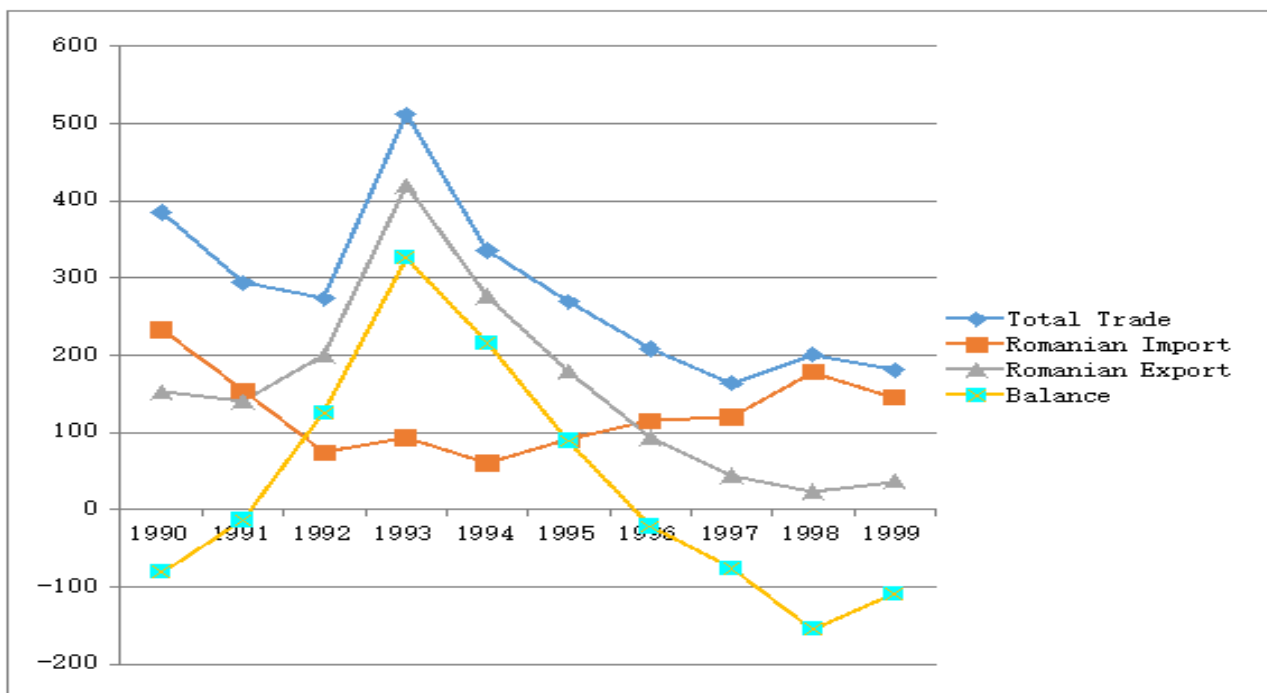
^① Czeslaw Tubilewicz, “Chinese Press Coverage of Political and Economic Restructuring of East Central Europe”, in *Asia Survey*, Vol. 37, n. °10, Oct. 1997, p. 936.

^② Rixta Wundrak, “Immigration during the wild years: Chinese pioneers in Bucharest”, in *The Romanian journal of European studies*, n. 5-6, 2007, pp. 135-152, http://aei.pitt.edu/10782/1/Romanian_Journal_of_European_Studies_5-6.2007_FULL.pdf; Rixta Wundrak, “L’immigration des commerçants chinois dans la Bucarest Postcommuniste”, in *Revue d’Études Comparatives Est-Ouest*, 2010, Vol. 41, Issue 4, pp. 149-170; Rixta Wundrak, *Die chinesische Community in Bukarest. Eine rekonstruktive, diskursanalytische Fallstudie über Immigration und Transnationalismus*, VS Verlag, 2010; Ciprian Radavoi, *Chinese Migration to Romania: the Past counts*, Lund University, Centre for East and South-East Asian Studies, Master Program in Asian Studies, East and Southeast Asia Track, Spring semester, 2008, <http://lup.lub.lu.se/luur/download?func=downloadFile&recordId=1320269&fileId=1320270>; Chen Xiao, *Souls in Exile: A study of Chinese Migration Workers in Romania*, International Labour Organization, Office for China and Mongolia, Johannes Gutenberg University of Mainz, Germany, 2010, http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-beijing/documents/publication/wcms_145833.pdf.

^③ Mircea Micu, “An Alliance Dilemma? Understanding Romanian Foreign Policy in the Context of Transatlantic Divergences”, in *Romanian Journal of Political Science*, Vol. 7, No. 2, Autumn 2007.

^④ Eduard Goean, “Relațiile economice româno-chineze: 1999-2000” [Sino-Romanian economic relations: 1999-2000], in *Sfera Politicii*, No. 100, Year 8, 2002, pp. 29-35, http://www.sferapoliticii.ro/sfera/pdf/Sfera_100.pdf.

Graphic no. 1. China-Romania trade, 1990-1999. \$ Million.



Data source: Comisia Națională pentru Statistica, *Anuarul Statistic al României 1996*, pp. 622-623; Comisia Națională pentru Statistica, *Anuarul Statistic al României 1999*, p. 558; Institutul Național de Statistica, *Anuarul Statistic al României 2001*.

During the 2000s, the astonishing growth of China's economy led to the widening of the gap between Romanian imports from and exports to the Asian giant. In the first decade of the 21st century, imports from China continually increased with few exceptions in 2007 and 2009 due the booming of the global economic crisis, which temporarily affected Beijing's exports. From one hand, mainly mechanic products compose Romanian exports, while the weight of the steel industry and metallurgy seems decreasing. On the other hand, mainly consumer goods and textiles compose imports from China^①. According to the Romanian data, in 2010 the total turnover reached an apex of almost € 3 billion. The disequilibrium of the balance of trade, however, is strongly burdening the economic relationship. Bucharest expressed its concerns and frustration several times, calling for some measures to re-equilibrate the trade exchanges^②. In fact, nobody has been able to elaborate such measures that,

^① Centrul Român pentru Promovarea Comerțului și Investițiilor Străine, *China. Potențialul de export al României, 2009* [China. Opportunities for Romanian export, 2009], <http://www.traderom.ro>.

^② PRC's Embassy in Bucharest, *Intalnirea ministrului Economiei si Comertului, domnul Varujan Vosganian cu E.S. domnul Xu Jian, Ambasadorul Republicii Populare Chineze la București* [Meeting between the Minister of Economy and Trade, Mr. Varujan Vosganian, with Mr. Xu Jian, PRC Ambassador to Bucharest], 19 March 2007, <http://www.chinaembassy.org/rom/jmwl/t304772.htm>, last access 13 April 2011; Romanian Embassy in the UK, "China, Romania interested in boosting political-strategic dialogue, economic and commercial ties", in *Romanian Headlines*, n. 12, Year 2, 1-15 September 2009, <http://www.london.mae.ro>; Deceniul 7, "Imagini și scurte alocuțiuni din vizita delegației chineze în județul Mehedinți" [Images and short excerpts from the visit of a Chinese delegation to

considering the different economic sizes of the two countries, probably simply do not exist. Romanian authorities are trying to promote wine products through the participation to several expo throughout China and the local consumers appear to appreciate Bucharest's alcoholics^①. During a visit to Bucharest, Li Changchun, then member of the Politburo Standing Committee of the Communist Party of China, declared his appreciation for the Romanian wine in the following terms:

“at the welcome banquet hosted by the Romanian government, I had the honor to taste the Romanian made wine. My Romanian friends told me that Romania has a history of winemaking as long as France has. In the eyes of Chinese consumers, however, all they know is Lafite of France, not the wine of Romanian origin. Fortunately, it is still not too late, as the 800 million Chinese farmers have just begun to drink wine. Since they are not yet very Lafite-conscious, opportunities for Romanian wines to enter into the Chinese market are still available. I do not know the exact output of Romanian wine per year. But even if the 800 million Chinese farmers each consume only one bottle of Romanian wine per year, the wineries in your country would find such demand impossible to satiate”^②.

Despite Li's optimism, however, the competition from French, Italian and even Moldavian products, together with the development of the local industry, give a hard time to the Romanian efforts^③.

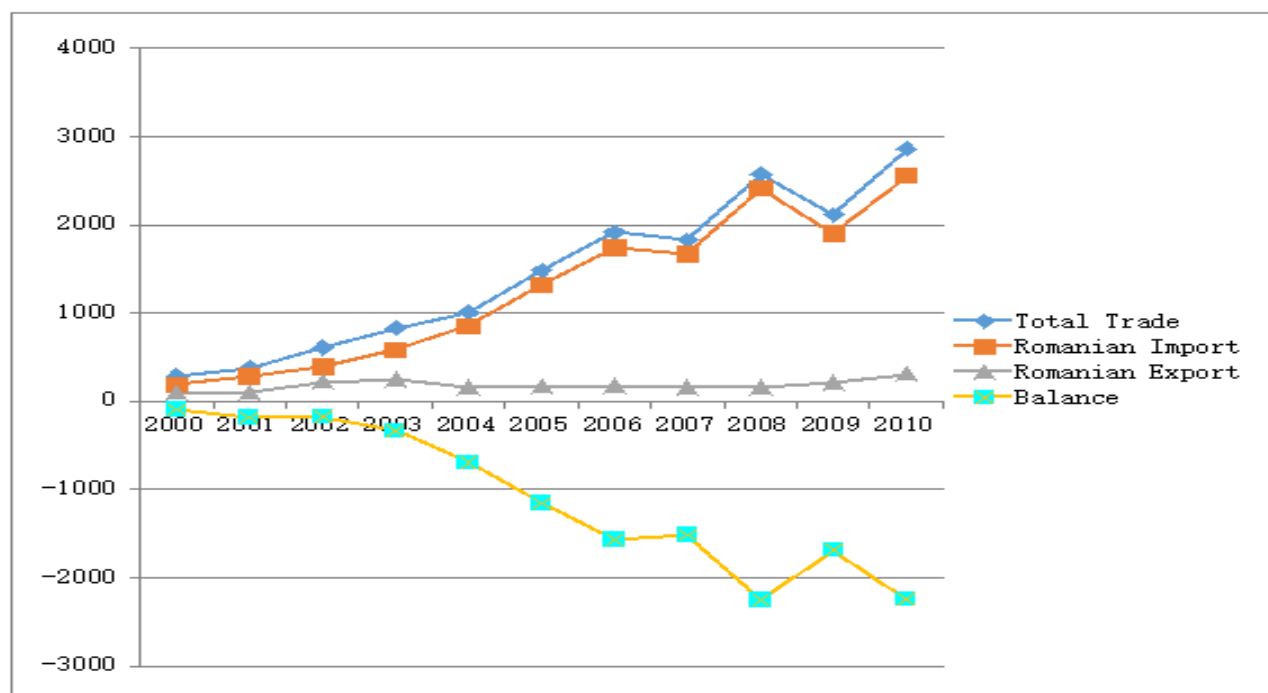
Mehedinți province”], no. 1, 14 February 2010, p . 19, <http://deceniul7.ro/wp-content/uploads/2011/02/Deceniul-7-nr-1.pdf>.

^① Centrul Român pentru Promovarea Comerțului și Investițiilor Străine, *Analize Sectoriale, România, Vinuri 2010 [Sectorial Analysis, Romania, Wines, 2010]*, <http://www.traderom.ro>; Centrul Român pentru Promovarea Comerțului și Investițiilor Străine, *Potențialul de export al României, în sectorul vinurilor 2008 [Opportunities for the Romanian Export in the Wine production field, 2008]*, <http://www.traderom.ro>.

^② Li Changchun, *Together, We Create the Future*, Speech given at a breakfast lunch with Romanian businessmen, 14 April 2011, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201104/20110407513535.shtml>, last access 3 April 2012.

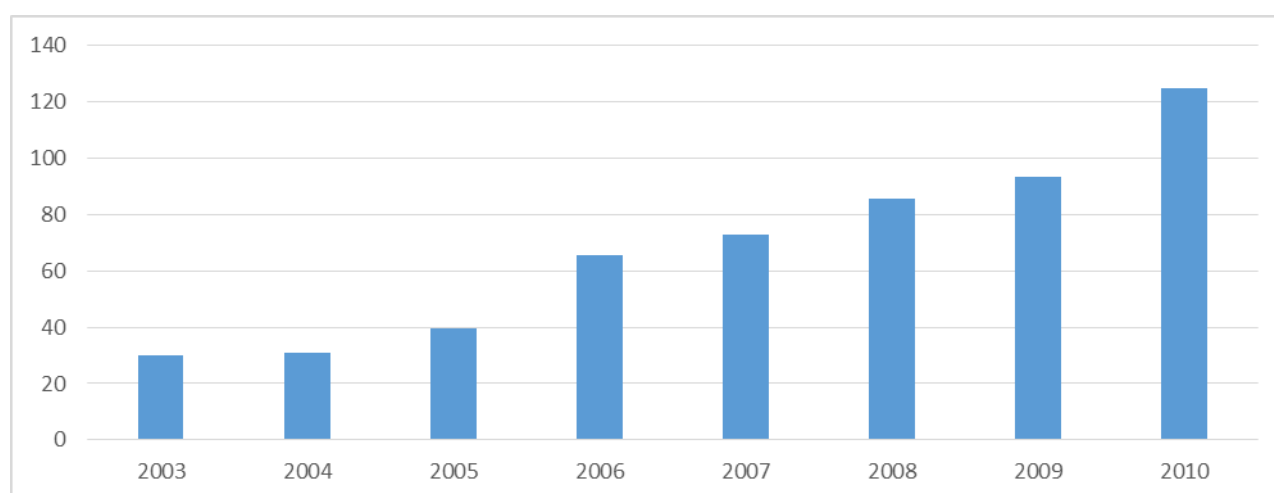
^③ Personal interview to Mr. Mario Iaccarino, then Director of the office of the Italian Agency for Foreign Trade in Bucharest, 18 January 2012.

Graphic no. 2. China-Romania trade, 2000-2010. € Million.



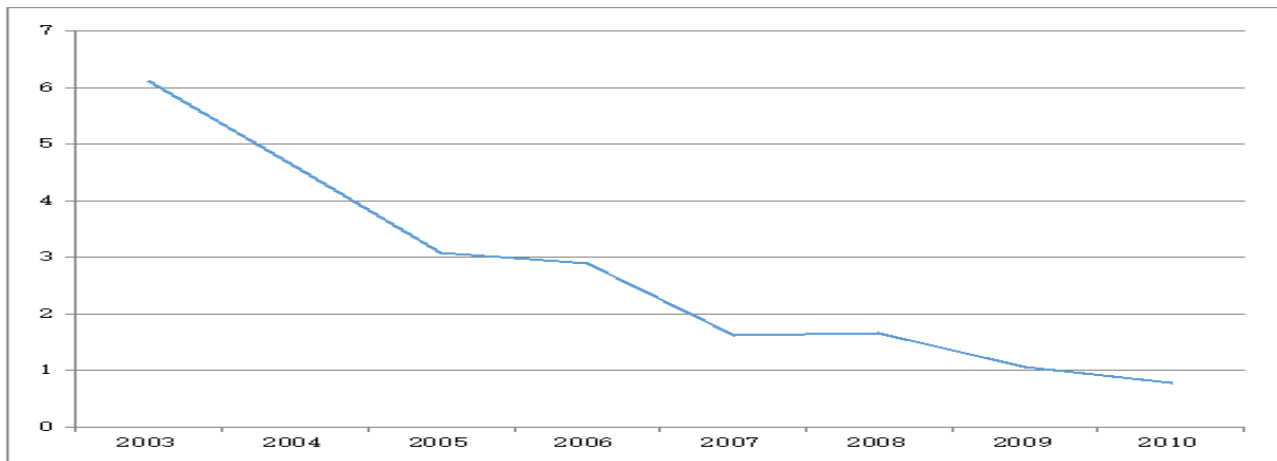
Data source: Institutul Național de Statistica, *Anuarul Statistic al României 2006*; Institutul Național de Statistica, *Anuarul Statistic al României 2007*; Institutul Național de Statistica, *Anuarul Statistic al României 2011*, p. 573; Corneliu Russu, Marius Bulearca, “Chinese Economic Reform and the Romanian-Chinese Economic Relations”, in *Buletinul, Universitatii Petrol-Gaze din Ploiesti*, Vol. LXI, no. 4, Seria Stiinte Economice, 2009, p. 50. <http://www.upg-buletin-se.ro/archive/2009-4/6.%20Russu,%20Bulearca.pdf>.

Graphic no. 3. Stock of non-financial Chinese FDI in Romania, 2003–2010. \$ Million.



Data source: MOFCOM, *2009 Statistical Bulletin of China's Outward Foreign Direct Investment*, <http://images.mofcom.gov.cn/hzs/accessory/201009/1284339524515.pdf>; MOFCOM, *2010 Statistical Bulletin of China's Outward Foreign Direct Investment*, <http://images.mofcom.gov.cn/hzs/accessory/201109/1316069658609.pdf>.

Graphic no. 4. Decline of Romania's quota in Chinese FDIs to Europe.



Data source: MOFCOM, *2009 Statistical Bulletin of China's Outward Foreign Direct Investment*, <http://images.mofcom.gov.cn/hzs/accessory/201009/1284339524515.pdf>; MOFCOM, *2010 Statistical Bulletin of China's Outward Foreign Direct Investment*, <http://images.mofcom.gov.cn/hzs/accessory/201109/1316069658609.pdf>.

The bilateral economic relationship goes further beyond the trade realm and interests the foreign direct investments (FDI) field. Once again, it is a one-way argument, with the flow of Chinese investments toward the Balkan country to which do not correspond a similar flux of Romanian investments to the Middle Kingdom. Despite the potential, however, the Chinese FDIs stagnate and experience some problems. At the beginning of the Nineties, because a flexible local regulation on the argument that allowed the Chinese migrants to open many enterprises with a small amount of capital, Romania was among the top recipient countries of China's investments. This situation led to a high number of Chinese enterprises but a tiny invested capital.

At the end of the first decade of 2000s, the main enterprises operating in Romania with Chinese capital were^①:

- *Golden Way BV*, with a capital of € 28 Million.
- *China Tobacco International Europe*, with investments for \$ 35 Million and perspectives to arrive to \$ 100 Million.
- *Eurosport DHS*, bicycle producer, with € 20 Million investments.
- *Dongguan Yuncheng Plate Making Co.*, a company from Guandong, which invested \$ 4 Million in the Prahova province.
- *Rich Sport*, bicycle producer that invested \$ 3 Million to open a production site in the Ialomita province.
- *F&J Romania*, with investments for \$ 15 Million.

The above listed company are medium enterprises involved in manufacturing of low-tech products. During the fall 2009 the company Shantou Agricultural Machinery Equipment opened a tractor firm in Raşnov. The investment amount to € 20 Million with prospects to reach € 50 Million in three years^②. Other achievements

^① Laura Culita, Cristina Negraru, Diana Cioltei, Ana Sabiescu, "Pierdem trenul de China? Ce este de facut pentru a-i atrage pe asiatici" [Are we losing China's train? What is to do to attract Asians], 27 January 2011, <http://www.wall-street.ro/slideshow/Economie/98111/Pierdem-trenul-de-China-Ce-este-de-facut-pentru-a-i-atrage-pe-asiatici.html>, last access 5 May 2011.

^② RomaniaInsider.com, "Chinese Hoyo delivers first tractors from Rasnov in July", 22 June 2010, <http://www.romania-insider.com/chinese-hoyo-delivers-first-tractors-from-rasnov-in-july/3008/>, last access 4 April 2011.

involve the renewable power sector, in particular the construction of solar panels. In 2012, the Chinese company Renesola bought the Romanian Lucas Est and had almost completed a photovoltaic park in the Prahova province. Further Chinese companies have showed interest in the field^①. In the IT and communication field, both Huawei and ZTE have gained some contracts and opened offices in Romania^②.

During the first decade of 2000s, Romanian authorities continually declared the intention to profit from China's new "going global" policy. The wishes, however, proved hard to realize. Romanian proposals mainly address the infrastructure and power fields. Indeed, the Balkan country still lacks a route and railway network comparable with European standards and have proved unable to properly use the funds provided by the European Union^③. Therefore, governments of different banners and colors met several times with Chinese companies' representatives and political leaders proposing the involvement in various projects: the construction of nuclear reactors no. 3 and 4 of the Cernavoda plant, the construction of the hydro-electric plant of Tarnița-Lăpușești, the carbon plant of SE Doicești, the Rovinari complex, the modernization of the "Dimitrie Leonida.2 plant of Bicăz, the modernization of the port of Costanța, the construction of the highways segments Sibiu-Pitești and Comarnic-Brașov, the construction of a bridge in Braila and the construction of river canals on the Danube. The proposals could involve the following Chinese companies: China Huadian Corporation, China Coal Technology & Engineering Group Corporation, China State Grid International Development Ltd., Sinohydro, China Nuclear Power Engineering Co. Ltd., China Gezhouba Group International Engineering Co., China National Agricultural Group Corporation, China Communications Construction Company, China Dalian International Holding, etc. The Romanian side also proposed to ZTE and Huawei companies buying shares of the national state-owned company Transelectrica^④. None of these proposals concretized. Furthermore, various attempts from Chinese companies to

^① Sarmiza Pencea, Iulia Monica Oehler-Șincai, "Chinese outward direct investment in Central and Eastern European countries. A Romanian perspective", in *Romanian Economic and Business Review*, Vol. 9, No. 2, pp. 45-72, <http://www.rebe.rau.ro/RePEc/rau/journal/Su14/REBE-SU14-A4.pdf>.

^② ZTE, "ZTE selected for national next generation network in Romania", 30 August 2006, http://www.zte.com.cn/en/press_center/news/200308/t20030801_350457.html, last access 27 March 2012; ZTE, "ZTE to Build Zapp's 3G Network in Romania", 27 August 2008, http://www.zte.com.cn/endata/magazine/ztetechnologies/2008year/no6/articles/200806/t20080627_162052.html, last access 27 March 2012; ZTE, "ZTE to produce digital TV signal reception equipment in Romania", 25 August 2011, http://www.zte.com.cn/en/press_center/press_clipping/201109/t20110904_353837.html, last access 27 March 2012; Mirela Mariana Nae, David Turnock, "Romania's revolution in telecommunications and information technology: a geographical approach", in *Human Geographies*, Vol. 3, Issue 2, 2009, pp. 49-78, http://humangeographies.org.ro/articles/32/325_Nae.pdf.

^③ Gheorghe Zaman, Anca Cristea, "EU Structural Funds Absorption in Romania: Obstacles and Issues", in *Romanian Journal of Economics*, Issue 1, No. 41, 2011, pp. 60-77, <http://www.revecon.ro/articles/2011-1/2011-1-4.pdf>; Gábor Hunya, "Problems of Romanian SMEs with tapping EU structural funds", in *Eastern Journal of European Studies*, Vol. 2, Issue 1, June 2011, pp. 129-146, http://www.ejes.uaic.ro/articles/EJES2011_0201_HUN.pdf.

^④ Romanian Ministry of Economy, Department of Foreign Trade and International Relations, Press Release 15 August 2011, http://www.dce.gov.ro/Comunicate/comunicate_2011/15_aug_China.htm, last access 3 September 2011; Romanian Ministry of Economy, Department of Foreign Trade and International Relations, Press Release 11 August 2011, http://www.dce.gov.ro/Comunicate/comunicate_2011/11_aug_China.htm, last access 3 September 2011.

invest in Romania failed. China Huadian Engineering, China National Electric Engineering, Minmetals Engineering Co. Ltd. and Sinohydro, for example, did not reach even the final stage of an international competition launched by the Russian-Dutch group Vimetco to realize a thermoelectric plant for supplying power to the aluminum production plant of Alum Tulcea, a second plant of Alro Slatina and the city of Tulcea^①.

The consequences of these failures are explicated by the decrease of Romania's role as recipient of Chinese FDIs in Europe (Graphic no. 4). Indeed, the moderate increase of Chinese investments in the Balkan country was much lower of the broader growth of Beijing's FDIs in Europe. Considering China's interest in access the Western EU member's markets, Romania's unfavorable geographic location, which does not allow a rapid transit of products to Western Europe, may be a motivation of this situation. Then Chinese Ambassador to Romania, Liu Zengwen (刘增文), also outlined the difficulties deriving from the strictly binding EU legislative framework on matters of labor force to which Romania must adhere and respect^②.

According to the China Radio International journalist Dan Tomozei, however, the cause of the lack of Chinese investments in Romania is entirely on the shoulders of Bucharest's leadership, guilty of not dedicate enough interest and care to the relations with Beijing. Tomozei explicitly charges Romanian politicians, not capable, in his view, to understand China's art of diplomacy and culture, therefore incurring in misunderstandings and gaffes. Moreover, former President Traian Basescu lined up with the US and continually obstructed any approach to Beijing by releasing rash declarations^③.

This was the situation of the Sino-Romanian relationship when the social-democratic leader Victor Ponta accepted the role of Prime Minister in May 2012, after some street protests occurred in the previous winter due to the economic crisis and the austerity measures taken by the government.

www.dce.gov.ro/Comunicate/comunicate_2011/11_aug_China.htm, last access 3 September 2011; Romanian Ministry of Economy, Department of Foreign Trade and International Relations, Press Release 13 August 2011, http://www.dce.gov.ro/Comunicate/comunicate_2011/13_aug_China.htm, last access 3 September 2011; Tvrinfo.ro, "Investiție chineză de peste 800 milioane de euro la Termocentrala Rovinari" [Chinese investments of almost € 800 Million to the thermoelectric plant of Rovinari], 10 May 2012, http://www.tvrinfo.ro/investitie-chineza-de-pest-800-milioane-de-euro-la-termocentrala-rovinari_14955.html, last access 01 October 2012; Daniela Mogavero, "Nucleare romeno: via Enel, arrivano i cinesi", 20 January 2014, http://www.balcanicaucaso.org/aree/Romania/Nucleare-romeno-via-Enel-arrivano-i-cinesi-146625?utm_source=dlvr.it&utm_medium=facebook.AA.VV., last access 21 January 2014.

^① Wall-Street.ro, "Itochu-Hyundai, Metka si Siemens se lupta pentru constructia centralei de la Tulcea" [Itochu-Hyundai, Metka and Siemens will compete to build the power plant of Tulcea], 18 April 2012, <http://www.wall-street.ro/articol/Companii/130392/itochu-hyundai-metka-si-siemens-vor-saconstruiasca-centrala-de-la-tulcea.html>, last access 15 July 2012.

^② ZideZi.ro, "Investitorii chinezi reticenti sa vina in Romania" [Chinese investors afraid to come in Romania], 26 June 2011, <http://www.zi-de-zi.ro/economic/investitorii-chinezi-reticenti-sa-vina-in-romania>, last access 26 June 2012; Fekete Zsuzsánna, "Investitorii chinezi, interesați să-și deschidă firme în județul Mureș" [Chinese investors are interested to open enterprises in Mureș province], 24 June 2011, <http://www.tvmmures.ro/ro/stiri-locale/eveniment/detalii-eveniment/article/investitorii-chinezi-interesati-sa-si-deschida-firme-in-judetul-mures.html>, last access 10 August 2012.

^③ Dan Tomozei, *Diplomația Panda [Panda Diplomacy]*, Junimea, Iași 2014.

2. The Ponta's premiership and Sino-Romanian relations

According to Dan Tomozei, the new Romanian Premier could claim good connections with some Chinese administration and Party officials; moreover, his nomination attracted an unusual attention of the PRC's media^①. Indeed, his government showed a moderate dynamism in taking care of the relations with China. In September 2012, the Ministry of Agriculture, Daniel Constantin, met with the Chinese vice Minister of Agriculture, Niu Dun^②. In October 2012, the Ministry of Foreign Affairs, Titus Corlăţean, met with the architect of China's foreign policy, Yang Jiechi^③. In the summer of 2013, Ponta met with both President Xi Jinping and Premier Li Keqiang^④.

The partial data from the Romanian Ministry of Foreign Affairs' website, however, show a negative trend of the bilateral trade during the first year of Ponta's government. Indeed, the bilateral trade reached its apex in 2011. That year, import and export both touched their climax. Romanian negative balance of trade, however, diminished a little respect to 2010. Starting in 2012, the stagnation of Romanian economic and the slowing down of China's economy affected the commercial exchanges. Both Romanian import and export decreased, but the balance gap between them appears narrowing. The trend highlighted in table 1 suggests that the only possible way to limit the disequilibrium of the Sino-Romanian balance of trade is to reduce the exchanges to minimal terms.

Tabel 1. PRC (Hong Kong excluded)-Romania trade, 2010-2013. \$ Million.

Year	Total Trade	Romanian Import	Romanian Export	Balance
2010	3,893.41	3,394.55	498.86	- 2,895.69
2011	4,201.86	3,542.58	659.28	- 2,883.30
2012	3,180.00	2,680.00	500.00	- 2,190.00
2013 (10 months)	2,389.46	1,905.43	484.03	- 1,421.40

^① Dan Tomozei, *Diplomaţia Panda*, cit., p. 151.

^② Emilia, "Olescu, Chinezii – interesati sa investeasca in sistemul nostru de irigatii" [Olescu, Chinese are interested in investing in our irrigation system], 7 September 2012, http://www.bursa.ro/madr-chinezii-interesati-sa-investeasca-in-sistemul-nostru-de-irigatii-181572&s=companii_afaceri&articol=181572.html, last access 8 October 2012.

^③ Realitatea.net, "Corlăţean a discutat cu omologul său din China despre deschiderea unei bănci chineze la Bucureşti" [Corlăţean discussed with his Chinese counterpart about the opening of a Chinese Bank branch in Bucharest], 26 October 2012, http://www.realitatea.net/corlatean-a-discutat-cu-omologul-sau-din-china-despre-deschiderea-unei-banci-chineze-la-bucuresti_1039372.html, last access 27 October 2012.

^④ Actmedia.eu, "Prime Minister Victor Ponta proposed relation Romania-China be raised to strategic partnership level", 3 July 2013, <http://actmedia.eu/daily/prime-minister-victor-ponta-proposed-relation-romania-china-be-raised-to-strategic-partnership-level/46901>, last access 14 October 2013.

Source: Romanian Ministry of Foreign Affairs <http://www.mae.ro/bilateral-relations/3121#759>, last update January 2014, last access 28 January 2015.

Despite this critical data^①, the Sino-Romanian relationship substantially improved when Bucharest hosted the China-CEE annual meeting at the end of November 2013. Premier Li Keqiang arrived in Romania to attend the summit 19 years after the last visit by a Chinese Prime Minister in Bucharest. Romanian authorities gave a royal welcome to Li and the Chinese delegation could talk with representatives from 16 CEE countries^②. In response, Chinese Premier adulated the Romanian host, by saying that “*Romania will become Europe’s tiger and if all tigers join and communicate a huge market will develop*”^③.

At the end of the Premier meetings, the involved sides adopted a joint statement called “Bucharest Guidelines” that should address the bilateral relationship China-CEE countries. According to the document, 2014 will become the year of the promotion of investments and businesses within the China-CEE countries relationship. The document promotes the organization of economic forums and summit meetings. It highlights the need to encourage small and medium companies within cooperation between the two areas, to develop agriculture cooperation, to promote financial institutions for cooperation and full capitalization of special financing of US \$ 100 billion, which China laid at the disposal of countries in the sector, to consolidate cooperation in investments and infrastructure, above all on railway networks. The fields of science, technology, innovation, environment protection and energy, culture will be interested by a new strengthen collaboration^④. Indeed, Chinese and Romanian sides has signed several economic agreements on that occasion, involving both railway infrastructure projects and the energy sector^⑤, the implementation of a Technology Park, the Romanian export of meat and

^① It must be noted that Chinese statistical data on trade with Romania show an increase of goods exchanges between 2012 and 2013. Indeed, according to the Chinese sources, the total trade increased from \$ 3.78 Billion in 2012 to \$ 4.03 Billion in 2013. Chinese exports increased from \$ 2.80 Billion to \$ 2.82 Billion, while imports from Romania increased from \$ 0.97 Billion to \$ 1.21 Billion. The discrepancies among Romanian and Chinese data probably originated from different statistical approaches, such as the inclusion or not of re-exports and the use of FOB (Free on Board) or CIF (Cost, Insurance and Freight) prices. Considering that the present paper mainly focuses on the Romanian side of the bilateral relationship, I preferred to use Bucharest’s data on trade exchanges. National Bureau of Statistics of China, *China Statistical Yearbook 2014*, <http://www.stats.gov.cn/tjsj/ndsj/2014/indexeh.htm>.

^② Albania, Bosnia-Herzegovina, Bulgaria, Czech Republic, Croatia, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia. Evidently, some of them are not EU members.

^③ Embassy of Romania in the United Kingdom of Great Britain and Northern Ireland, “Chinese premier: Romania will be Europe’s tiger. If all tigers collaborate there will be a huge market”, in *Romanian Headlines*, No. 10, Year 6, 15-30 November 2013, http://londra.mae.ro/sites/londra.mae.ro/files/Romanian_Headlines_II_November_2013.pdf.

^④ Embassy of Romania in the United Kingdom of Great Britain and Northern Ireland, “The China-Central and Eastern Europe Summit concluded by adopting Bucharest Guidelines”, in *Romanian Headlines*, No. 10, Year 6, 15-30 November 2013, http://londra.mae.ro/sites/londra.mae.ro/files/Romanian_Headlines_II_November_2013.pdf.

^⑤ On the Nuclear field, the public company Nuclearelectrica signed a letter of intent with China General Nuclear Power Corporation to build reactors 3 and 4 of the nuclear plant of Cernavoda, kicking out the previous contractors (ENEL and Mittal). Daniela Mogavero, “Nucleare romeno: via Enel, arrivano i cinesi”, Osservatorio Balcani, 20 January 2014,

livestock to China. The Complex Energetic Oltenia signed an agreement with China Huadian Corporation above the thermoelectric plant of Rovinari; similarly, the Complex Energetic Huneodara signed an agreement with China National Electric Engineering in reference to the implementation of the thermoelectric plant of Deva. The Romanian company Paunescu Corporation signed an agreement with the Mingyang Wind Power Group in the eolian field^①. The Sinohydro Corporation has manifested interest on the hydroelectric plant of Tarnița Lapușești; BAOTA Petrochemical Group and JUNLUN Petroleum Co. are available to buy the Oltchim petrochemical plant^②.

Eventually Li Keqiang's visit deeply influenced the internal Romanian political debate on foreign policy and the Summit as a whole has been commonly interpreted as a Victor Ponta's success, sharpening the previous split between the Premier, who appears reproducing the policies previously adopted by former Prime Minister Adrian Nastase^③, and President Basescu^④.

Nevertheless, once again the Romanian government appeared unsuccessful to exploit the political success of the Bucharest Summit. Also considering Basescu willingness to fight back any attempt to get closer to Beijing, Ponta probably avoid re-launching the efforts to enhance the relationship with China. Moreover, the Prime Minister focused his attention and efforts on running for the presidential elections. In such a context, foreign policy was not a hot topic of the electoral campaign, mainly concentrated on internal affairs and corruption scandals. Suddenly, the right-wind liberal Iohannis defeated Ponta. Therefore, weakened in his position, Ponta had to play an apparently secondary role at the subsequent China-CEE Summit held in Beograd at the end of 2014.

3. Romania's presidential elections seen by China's Xinhua press agency

China's Xinhua press agency gave moderate attention to the race for Romanian presidential elections, starting with the nomination of Klaus Werner Iohannis as chairman of the National Liberal Party and main

http://www.balcanicaucaso.org/aree/Romania/Nucleare-romeno-via-Enel-arrivano-i-cinesi-146625?utm_source=dlvr.it&utm_medium=facebook, last access 21 January 2014.

^① Thomas Dinca, "Acorduri România-China: Care sunt proiectele pentru care cele două țări colaborează", Ziarul Financiar, 25 November 2013, <http://www.zf.ro/eveniment/acorduri-romania-china-care-sunt-proiectele-pentru-care-cele-doua-tari-colaboreaza-11719836>, last access 29 December 2013.

^② Daniel Ionascu, "Grupurile chineze BAOTA Petrochemical Group și JUNLUN Petroleum Co, interesate de preluarea combinatului Oltchim" [Chinese companies BAOTA Petrochemical Group and JUNLUN Petroleum Co. show interest in buying the Oltchim plant], Adevarul.ro, 25 November 2013, http://adevarul.ro/economie/afaceri/oltchim-1_52937bd8c7b855ff5639f015/index.html, last access 21 January 2014.

^③ Former Prime Minister Nastase has recently been judged guilty for corruption. According to the prosecution, he received unsuitable goods from China worth 630.000 euro through his wife. Mihaela Iordache, "Romania: giustizia tormentata", Osservatorio Balcani, 14 January 2014, <http://www.balcanicaucaso.org/aree/Romania/Romania-giustizia-tormentata-146535>, last access 15 January 2014.

^④ Valentin Mândrășescu, "Beijingul a rupt actul de coabitare Ponta – Băsescu" [Beijing broke the cohabitation pact between Ponta and Basescu], Lupul Dacic, 27 November 2013, <http://lupuldacicblog.wordpress.com/2013/11/27/beijingul-a-rupt-actul-de-coabitare-ponta-basescu/>, last access 28 December 2013.

opponent of current Prime Minister Victor Ponta^①. The elections were set for 2 November 2014. According to several opinion polls, Ponta was the favorite for the presidential elections. Xinhua diligently reported the polls' ratings and avoided to make any comments on them^②. Chinese vice Premier Zhang Gaoli visited the Balkan country during the electoral period and met with Ponta. Discussions, however, centered mainly on economic matters and future opportunities for the bilateral relationship^③. The Chinese official kindly and diplomatically avoided any reference to the electoral race.

At the down of the first round of the elections, Xinhua analyst Lin Huifen underlined that Ponta had concrete chances to succeed but the eventual second round of vote could result in some surprises, considering the possibility that the rightist-liberal front could coagulate on the figure of Klaus Iohannis. Moreover, the Chinese analyst reported the several scandals that affected numerous representatives of both the fronts^④. Indeed, Ponta actually won the first round of the elections but did not reach the necessary majority to avoid the run-off two week later^⑤. The first round of elections, however, were characterized by many voting amenities for the overseas Romanian diaspora. The emergence of this issue led the Romanian Foreign Minister Titus Corlăteanu to his resignation^⑥. Premier Ponta replaced him with the former Foreign and Defense Minister and Head of Foreign Intelligence Service, Teodor Melescanu. President Traian Băsescu agreed to the nomination but only because the urgency of the situation and publicly expressed his personal disappointment with the appointment^⑦. Quoting Romanian analysts, Xinhua noticed that these events could negatively affect Ponta's race to the presidency^⑧. In

^① Xinhua, "Romanian main opposition PNL has new chairman", 29 June 2014, http://news.xinhuanet.com/english/world/2014-06/29/c_133445572.htm, last access 21 January 2015; Xinhua, "Ethnic German mayor designated Romania's presidential candidate", 11 August 2014, http://news.xinhuanet.com/english/world/2014-08/11/c_126858345.htm, last access 21 January 2014.

^② Xinhua, "Romanian PM officially files presidential candidacy", 18 September 2014, http://news.xinhuanet.com/english/europe/europe/2014-09/18/c_133650942.htm, last access 26 January 2015.

^③ Xinhua, "China, Romania agree to enhance cooperation", 26 September 2014, http://news.xinhuanet.com/english/china/2014-09/26/c_133675122.htm, last access 26 January 2015.

^④ Lin Huifen, "News Analysis: Uncertainties remain as Romania's presidential elections evolving on", 1 November 2014, http://news.xinhuanet.com/english/world/2014-11/01/c_133759413.htm, last access 26 January 2015.

^⑤ Xinhua, "Romania to hold presidential run-off on Nov. 16", 4 November 2014, http://news.xinhuanet.com/english/europe/2014-11/04/c_133765917.htm, last access 26 January 2015.

^⑥ Xinhua, "Romania's FM resigns amid diaspora voting problems", 10 November 2014, http://news.xinhuanet.com/english/europe/2014-11/10/c_133779179.htm, last access 26 January 2015.

^⑦ Xinhua, "FM changed in Romania", 11 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-11/11/c_133779603.htm, last access 26 January 2014.

^⑧ Xinhua, "Presidential run-off starts in Romania", 16 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-11/16/c_133793074.htm, last access 26 January 2015.

fact, Iohannis won the second round of the elections with 54.66% of the votes^①, despite several Romanians abroad could not vote once again, originating some violent clashes in Paris^②.

On 21 November, Xinhua agency published some excerpts from Iohannis' speech given during taking his presidential oath of office in front of the bicameral Parliament. The excerpts focus on the promise of efforts to make Romania a more unite country and to fight corruption^③. Indeed, Romania is one of the most corruption-affected country in Europe. It is easy to note that the excerpts chosen by Xinhua are not casual. Country's unity and fight to corruption are among the main topics of China's current government.

On 22 November, the Chinese press agency reported the confirmation of the electoral results by the Romanian Constitutional Court with few aseptic sentences and two photos^④. Xinhua also noted that Iohannis would take effective power only at the end of Basescu's mandate in mid-December^⑤.

4. The election of Klaus Werner Iohannis and its implication for China-Romania relations

Once again, the evolution of Sino-Romanian relations will much depend on Bucharest's willingness to get close with the Asian giant. After the events of December 1989, indeed, Romania totally turned its attention to the West, European Union and US. Russia became a sort of bogymen for the Balkan country, while China was simply out of Bucharest's foreign policy radar. In fact, under the presidency of Traian Basescu, Romania became one of the closest European allies of the US, despite its negligible offer in terms of military contribution and minimum political leverage in the international arena. Its geo-strategic position, however, has been important for US moves directed to contain Moscow's resurgence as a main regional player.

As we have seen, in recent years, several Romanian governments tried to approach Beijing in order to look for investments capable to boost Bucharest's staunch economy. These attempts, however, never ended with concrete outcomes. Despite China displayed its willingness to invest in the Balkan country, a mixture of misunderstandings and reciprocal diffidence had built insurmountable obstacles. Moreover, Romania showed a sort of self-restraint in approaching China, in order to do not create alarm to its powerful Atlantic protector.

Ponta's rise to the premiership originated new expectations and the China-Central Eastern Europe summit held in Bucharest in November 2013 was a great success for the Socialist Prime Minister. Nevertheless, such expectations showed to be beyond reality, once again.

Nowadays, the election of the liberal Klaus Iohannis to the presidency represents a new challenge to Sino-Romanian relations.

^① Xinhua, "Right-wing mayor wins Romania's presidential run-off", 17 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-11/17/c_133795835.htm, last access 26 January 2015.

^② Petru Clej, "Romania's expatriate voters overshadow presidential poll", BBC, 17 November 2014, <http://www.bbc.com/news/world-europe-30078385>, 26 November 2014.

^③ Xinhua, "Romania's Klaus Iohannis sworn in as new president", 21 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-12/21/c_133869715.htm, last access 21 January 2015.

^④ Xinhua, "Officials confirm Klaus Iohannis as new president of Romania", 22 November 2014, http://news.xinhuanet.com/english/photo/2014-11/22/c_133806281.htm, last access 21 January 2015.

^⑤ Xinhua, "Romania's President-elect Iohannis vows to follow 'letter and the spirit' of constitution", 21 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-11/21/c_133806125.htm, last access 27 January 2015.

Before the run-off of 16 November, Iohannis stated that Romania had “*the opportunity to irreversibly take the road of Western values*”^①. Xinhua punctually reported Iohannis’ statement, which may alarm who give high priority to the relations with East, including China. Iohannis, however, also called to withdraw “*all ambassadors and consuls from those countries where Romanians were humiliated*” and “*treated with tear gas because they want to vote*”^②. Considering that the clashes happened in EU countries, the new President’s declaration is in sharp contrast with its main orientation to West. Once he took effective power, however, Iohannis released some Western-oriented declarations, which have been immediately noted by Xinhua. Following the dramatic events in Paris, the new Romanian President assured “*all partners of Romania of the full support in the fight against terrorism and extremism of any kind*”^③ and called for closer ties with the United States^④.

What is sure is that the cohabitation between Prime Minister Ponta, who in the aftermath of the elections announced to be determined to remain in charge of the premiership^⑤, and President Iohannis will not be easy^⑥. Nevertheless, Iohannis immediately reached an agreement with all the political parties of the Parliament in order to increase the Defense budget^⑦.

Eventually, considering the current European political environment and the Ukrainian crisis close to Romanian borders, the elaboration of new directions in the foreign policy strategy appears quite unlikely. The perception of a threat coming from the Russian Federation remains the first concern of Bucharest’s foreign policy. Within the EU, Romania is among the hawks against Moscow’s initiatives in Ukraine. Consequently, the Balkan country may not welcome the current good relations between Moscow and Beijing. Romania’s bound to the US and the EU is simply too much strong. A more intense approach to China it is not foreseeable in the near future, unless Washington, or the EU’s institutions and its strongest members (i.e. Germany and France) will not decide so. In the meantime, and despite Chinese willingness and pragmatism, Romania is not economically significant enough for China to assume a more pro-active policy toward the Balkan country. The bilateral relationship with China, therefore, will likely continue on a path of political and economic ups and downs, staying far behind the

^① Xinhua, “Romanians to elect president on Sunday”, 16 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-11/16/c_133792302.htm, last access 26 January 2015.

^② Xinhua, “Romania’s FM apologizes for voting deficiency abroad”, 18 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-11/18/c_127221839.htm, last access 26 January 2014.

^③ Xinhua, “Romanian leaders condemn Paris shooting”, 8 January 2015, http://news.xinhuanet.com/english/europe/europe/2015-01/08/c_133903630.htm, last access 27 January 2014.

^④ Xinhua, “Romania’s new president pledge close ties with U.S.”, 14 January 2015, http://news.xinhuanet.com/english/europe/europe/2015-01/14/c_133919635.htm, last access 27 January 2015.

^⑤ Xinhua, “Romania’s Ponta vows to remain in PM office”, 18 November 2014, http://news.xinhuanet.com/english/europe/europe/2014-11/18/c_133796475.htm, last access 27 January 2015. Xinhua, “Romanian parliament approves new coalition gov’t”, 16 December 2014, http://news.xinhuanet.com/english/europe/europe/2014-12/16/c_127306727.htm, last access 27 January 2015.

^⑥ Xinhua, “Main foreign partners want stability in Romania: PM”, 15 January 2015, http://news.xinhuanet.com/english/europe/europe/2015-01/15/c_133920461.htm, last access 27 January 2015.

^⑦ Xinhua, “Romania to increase defense budget”, 13 January 2015, http://news.xinhuanet.com/english/europe/europe/2015-01/13/c_133916899.htm, last access 27 January 2015.

level of diplomatic and economic exchanges that Beijing has reached with other CEE countries such as Hungary, Poland, Czech Republic and even Slovak Republic and Serbia.