

Lithuania entered into an unequal battle with China

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Today the level of relations between China and Lithuania is very low. The diplomatic clashes between China and Lithuania were triggered by the latter Lithuanian decision to pull out of the China-led 17+1 mechanism and to open the Taiwanese Representative Office in Vilnius under its name, rather than “Chinese Taipei”, a move interpreted by Beijing as a challenge to “one China”. Later the states recalled their ambassadors. Recently China has dropped Lithuania from its customs registry and warned multinational companies to sever ties with Lithuania or face being shut out of the Chinese market.

Obviously, the restriction of Lithuanian exports in China couldn't heavily affect Lithuanian economics. According to the United Nations COMTRADE database, Lithuania Exports to China was US\$357.76 Million in 2020.

But if we take into account the possibility of limiting Chinese imports to Lithuania (the share of Chinese imports is 4 percent – US\$1.81 Billion). Lithuanian Deputy Foreign Minister Mantas Adomėnas said that it could significantly affect the appearance of a shortage of certain goods such as food stuffs, lasers, raw materials, pharmaceuticals, furniture, clothing on the Lithuanian market.

Apart from that, the Lithuanian government is in talks with companies at risk of fallout from the dispute with China about offering possible financial support, such as loans.

As for China, Beijing doesn't want to deteriorate trade relations with European states. Moreover, senior Chinese economic officials pointed to strong engagement with Central and Eastern Europe.

“Although Lithuania has jumped out and sent a token of loyalty to the US, such countries as Croatia, Serbia, and Hungary continue to proactively get closer with us without caring about the US,” said Ning Jizhe, deputy Head of China’s National Development and Reform Commission, the country’s top economic planning agency. Ning also argued that Beijing’s Belt and Road Initiative has continued to make progress, despite alleged suppression and constraints by Washington.

Thus, Lithuania’s desire to confront China is one more failed foreign policy project of the current government.

Source: BalticWord.com