

# Repositioning Central and Eastern European Approaches to Cross-Strait Relations



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## Regional Context

In recent years, Central and Eastern Europe (CEE) has emerged as a key battleground in the geopolitical competition between Taiwan (Republic of China, ROC) and the People's Republic of China (PRC). Motivated by the prospects of building diplomatic support and gaining expanded access to lucrative European markets, both governments have worked to establish themselves in the region. To this end, Taiwan and China have utilized a wide range of political and economic tools—both formal and informal. While the results of these efforts have varied significantly, the high volume of Taiwanese and Chinese interaction with CEE states suggests that the region has become—and will continue to be—a crucial focal point in the global confrontation between the two states.

In this policy background, we will delve deeper into both Taiwan and China's efforts to establish linkages and exert influence in Central and Eastern Europe, as well as the broad range of responses from CEE countries. We will discuss the evolution of China's approach to CEE states, as well as Taiwan's growing efforts to carve out influence in the region. Building on this, we will provide case studies of four key CEE states—Lithuania, Czechia, Slovakia, and Hungary—investigating each country's approach to China and Taiwan and discussing areas of convergence and divergence. Finally, we will provide key takeaways for policymakers in Taiwan, with the goal of contributing to a stronger, more durable, and more comprehensive relationship between Taiwan and the CEE region.

Geographically vast and politically diverse, Central and Eastern Europe has historically been a somewhat difficult-to-define region. Despite the area's growing geopolitical importance, a definitive list of CEE countries does not currently exist—though numerous organizations have put forth their own interpretations. This background will utilize the framework adopted by the Organization for Economic Co-operation and Development (OECD), which lists 12 CEE states—

Albania, Bulgaria, Croatia, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic, Slovenia, Estonia, Latvia and Lithuania (as illustrated in figure 1 below).<sup>1</sup>



Figure 1: A map of Central and Eastern European countries, as defined by the OECD (Data source: OECD;<sup>2</sup> map source: map-chart.net)

While the OECD definition of Central and Eastern Europe is somewhat narrower than others, it nevertheless includes a broad and diverse range of countries. Overall, the OECD list aligns closely with the borders of the Cold War-era Warsaw Pact (1955-91), with all but Slovenia and Croatia being former members of the Soviet-led alliance.<sup>3</sup> While all members of the OECD list

1 Note that this list excludes several Balkan states—Serbia, Bosnia and Herzegovina, Montenegro, North Macedonia, and Kosovo—as well as a number of Eastern European nations, including Belarus, Ukraine, and Moldova. [See: "OECD Glossary of statistical terms - central and Eastern European countries (ceecs) definition," OECD, accessed January 2023, <https://stats.oecd.org/glossary/detail.asp?ID=303>.] By contrast, EuroVoc—the European Union's (EU) official thesaurus—includes all of these states, as well as the Caucasian republics of Armenia, Azerbaijan, and Georgia. [See: "Browse by Eurovoc," EUR-Lex, European Union, accessed January 2023, [https://eur-lex.europa.eu/browse/eurovoc.html?params=72%2C7206%2C914%2C7208#arrow\\_7208](https://eur-lex.europa.eu/browse/eurovoc.html?params=72%2C7206%2C914%2C7208#arrow_7208).] While this more expansive definition is certainly useful in some regards, it includes states that lie outside the scope of the analysis for this report.

2 "OECD Glossary of statistical terms - central and Eastern European countries (ceecs) definition."

3 "What Was the Warsaw Pact?," NATO, accessed January



either gained independence or overthrew their communist governments between 1989 and 1993, this shared experience with authoritarian rule continues to shape public opinion and influence policy approaches.<sup>4</sup>

Despite this common history, the OECD-defined CEE states have diverged significantly over the past three decades. Politically, the CEE region contains a wide spectrum of systems and electoral processes. Though all members of the OECD list are defined as democratic states, their levels of democratic consolidation and commitment to democratic norms vary significantly.<sup>5</sup> Notably, much of the region has experienced democratic backsliding in recent years, a trend accelerated by the challenges and traumas of the COVID-19 pandemic.<sup>6</sup>

On the economic front, the CEE region is similarly diverse. As figures 2 and 3 (below) show, the area contains a variety of economic sizes, ranging from smaller, less developed economies (Albania) to larger, more developed systems (Czechia, Poland, Slovakia). Notably, four of the largest economies in the region (by both overall GDP and GDP per capita)—Czechia, Poland, Slovakia, and Hungary—make up the Visegrád Group (or V4).<sup>7</sup> This alliance, created

in 1991 as a means of strengthening political and cultural ties between the four states, represents a relatively substantial economic bloc in its own right.<sup>8</sup>

In terms of production, the CEE states have evolved significantly since the fall of the Soviet Union. Beginning in the early 1990s, the countries of the region undertook a rapid transition from inward-looking, planned economic systems to highly integrated, market economies.<sup>9</sup> Seeking to catch up to their Western counterparts, CEE states pursued what has been described as an export-led growth strategy, leveraging their large labor pools and competitive advantages in manufacturing.<sup>10</sup>

Partly as a result of these efforts, the region has become the “manufacturing backbone of the European economy,” producing and exporting large amounts of intermediate goods for industries around the world.<sup>11</sup> In recent years, the region has significantly diversified economically, increasingly becoming a global hub for services,<sup>12</sup> particularly information and telecommunication (ICT) services. Notably, this trend has continued to accelerate as the states have become more integrated

2023, [https://www.nato.int/cps/us/natohq/declassified\\_138294.htm#:~:text=The%20Warsaw%20Pact%20was%20a,\(Albania%20withdrew%20in%201968\).](https://www.nato.int/cps/us/natohq/declassified_138294.htm#:~:text=The%20Warsaw%20Pact%20was%20a,(Albania%20withdrew%20in%201968).)

4 US Department of State, “Fall of Communism in Eastern Europe, 1989” (page), accessed January 2023, <https://history.state.gov/milestones/1989-1992/fall-of-communism#:~:text=the%20full%20notice.-,Fall%20of%20Communism%20in%20Eastern%20Europe%2C%201989,of%20Europe%E2%80%94the%20Berlin%20Wall.>

5 According to Freedom House’s 2021 “Freedom in World Report,” the region contains several of Europe’s strongest democracies, as well as some of its weakest. The three Baltic states, for example, have developed robust, consolidated democracies, which feature well-established electoral systems, vibrant civil societies, and relatively low levels of corruption. Elsewhere, however, states such as Hungary and Albania have developed flawed, illiberal democratic systems, struggling with authoritarianism, endemic corruption, and growing infringements on civil society. See: “Freedom in the World Report,” Freedom House, accessed January 2023, <https://freedomhouse.org/countries/nations-transit/scores?sort=asc&order=Country>.

6 Harun Karčić, “Democratic Backsliding in Europe: Who Is to Blame?,” Royal United Services Institute, May 11, 2021, <https://rusi.org/explore-our-research/publications/commentary/democratic-backsliding-europe-who-blame>.

7 “The Czech Republic, Hungary, Poland and Slovakia,” The

Visegrad Group, July 21, 2008, <https://www.visegradgroup.eu/>.

8 Jo Harper, “Economic Powerhouse in the Heart of Europe,” *Deutsche Welle*, July 5, 2019, <https://www.dw.com/en/visegrad-group-a-new-economic-heart-of-europe/a-49483505>.

9 John Gilbert and Eva Muchová, “Export Competitiveness of Central and Eastern Europe Since the Enlargement of the EU,” *International Review of Economics & Finance*, February 2, 2018, <https://www.sciencedirect.com/science/article/abs/pii/S1059056017302289>.

10 Jakub Muck and Jan Hagemeyer, “Export-Led Growth in Central and Eastern Europe,” Centre for Economic Policy Research, May 29, 2019, <https://cepr.org/voxeu/columns/export-led-growth-central-and-eastern-europe>.

11 Ewa Cieřlik, “A New Era Is Beginning in Central and Eastern Europe: Information and Communication Technology Services Exceed Manufacturing in the Global Production Chain,” *Journal of the Knowledge Economy*, July 29, 2021, <https://link.springer.com/article/10.1007/s13132-021-00814-w>.

12 Ibid.

with the EU.<sup>13</sup> While the region has experienced considerable economic growth over the past decade, this growth has nevertheless been hampered in 2022, as the Russian invasion of Ukraine has placed significant strain on regional economies.<sup>14</sup>

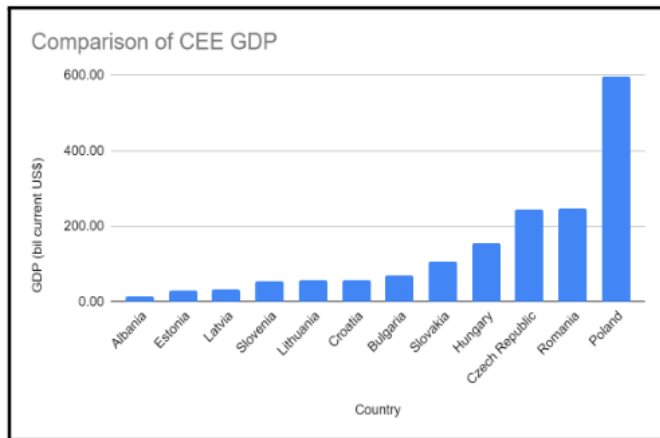


Figure 2: A comparison of overall GDP in the twelve CEE states. (Source: World Bank<sup>15</sup>)

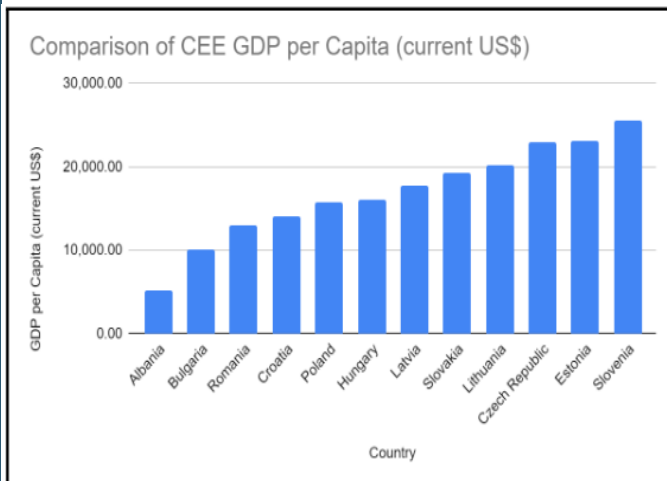


Figure 3: A comparison of GDP per capita in the twelve CEE states. (Source: World Bank<sup>16</sup>)

Diplomatically, Central and Eastern Europe increasingly serves as a faultline between two competing geopolitical forces. In the west, CEE states border the heartland of the European Union, the powerful grouping that includes every nation on the OECD list (other than Albania). Additionally, all 12 OECD-list countries are members of the North Atlantic Treaty Organization (NATO).<sup>17</sup> This has exposed CEE states to Western European institutions and norms of governance. Yet, as some commentators have noted, integration between Western Europe and CEE states is far from complete, as both sides have traditionally harbored significant distrust for one another.<sup>18</sup>

However, in the east, CEE states border on Russia, and Moscow has continued to play a significant role in the region. Under the leadership of Vladimir Putin, Russia went to significant lengths to present itself as an alternative partner for states wary of the regulations and bureaucracy of the EU. Since the seizure of Crimea in 2014, Moscow's approach to CEE states has become more insidious: driven by a desire to prevent further enlargement of NATO and broadly undermine Western policy goals, Russia has worked to clandestinely influence CEE capitals through a range of levers, including energy policy, corrupt political ties, and military pressure.<sup>19</sup> Notably, however, these efforts have largely failed to produce results, as CEE states have grown increasingly disdainful of Russian influence, a trend which has only accelerated in the wake of Russia's invasion of Ukraine.<sup>20</sup> Despite Russia's prior efforts, the Russian invasion of Ukraine

17 "NATO Countries 2022," World Population Review, January 2023, <https://worldpopulationreview.com/country-rankings/nato-countries>.

18 Tomáš Valášek, "Why Can't the EU's West and East Work as One?," Carnegie Europe, November 8, 2019, <https://carnegieeurope.eu/2019/11/08/why-can-t-eu-s-west-and-east-work-as-one-pub-80300>.

19 Pavel Baev, "Russia and Central and Eastern Europe: between Confrontation and Collusion," Institut Français des Relations Internationales, November 2016, [https://www.ifri.org/sites/default/files/atoms/files/rnv97\\_uk\\_oksl\\_protege\\_0.pdf](https://www.ifri.org/sites/default/files/atoms/files/rnv97_uk_oksl_protege_0.pdf).

20 Ibid; Ivan Lidarev, "The Ukraine War and the Paradox of Central and Eastern European Security," Observer Research Foundation, April 13, 2022, <https://www.orfonline.org/expert-speak/ukraine-war-and-the-paradox-of-central-and-eastern-european-security/>.

13 Gilbert and Muchová, "Export Competitiveness of Central and Eastern Europe Since the Enlargement of the EU."

14 "July 2022 Central and Eastern Europe Mid-Year Sovereign Outlook," Scope Ratings, July 26, 2022, [https://www.scopegroup.com/dam/jcr:129f4653-633a-41ab-b756-c4cdf2260787/Scope%20Ratings\\_2022%20Mid-Year%20CEE%20Sovereign%20Outlook.pdf](https://www.scopegroup.com/dam/jcr:129f4653-633a-41ab-b756-c4cdf2260787/Scope%20Ratings_2022%20Mid-Year%20CEE%20Sovereign%20Outlook.pdf).

15 "Europe and Central Asia," World Bank, accessed January 2023, <https://www.worldbank.org/en/region/eca>.

16 Ibid.

has served as a powerful push towards European unity.<sup>21</sup>

While Russia's influence in Central and Eastern Europe has declined in recent years, China's presence in the region has increased substantially. Like Russia, Beijing has sought to portray itself as an alternative partner, expanding its ties with regional capitals and establishing economic, political, and civil society linkages.<sup>22</sup> However, China has also struggled to achieve many of its long-term goals, repeatedly alienating potential partners and allowing joint projects to languish. Simultaneously, Taiwan has also been able to build a limited position in the region, as Chinese failures have occasionally resulted in Taiwanese successes. With these complex dynamics in mind, our next section will discuss Beijing's overall approach to CEE states, as well as Taiwan's efforts to carve out a diplomatic space in the region.

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21 Rosa Balfour, "European Unity Can Endure the Winter of Discontent," Carnegie Europe, September 8, 2022, <https://carnegieeurope.eu/strategieurope/87867>.

22 Erik Brattberg et al., "China's Influence in Southeastern, Central, and Eastern Europe: Vulnerabilities and Resilience in Four Countries," Carnegie Endowment for International Peace, October 13, 2021, <https://carnegieendowment.org/2021/10/13/china-s-influence-in-southeastern-central-and-eastern-europe-vulnerabilities-and-resilience-in-four-countries-pub-85415>.

## China's Approaches to Interactions with CEE States

As Zoltán Turai of the Center for European Policy Analysis (CEPA) has noted, Central and Eastern Europe's interest in China and Taiwan is a relatively recent phenomenon.<sup>23</sup> In the years immediately following the collapse of communist rule in the region, the priority for most CEE states "was to join the European Union and NATO as soon as possible in order to guarantee their economic development and security." As a result, contacts between the region and China and Taiwan were fairly limited during the 1990s and early 2000s, consisting primarily of low-level bilateral trade and sporadic diplomatic visits.<sup>24</sup> However, following the accession of most CEE states to both the EU<sup>25</sup> and NATO<sup>26</sup> in 2004, the region increasingly began to look beyond Europe in pursuit of economic and diplomatic partners.<sup>27</sup> As a rising superpower seeking opportunities for international investment, China was quick to present itself as an ideal target for this outreach.

While Central and Eastern Europe's ties with China began to develop after 2004, the relationship expanded rapidly in the wake of the 2008 Global Financial Crisis. Devastated by economic recession and offended by a "perceived lack of assistance from the EU," many CEE states turned to the PRC to fuel their recoveries. As Richard Turcsányi has noted:

*"[The] China-CEE partnership suddenly seemed, at first sight, like a perfect fit: a relatively promising stable region seeking new export markets and capital injections on the one hand, and an emerging superpower with abundant cash and [...] booming domestic consumption on the other."*<sup>28</sup>

During the period between 2008 and 2012, this affinity gradually drew the two sides together. With China leading the way, economic and diplomatic interactions between Beijing and regional capitals steadily increased. While this relationship was initially fairly sporadic and informal, it gained increased legitimacy following the 2011 "China-Central and Eastern European Business Forum," a multilateral economic summit attended by representatives from sixteen regional states, as well as China.<sup>29</sup> A year later, the leaders of the seventeen nations opted to formalize their partnership, culminating in the formation of a powerful new force in Central and Eastern Europe: the 16+1 Initiative.

### *The 16+1 Initiative*

In 2012, China's Ministry of Foreign Affairs inaugurated the "Cooperation between China and Central and Eastern European Countries" initiative, also known as China-CEEC—or, more commonly, the "16+1."<sup>30</sup> As its name would suggest, the platform was designed as a forum to promote cooperation between the PRC and sixteen states in Central, Eastern, and Southeastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, and Slovenia. (Greece would later join in 2019, leading some to refer to the grouping as the "17+1.")<sup>31</sup> At least initially, the grouping was marketed as a

23 Zoltán Turai, "China in Central and Eastern Europe," Center for European Policy Analysis, March 30, 2018, <https://cepa.org/article/china-in-central-and-eastern-europe/>.

24 Richard Q. Turcsányi, "China and the Frustrated Region: Central and Eastern Europe's Repeating Troubles with Great Powers," Institute of Chinese Studies, February 3, 2020, <https://journals.sagepub.com/doi/10.1177/0009445519895626>.

25 "From 6 to 27 Members," European Neighbourhood Policy and Enlargement Negotiations, accessed January 2023, [https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/6-27-members\\_en](https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/6-27-members_en).

26 "Enlargement and Article 10," NATO, October 20, 2022, [https://www.nato.int/cps/en/natolive/topics\\_49212.htm](https://www.nato.int/cps/en/natolive/topics_49212.htm).

27 Turai, "China in Central and Eastern Europe."

28 Turcsányi, "China and the Frustrated Region: Central and Eastern Europe's Repeating Troubles with Great Powers."

29 Ibid.

30 Jonathan E. Hillman and Maesea McAlpin, "Will China's '16+1' Format Divide Europe?," Center for Strategic and International Studies, April 11, 2019, <https://www.csis.org/analysis/will-chinas-161-format-divide-europe>.

31 Nick Kampouris, "Greece Officially Joins China's '16+1' Partnership with Central and Eastern Europe," *Greek Reporter*, January 25, 2021, <https://greekreporter.com/2019/04/12/greece-officially-joins-chinas-161-partnership-with-central-and-eastern-europe/>.



true multilateral institution, allowing CEE states to engage in a group setting with China and each other.<sup>32</sup> For countries across the region, the initiative was welcomed as an unprecedented opportunity to gain access to China's vast economy, as well as compete for vital Chinese foreign direct investment (FDI). For Beijing, the platform constituted a significant element of its vaunted Belt and Road Initiative (BRI, formerly known as One Belt, One Road, 一带一路), demonstrating the global reach of China's investments.

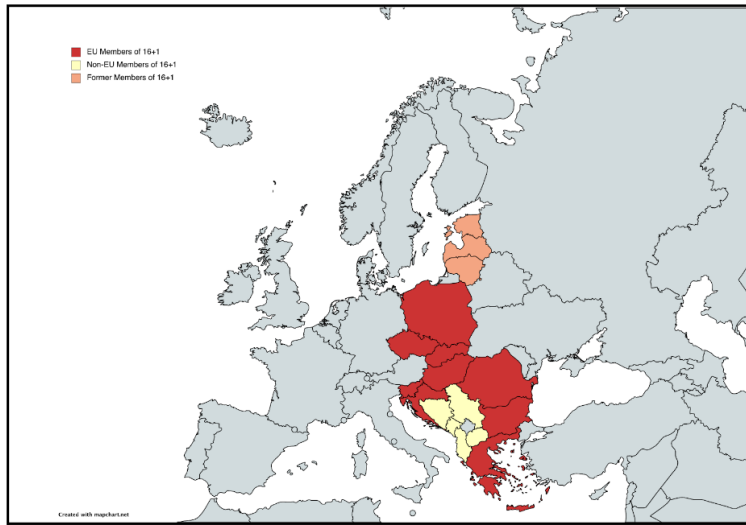


Figure 4: Current and former members of the 16+1 grouping. Lithuania withdrew from the initiative in 2021,<sup>33</sup> while Latvia and Estonia withdrew in 2022.<sup>34</sup> (Data source: Observer Research Foundation<sup>35</sup> / Map source: mapchart.net)

Almost immediately after the establishment of the 16+1, the grouping came under heavy criticism from Western

observers. Among European officials, the initiative was widely viewed as a thinly disguised attempt by China to gain a foothold in Europe and exert influence over vulnerable states.<sup>36</sup> More broadly, European critics expressed fear that the group could be used to exploit divisions between Eastern and Western Europe, allowing Beijing to effectively peel CEE countries away from the EU and undermine EU unity.<sup>37</sup> Others accused China of attempting to engage in predatory lending, using unsustainable loans and investments to exert political leverage in developing states.<sup>38</sup> While the events of the ensuing decade have demonstrated that many of these concerns were somewhat overblown,<sup>39</sup> it is nevertheless clear that the 16+1 has brought little more than disappointment for many of its European members.

Since the establishment of the 16+1, Central and Eastern Europe has indeed increased its levels of economic interaction with the PRC.<sup>40</sup> By 2016, “China-CEE trade increased to [USD] \$58.7 billion last year (from [USD] \$43.9 billion in 2010),” while Chinese investment in CEE states “has accumulated to more than [USD] \$8 billion, covering industries such as machinery, chemical, telecom and new

32 Hillman and McAlpin, “Will China's '16+1' Format Divide Europe?”

33 Stuart Lau, “Lithuania Pulls Out of China's '17+1' Bloc in Eastern Europe,” *Politico*, May 21, 2021, <https://www.politico.eu/article/lithuania-pulls-out-china-17-1-bloc-eastern-central-europe-foreign-minister-gabrieliulis-landsbergis/>.

34 Oliver Young, “Latvia and Estonia Exit China's '16+1' Central and Eastern European Cooperation Group,” *China Digital Times*, August 19, 2022, <https://chinadigitaltimes.net/2022/08/latvia-and-estonia-exit-chinas-161-central-and-eastern-european-cooperation-group/>.

35 Samanya Sharma, “The 16+1 Initiative: Judged Too Quickly?,” Observer Research Foundation, October 2, 2021, <https://www.orfonline.org/expert-speak/the-161-initiative-judged-too-quickly/>.

36 Dragan Pavličević et al., “China's Investment in Influence: The Future of 16+1 Cooperation,” European Council on Foreign Relations, December 14, 2016, [https://ecfr.eu/publication/chinas\\_investment\\_in\\_influence\\_the\\_future\\_of\\_161\\_cooperation7204/](https://ecfr.eu/publication/chinas_investment_in_influence_the_future_of_161_cooperation7204/).

37 Hillman and McAlpin, “Will China's '16+1' Format Divide Europe?”

38 Daniel Kochis, “Europe Must Put China's 16+1 Format Out of Its Misery,” The Heritage Foundation, August 10, 2022, <https://www.heritage.org/asia/commentary/europe-must-put-chinas-161-format-out-its-misery>.

39 “Comparing Economic Engagement: Taiwan and China in Eastern Europe,” Stimson Center, May 3, 2022, <https://www.stimson.org/event/comparing-economic-engagement-taiwan-and-china-in-eastern-europe/>.

40 Ágnes Szunomár, “Cooperation between China and Central and Eastern Europe: Promising Start, Doubtful Outlook,” *China-US Focus*, December 6, 2017, <https://www.chinausfocus.com/finance-economy/cooperation-between-china-and-central-and-eastern-europe-promising-start-doubtful-outlook>.

energy.”<sup>41</sup> Ostensibly, these statistics would seem to suggest that the initiative has been largely successful in promoting trade between the two sides. However, a closer inspection of the data provides a less positive outlook. As CEPA has noted, the vast majority of Chinese trade—roughly 80 percent in 2016—is directed at only five CEE countries: Czechia, Hungary, Poland, Slovakia, and Romania.<sup>42</sup>

Even for larger states that have received more Chinese attention, the results of the 16+1 initiative have been somewhat lackluster. As Ágnes Szunomár of Corvinus University in Budapest has pointed out, Czechia, Poland, and Hungary—China’s three most significant economic partners in the region—continue to have substantial trade deficits *vis-à-vis* China.<sup>43</sup> Moreover, China’s investments in CEE countries continue to lag far behind those directed toward Western European states, with investment in the region accounting for less than five percent of overall Chinese investment in the EU in 2016.<sup>44</sup> These factors, combined with CEE states’ continuing struggles with accessing the Chinese market, have contributed to declining support for the 16+1 in the majority of member states.<sup>45</sup>

For many participants in the 16+1, the platform

For many participants in the 16+1, the platform has generally failed to live up to expectations.

has generally failed to live up to expectations. As previously mentioned, China’s promises of economic integration and investment have largely failed to materialize, while the region continues to rank low on China’s list of overall trade partners.<sup>46</sup> Furthermore, the grouping’s façade of multilateralism has gradually eroded, with member states almost exclusively interacting with China on a bilateral,

rather than collective, basis.<sup>47</sup> Given these shortcomings, as well as others, nations across the region have proven increasingly willing to criticize both the platform and the PRC itself in recent years.<sup>48</sup> In February 2020, Estonia, Latvia, Bulgaria, Romania, Slovenia,

and Lithuania all opted to send lower-ranking ministers to the grouping’s annual summit, a move that was widely interpreted as a signal of dissatisfaction.<sup>49</sup> Then, in May 2021, Lithuania became the first state to withdraw from the initiative, citing miniscule economic benefits and stating that “There is no such thing as 17+1 anymore.”<sup>50</sup> Lithuania was later followed by its fellow Baltic states, as Latvia and Estonia departed the arrangement in 2022,<sup>51</sup>

41 Ibid.

42 Edward Lucas, “Chinese Influence in Central and Eastern Europe,” Center for European Policy Analysis, August 2, 2022, <https://cepa.org/comprehensive-reports/chinese-influence-in-central-and-eastern-europe/>.

43 Ágnes Szunomár, “Comparing Economic Engagement: Taiwan and China in Eastern Europe,” (online seminar, Stimson Center, Washington, DC, May 2, 2022), <https://www.stimson.org/event/comparing-economic-engagement-taiwan-and-china-in-eastern-europe/>.

44 Ibid.

45 Kinling Lo, “China market still sluggish for Central and Eastern European goods,” *South China Morning Post*, June 20, 2021, <https://www.scmp.com/news/china/diplomacy/article/3138040/china-market-still-sluggish-central-and-eastern-european-goods>.

46 Ivana Karásková, “How China lost Central and Eastern Europe,” Mercator Institute for China Studies (MERICS), April 22, 2022, <https://merics.org/en/short-analysis/how-china-lost-central-and-eastern-europe>.

47 Justyna Szczudlik, “Seven Years of the 16+1: An Assessment of China’s ‘Multilateral Bilateralism’ in Central Europe,” *Asie. Visions*, no. 107, April 2019, [https://www.ifri.org/sites/default/files/atoms/files/szczudlik\\_161\\_2019.pdf](https://www.ifri.org/sites/default/files/atoms/files/szczudlik_161_2019.pdf).

48 Ivana Stradner and Dalibor Rohac, “The Threat to the West Is Inside the House,” *Foreign Policy*, April 8, 2022, <https://foreignpolicy.com/2022/04/08/the-threat-to-the-west-is-inside-the-house/>.

49 Lo, “China market still sluggish for Central and Eastern European goods.”

50 Lau, “Lithuania pulls out of China’s ‘17+1’ bloc in Eastern Europe.”

51 Finbarr Bermingham and Robert Delaney, “Estonia and Latvia leave China’s 16+1 trade group for central and eastern European nations,” *South China Morning Post*, August 12, 2022, <https://www.scmp.com/news/china/diplomacy/article/3188599/estonia-and-latvia-leave-chinas-16-1-trade-group-central-and>.

leading some to describe the grouping as the “14+1.”<sup>52</sup> While Latvia and Estonia provided no clear explanation for their withdrawal from the 16+1,<sup>53</sup> many have suspected that objections to China’s support for Russia played a major role in the decisions.<sup>54</sup>

While the 16+1 increasingly seems to be on somewhat shaky footing, the grouping remains a key feature of China’s approach to Central and Eastern Europe. And even as a number of CEE states have grown wary of PRC intentions, Beijing retains strong economic and political relations with several key regional partners—such as Hungary—and continues to play a major role in the area. Nevertheless, the PRC’s relative decline in the region has opened the door for Taiwan to build limited partnerships with several CEE states.

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52 Stuart Lau, “Down to 14 + 1: Estonia and Latvia quit China’s club in Eastern Europe,” *Politico*, August 11, 2022, <https://www.politico.eu/article/down-to-14-1-estonia-and-latvia-quit-chinas-club-in-eastern-europe/>.

53 Young, “Latvia and Estonia Exit China’s ‘16+1’ Central and Eastern European Cooperation Group.”

54 Lau, “Down to 14+1.”

## Taiwan's Approaches to Interactions with CEE States

Historically, Taiwan's approach to Central and Eastern Europe has differed significantly from that of the PRC. Unlike China, whose outreach to the region has been primarily state-led, Taiwan has taken a more pragmatic, business-centric course of action. As Szunomár has noted, Taiwanese businesses have been present in the region for decades, quietly and inconspicuously conducting operations even as Taiwan's political space has contracted.<sup>55</sup> To accomplish this, these businesses have often worked to downplay their "Taiwaneseness," either portraying themselves as apolitical, global companies or emphasizing their connections to the PRC.<sup>56</sup> As a result, large Taiwanese companies such as Foxconn, Asus, and Acer have been able to establish factories in the region.<sup>57</sup> In turn, these companies have accounted for a substantial portion of Taiwan's overall FDI in CEE states.<sup>58</sup>

As numerous commentators have observed, Taiwan has been able to find success in the region by relying heavily on its businesses to conduct outreach.<sup>59</sup> Unlike Chinese firms, which are generally subordinate to broader PRC political objectives, Taiwanese firms have typically operated out of pragmatism and self-interest.<sup>60</sup> That is, rather than involving themselves in the complex geopolitical disputes that define so much of Taiwan's foreign policy, these firms have sought to develop business-to-business ties with counterparts in the region.

While these efforts have been largely decentralized in the past, Taiwan's government has increasingly sought to play a larger role in coordinating investment in the region. Nevertheless, the Tsai

Administration has continued to place Taiwan's business community at the core of its approach. In October 2021, Taiwan's National Development Council (NDC, 國家發展委員會) organized a 66-member business delegation to the region.<sup>61</sup> During the visit, the group traveled to Czechia, Slovakia, and Lithuania, where they met with political and business leaders and signed 19 memoranda of understanding (MOU) on a variety of issues. While the overall impacts of these agreements remain to be seen, the delegation visit could potentially serve as a template for future Taiwanese public-private collaboration in the region.

While Taiwan's business community drove the majority of the island's interactions with CEE states throughout the 1990s and 2000s, Taipei has been able to make limited political gains in the region in recent years. Taking advantage of the 16+1's shortcomings, as well as broader fears regarding Chinese influence, the Tsai Administration has worked to establish informal ties with a number of CEE states. Undertaking what has been described as a "diplomatic offensive," Taipei has worked to expand its relationships with nations across the region.<sup>62</sup> These efforts have accelerated amid the COVID-19 pandemic and the Russian invasion of Ukraine, both of which have contributed to declining perceptions of China across Europe.<sup>63</sup> By presenting itself as a democratic alternative to the PRC, Taiwan has increasingly been able to make in-roads in the region.

55 Szunomár, "Comparing Economic Engagement."

56 Ibid.

57 Jens Kastner, "Taiwan Eyes Growth Potential in Central and Eastern Europe," *Taiwan Business TOPICS*, American Chamber of Commerce in Taiwan, December 27, 2021, <https://topics.amcham.com.tw/2021/12/taiwan-growth-potential-central-eastern-europe/>.

58 Ibid.

59 Ibid.

60 Szunomár, "Comparing Economic Engagement."

61 Stephanie Chiang, "Taiwan delegation to join Czech Republic, Lithuania trade talks during Europe tour," *Taiwan News*, October 20, 2021, <https://www.taiwannews.com.tw/en/news/4320336>.

62 Gregory Coutaz, "Taiwan's Diplomatic Offensive in Eastern Europe," *The Diplomat*, February 3, 2022, <https://thediplomat.com/2022/02/taiwans-diplomatic-offensive-in-eastern-europe/>.

63 Janka Oertel, "How COVID-19 and the war in Ukraine could change EU-Taiwan relations," in *Taiwan-US Quarterly Analysis series*, Brookings Institute, July 13, 2022, <https://www.brookings.edu/series/taiwan-u-s-quarterly-analysis/>.

## Case Studies

As previously established, Central and Eastern Europe has developed into a key venue for the growing geopolitical competition between China and Taiwan. In order to provide deeper insights into this regional confrontation, we conducted case study analyses of four key states: Lithuania, Czechia, Slovakia, and Hungary. While each state has developed relationships with both China and Taiwan, their overall approaches have differed significantly. In the following section, we will provide in-depth analyses of each country's political, economic, and civil society interactions with China and Taiwan.

### Lithuania

A small country situated on the northern periphery of Central and Eastern Europe, Lithuania would seem an unlikely contender to be a leader in challenging the People's Republic of China. Nevertheless, it has become exactly that in recent years. While Vilnius was one of the original signatories of the 16+1 initiative in 2012, the Baltic nation gradually soured on the arrangement over the ensuing decade—a shift largely driven by disappointing economic returns, and growing concern regarding Chinese influence. This trend culminated in Lithuania's decision to leave the 16+1 in March of 2021, marking the first time a country had withdrawn from the grouping. This choice—combined with Vilnius' subsequent outreach to Taiwan—has confirmed Lithuania's place on the forefront of pushing back against Chinese influence in Central and Eastern Europe. In the following section, we will explore Lithuania's complex relationships with both China and Taiwan, with the goal of providing insights into its recent pivot towards Taiwan.

This choice—combined with Vilnius' subsequent outreach to Taiwan—has confirmed Lithuania's place on the forefront of pushing back against Chinese influence in Central and Eastern Europe.

### Political and Diplomatic Dynamics

While Lithuania's break with China was initially motivated primarily by economic concerns, the dispute has proven to have significant political and diplomatic ramifications as well. Soon after Lithuania's announcement of its expansion of ties with Taiwan and subsequent withdrawal from the 16+1, Beijing commenced a campaign to pressure Vilnius on several fronts—an effort which has been frequently characterized as “bullying.”<sup>64</sup> In addition to coercive economic measures, China has withdrawn its ambassador from Lithuania, demanded that Vilnius do the same, and publicly criticized Lithuanian leadership. Perhaps most notably, the PRC threatened to sanction European firms that did business with Lithuanian counterparts, evidently in an attempt to further isolate the Baltic nation.<sup>65</sup> In response, Lithuanian lawmakers have demonstrated a growing willingness to criticize China on a wide array of issues, including Beijing's aggressive diplomatic tactics and domestic repression of Hong Kong and Xinjiang. Driven by a mounting determination to pursue “values-based politics” and build ties with other liberal democracies, Vilnius has thus far refused to back down in the face of Chinese condemnation.<sup>66</sup>

As Lithuania's relations with the PRC have declined, its

64 Franklin D. Kramer and Hans Binnendijk, “The China-Lithuania Rift Is a Wake-Up Call for Europe,” *Foreign Policy*, September 22, 2021, <https://foreignpolicy.com/2021/09/22/china-lithuania-taiwan-eu-nato/>.

65 Adrius Sytas and John O'Donnell, “Analysis: German Big Business Piles Pressure on Lithuania in China Row,” *Reuters*, January 21, 2022, <https://www.reuters.com/world/europe/german-big-business-piles-pressure-lithuania-china-row-2022-01-21/>.

66 “China-EU relations: Lithuania says its rocky ties with Beijing are a ‘wake-up call’ for Europe,” *Reuters* via *South China Morning Post*, November 4, 2021, <https://www.scmp.com/news/china/diplomacy/article/3154805/china-eu-relations-lithuania-says-its-rocky-ties-beijing-are>.



diplomatic ties with Taiwan have steadily grown. In November 2021, Taipei opened a new representative office in Vilnius, dubbed the “Taiwanese Representative Office in Lithuania.”<sup>67</sup> As many commentators at the time noted, the choice to use “Taiwanese” rather than the standard “Taipei” was a particularly bold one, as Beijing has historically worked to prevent the usage of “Taiwan” in international settings. This decision has been followed by a number of other developments, including an August 2022 visit of 11 Lithuanian officials to Taiwan.<sup>68</sup> The delegation, led by Deputy Transport and Communications Minister Agnė Vaiciukevičiūtė, met with President Tsai and engaged in discussions on technology cooperation with several business leaders. While Beijing was quick to condemn the visit<sup>69</sup>—and to sanction Vaiciukevičiūtė—Lithuanian officials were undeterred, describing the trip as necessary for a “mutually beneficial relationship with Taiwan, one of the world’s most progressive economies.”<sup>70</sup>

### *Economic and Trade Dynamics*

Like most members of the 16+1 arrangement, Lithuania initially joined the grouping in the hopes of reaping economic benefits. Motivated by Chinese promises of increased bilateral trade and direct investment in Lithuanian infrastructure, Vilnius was an enthusiastic supporter of the initiative. However, Lithuania soon discovered that many

Based on initial indications, Taiwan seems poised to fill a significant portion of the lost trade.

of these promises were little more than illusions. While overall trade between Lithuania and China has indeed increased since the foundation of the 16+1, the balance of trade consistently and heavily favored China.<sup>71</sup> Perhaps more importantly, China’s pledges to invest in the Lithuanian economy have largely failed to materialize, with Chinese foreign direct investment in Lithuania remaining limited.<sup>72</sup> This stunted economic relationship has only worsened following Vilnius’ departure from the 16+1, as Beijing has retaliated by halting much of its bilateral trade. Now, with the majority of its economic connections with China severed, Lithuania has been forced to turn elsewhere.

While the full economic ramifications of Lithuania’s break with China remain unclear, new trade partners have already begun to emerge. Based on initial indications, Taiwan seems poised to fill a significant portion of the lost trade. Prior to the Lithuania-China dispute, trade between Lithuania and Taiwan was fairly limited.<sup>73</sup> However, in the wake of Beijing’s suspension of ties with Vilnius, the Lithuania-Taiwan economic relationship has grown appreciably.<sup>74</sup> For instance, Lithuania

67 “Taiwan Opens Representative Office in Lithuania,” *Deutsche Welle*, November 18, 2021, <https://www.dw.com/en/taiwan-opens-representative-office-in-lithuania/a-59853874>; and The Taiwanese Representative Office in Lithuania, “Home Page,” accessed January 2023, [https://www.roc-taiwan.org/lt\\_en/index.html](https://www.roc-taiwan.org/lt_en/index.html).

68 Yew Lun Tian, “China sanctions Lithuanian deputy minister for Taiwan visit,” *South China Morning Post*, August 13, 2022, [https://www.reuters.com/world/china-sanctions-lithuanian-deputy-minister-visiting-taiwan-2022-08-12/?utm\\_source=reddit.com](https://www.reuters.com/world/china-sanctions-lithuanian-deputy-minister-visiting-taiwan-2022-08-12/?utm_source=reddit.com).

69 Kelvin Chen, “China sanctions Lithuanian deputy minister for visiting Taiwan,” *Taiwan News*, August 13, 2022, <https://www.taiwannews.com.tw/en/news/4625157>.

70 Tian, “China Sanctions.”

71 Finbarr Bermingham, “Lithuania to open Taiwan trade office, the latest sign of discontent with China by a ‘17+1’ member,” *South China Morning Post*, March 4, 2021, <https://www.scmp.com/news/china/diplomacy/article/3123983/lithuania-open-taiwan-trade-office-latest-sign-discontent>.

72 Stuart Lau, “How little Lithuania dragged the EU into its showdown with China,” *Politico*, October 6, 2021, <https://www.politico.eu/article/lithuania-china-showdown-eu-impact/>.

73 “Lithuania (LTU) Exports, Imports, and Trade Partners,” Observatory of Economic Complexity (OEC), 2021, <https://oec.world/en/profile/country/ltu>.

74 Taiwan Ministry of Foreign Affairs, “EXPORT / IMPORT VALUE (BY COUNTRY),” Bureau of Foreign

emerged as one of Taiwan's top ten destinations for foreign spending in the first half of 2021, with Taiwanese citizens spending upwards of €76 million (approximately USD \$81.3 million) on Lithuanian goods.<sup>75</sup> This upward trend has continued in the ensuing months, culminating with Lithuania's recent decision to open a trade office in Taipei.<sup>76</sup> This more formalized arrangement has already begun to translate into meaningful investments, with Taiwan announcing a USD \$10 million investment in Lithuania's semiconductor industry in November 2022.

### *Additional Dynamics*

Notably, Lithuania's expanding dispute with China has unfolded against the backdrop of the ongoing COVID-19 pandemic. In addition to its myriad other global impacts, the pandemic has played a significant role in shifting European opinions on China and its influence. While Beijing expended substantial resources in the early days of the crisis to export medical supplies and expertise to stricken European nations, these efforts were largely detrimental. Concerned by reports of defective Chinese medical equipment and increasingly coercive Chinese diplomacy, many European nations began to turn elsewhere to develop medical partnerships. Once again, Taiwan has been able to step into this void, particularly in Lithuania.

### *Czech Republic*

The Czech Republic is a Central European parliamentary democracy, known for the democratic,

anti-authoritarian, and human rights-oriented legacy of Václav Havel, the statesman who helmed the country following the collapse of communism and the Velvet Revolution. More recently, however, it has found itself in the Russian and Chinese spheres of influence due to the political and business ties of many Czech elites.<sup>77</sup> Both of these factors have played a key role in shaping Prague's relations with China and Taiwan over the past decade.

### *Political and Diplomatic Dynamics*

For much of the early 2010s, the Czech Republic—a nation which had elected a president with a pro-Russia and pro-China foreign policy leaning, and which hosted Xi Jinping in 2016—had what it considered a growing and promising relationship with the PRC. The hopes for a prosperous economic relationship with China began to crumble when the promises of foreign direct investment and job creation failed to materialize. Furthermore, Czech perceptions of authoritarian threats, including those posed by the PRC, have also evolved as the war in Ukraine has unfolded. Wariness against overdependence on non-democratic regimes—from energy security in the case of Russia to technology supply chains in the case of China—are among the most discussed issues in the country.

The first signs of change came in the fall of 2019, when a Prague-Beijing city-to-city partnership was terminated after disagreements over the inclusion of a “One-China” clause. During his 2019 Taipei visit, Mayor Zdeněk Hřib had already discussed with President Tsai prospects for student and cultural exchanges, medical and technology cooperation, and bolstering economic and travel connections.<sup>78</sup> In the fall, he inked a Prague-Taipei sister city agreement, pledging to prioritize human rights over China's

Trade, last modified November 15, 2022, <https://cuswebo.trade.gov.tw/FSCE000F/FSCE000F>.

75 Tom Bateman, “Diplomatic spat with China pays off for Lithuania as Taiwan's consumers splurge on beer and biscuits,” *EuroNews*, August, 9, 2021, <https://www.euronews.com/next/2021/09/08/diplomatic-spat-with-china-pays-off-for-lithuania-as-taiwan-s-consumers-splurge-on-beer-an>.

76 Chien Hui-ju, “Lithuania approves laws to allow for Taiwan trade office,” *Taipei Times*, October 2, 2021, <https://www.taipeitimes.com/News/taiwan/archives/2021/10/02/2003765393>.

77 For one exemplary discussion of PRC influence in the Czech Republic, see: Martin Hála, “Making Foreign Companies Serve China: Outsourcing Propaganda to Local Entities in the Czech Republic,” *China Brief*, January 17, 2020, <https://jamestown.org/program/making-foreign-companies-serve-china-outsourcing-propaganda-to-local-entities-in-the-czech-republic/>.

78 Katherine Schultz, “Prague's Sister City Shift from Beijing to Taipei: An Exception or New Trend?,” *Global Taiwan Brief* 4, Issue 22, November 20, 2019, <https://globaltaiwan.org/2019/11/pragues-sister-city-shift-from-beijing-to-taipei-an-exception-or-new-trend/>.

“panda diplomacy.”<sup>79</sup> While this switch of ties was considered apolitical and was meant only to develop cultural and people-to-people ties, these events first brought a spotlight onto the potential for Czech-Taiwan cooperation elsewhere.

Sino-Czech ties further deteriorated when it was revealed that then-Senate President Jaroslav Kubera was threatened by the Chinese Embassy: first after he attended Taiwan's 2019 Double Ten celebration, and then after he announced that he was mulling a visit to Taiwan.<sup>80</sup> A threatening letter warning of repercussions for such a visit prompted outrage among Czechs, particularly after Kubera suddenly died; his family believe the pressure and stress were a factor in his passing. His successor, Miloš Vystrčil, pledged to lead a delegation to Taiwan in Kubera's honor, and despite increased Chinese pressure, carried out the visit in August 2020.<sup>81</sup> The delegation was hailed as a success<sup>82</sup> and resulted in the establishment of business ties as well as the signing of several memoranda of understanding (MOUs) in various areas.<sup>83</sup> These included agreements to cooperate on

Czech-Taiwanese ties in 2022 continued to expand, in part thanks to a newly elected government with a strong democratic and Western leaning and a foreign minister who is a staunch supporter of Taiwan.

“smart city” and AI projects, as well as on collaboration between numerous academic and research institutions, and sharing best practices during the coronavirus pandemic.

After a pause due to the COVID-19 pandemic, this trajectory of deepening Czech-Taiwan cooperation seems to be continuing. At the end of October 2021, on the invitation of the Senate President Vystrčil, a 66-member official Taiwanese trade delegation traveled to Europe, coinciding with a visit by Taiwan Foreign Minister Joseph Wu (吳釗燮) to Prague.<sup>84</sup> During the four-day visit, both political and economic meetings were held, and five MOUs were signed in areas including cybersecurity, medicine, and space.

Czech-Taiwanese ties in 2022 continued to expand, in part thanks to a newly elected government with a strong democratic and Western leaning and a foreign minister who is a staunch supporter of Taiwan.<sup>85</sup> In July, Taiwan's Legislative Speaker You Si-kun (游錫堃) led a delegation of cross-party lawmakers to Prague;<sup>86</sup> while a Czech education, science, and technology delegation, led by Senator Jiří Drahoš, paid a visit to their Taiwanese counterparts in September.<sup>87</sup> Multiple

79 “Primátor Hřib požádal prezidentku Tchaj-wanu o zřízení přímé letecké linky Praha – Tchaj-pei,” *Praha*, March 31, 2019, [https://www.praha.eu/jnp/cz/o\\_meste/magistrat/tiskovy\\_servis/tiskove\\_zpravy/primator\\_hrib\\_pozadal\\_prezidentku\\_tchaj.html](https://www.praha.eu/jnp/cz/o_meste/magistrat/tiskovy_servis/tiskove_zpravy/primator_hrib_pozadal_prezidentku_tchaj.html).

80 “Kubera Odmítl Na Schůzce s Čínským Velvyslancem Kritiku. Nemůžete k Česku Přistupovat z Pozice Síly, Říká,” *Hospodářské Noviny*, October 29, 2019, <https://domaci.hn.cz/c1-66667270-kubera-odmitl-na-schuzce-s-velvyslancem-cinskou-kritiku-peking-nemuze-pristupovat-k-cesku-z-pozice-sily-rika>.

81 Katherine Schultz, “The Historic Czech Delegation to Taiwan: When a Small Democracy Stands up to China's Intimidation,” *Global Taiwan Brief* 5, Issue 18, September 23, 2020, <https://globaltaiwan.org/2020/09/the-historic-czech-delegation-to-taiwan-when-a-small-democracy-stands-up-to-chinas-intimidation/>.

82 Sue Nguyen, “Senátní delegace se vrátila z Taiwanu, přivezla řadu příležitostí pro Česko,” *Senát Parlamentu České Republiky*, September 5, 2020, [https://www.senat.cz/zpravodajstvi/zprava.php?ke\\_dni=5.9.2020&O=12&id=3025&from=M](https://www.senat.cz/zpravodajstvi/zprava.php?ke_dni=5.9.2020&O=12&id=3025&from=M).

83 “Czech Senate president witnesses MOU signings in Taiwan,” *Focus Taiwan*, August 31, 2020, <https://focustaiwan.tw/business/202008310005>.

84 Stuart Lau and Leonie Kijewski, “Taiwanese minister's covert trip to Brussels adds to EU-China tensions,” *Politico*, October 27, 2021, <https://www.politico.eu/article/joseph-wu-taiwan-brussels-beijing-czech-republic-slovakia-diplomacy/>.

85 Stuart Lau, “Czech Foreign Minister Eyes Closer Ties with ‘Bullied’ Taiwan,” *Politico*, April 13, 2022, <https://www.politico.eu/article/czech-foreign-minister-eyes-closer-ties-with-bullied-taiwan/>.

86 “I Am Taiwanese and Czech’: Taiwan Legislative Speaker Tells Czech Senators,” *Focus Taiwan*, July 20, 2022, <https://focustaiwan.tw/politics/202207200025>.

87 Ministerstvo zahraničních věcí České republiky [Czech Republic Ministry of Foreign Affairs], “Drahošova Delegace Podpořila Na Tchaj-Wanu Vědeckou I Kulturní

lower-level visits between Czech and Taiwanese institutions also took place during the same year.

Czechia is now exploring more avenues for cooperation with Taiwan, and prospects for the continuation or even further strengthening of Czech-Taiwan look promising into 2023 and beyond. Taiwanese are increasingly viewed as reliable partners across many fields and industries. Looking toward the near future, Czech House Speaker Markéta Pekarová Adamová has accepted You Si-kun's invitation this summer and is planning to lead a business delegation to Taiwan in the spring of 2023.<sup>88</sup>

The Czech Republic has official diplomatic relations with the PRC, and as an EU member, it adheres to the “One-China Policy”—an issue that continues to be a sticking point as it balances relations between the PRC and Taiwan. As in multiple other countries, however, opinions have begun to change regarding the interpretation of the “One-China Policy.” The response of Czech MEP Markéta Gregorová, a member of the European Parliament delegation visiting Taiwan in November 2021, to China protesting the visit, sheds light on the evolving interpretation: “The Chinese really should not be surprised. [...] The EU’s One China policy doesn’t mean we don’t have our own relationship with Taiwan.”<sup>89</sup>

### *Economic and Trade Dynamics*

In recent years, after initial excitement in the Czech Republic about the prospects of grand Chinese investment in the early- and mid-2010s—which mostly failed to materialize—the general attitude

towards China among Czechs could be described as one of growing disillusionment. While a small number of Czech businesses (many of which are in former President Miloš Zeman’s immediate circle) continue to profit from and promote economic ties with China, the country has gained little to no benefit from pursuing closer ties with China. On the contrary, China experts have been sounding the alarm at China’s efforts to exploit such ties and exert influence on Czech policy makers.<sup>90</sup> The political and economic connections between Czechia and China continue to be very intricate,<sup>91</sup> and China’s influence activities in the Czech Republic have been deemed some of the most intensive in Europe.<sup>92</sup>

By contrast, by 2019 Taiwan had become the third largest Asian trade partner for the Czech Republic (surpassed only by Japan and Korea, and ranking above China).<sup>93</sup> Taiwan also invests more in the Czech Republic than does China. This demonstrates that the September 2020 delegation to Taiwan, which facilitated contacts between Czech businesspeople and Taiwanese banks and companies, was a rational and sensible choice.

### *Additional Dynamics*

In the academic sphere, Sino-Czech ties have undergone a series of controversies in the past several years. In the

Spolupráci” (press release), accessed January 2023, [https://www.mzv.cz/taipei/cz/obcho\\_a\\_ekonomika/aktuality/dra-hosova\\_delegace\\_podporila\\_na\\_tchaj.html](https://www.mzv.cz/taipei/cz/obcho_a_ekonomika/aktuality/dra-hosova_delegace_podporila_na_tchaj.html).

88 “Markéta Pekarová Adamová Nejspíš Příští Rok Navštíví Tchaj-Wan,” *Deník N*, July 20, 2022, <https://denikn.cz/minuta/924123/>.

89 Stuart Lau, “Beijing fires warning at EU after MEPs meet Taiwan president,” *Politico*, November 4, 2021, <https://www.politico.eu/article/beijing-fires-warning-at-eu-after-meps-meet-taiwan-president/>.

90 Ivana Karásová et al., “China’s Sticks and Carrots in Central Europe: The Logic and Power of Chinese Influence,” *MapInfluence*, June 23, 2020, [https://mapinfluence.eu/en/chinas-sticks-and-carrots-in-central-europe-the-logic-and-power-of-chinese-influence/?fbclid=IwAR2sZ3ltHcDTML84xBiEsw6j\\_W9UzZnqNnJXROeuJWgpOjaV57CdYyKUDNU](https://mapinfluence.eu/en/chinas-sticks-and-carrots-in-central-europe-the-logic-and-power-of-chinese-influence/?fbclid=IwAR2sZ3ltHcDTML84xBiEsw6j_W9UzZnqNnJXROeuJWgpOjaV57CdYyKUDNU).

91 “Relations Between Czech Political and Business Elites with Links to China,” *MapInfluence*, October 21, 2021, <https://mapinfluence.eu/en/relations-between-political-elites-and-pro-china-business/>.

92 Thorsten Benner et al., “Authoritarian advance: Responding to China’s growing political influence in Europe,” Mercator Institute for China Studies (MERICS), February 2, 2018, <https://www.merics.org/en/report/authoritarian-advance-responding-chinas-growing-political-influence-europe>.

93 “Nejde o Protičínskou Návštěvu, Tvrdí Kubera o Cestě Na Tchaj-Wan. Zeman Nesouhlasí,” *Aktuálně*, January 14, 2020, <https://zpravy.aktualne.cz/domaci/politika/pokud-kubera-pojede-na-tchaj-wan-pratelstvi-skonci-hrozi-pre/r~ee2c576436ed11ea9ec9ac1f-6b220ee8/>.



fall of 2019, the media uncovered links between the newly established Czech-China Center at Prague's Charles University and the Chinese Embassy, which financed visits of promising students to China as well as China-related security conferences.<sup>94</sup> In November 2021, it was also revealed that a member of the Czech Academy of Sciences whose portfolio includes research on China had been working for a Budapest-based, CCP-funded think tank suspected of involvement in espionage.<sup>95</sup> A key area of cooperation between the Czech Republic and governments on both sides of the Taiwan Strait in recent history has been medical cooperation and assistance—primarily due to the COVID-19 outbreak. During the first months of the pandemic, the Czech government hoped that the PRC would mitigate the Czech shortages of facemasks and other personal protective equipment (PPE), but this approach soon proved to be problematic. It was soon revealed that many deliveries of China-produced PPE and test kits (initially falsely portrayed as aid, but later found to be overpriced purchases by the Czech government) were faulty, rendering many of them useless. Worse still, evidence emerged of China actively depleting Czech national reserves of medical supplies before the full scope of the pandemic was known in Europe.<sup>96</sup> In April 2020, the Czech Foreign Ministry and Taiwan established a partnership to combat the COVID-19 pan-

In comparison to its neighbor Czechia, neither China nor Taiwan have featured prominently on the agenda of Slovak political elites.

demic. Following the August 2020 Czech delegation, Taiwan donated five facemask production lines to the country,<sup>97</sup> all of which were running by the spring of 2021, as well as tens of thousands medical masks and medical equipment such as ventilators.<sup>98</sup> In return, due to a surplus of vaccines in the Czech Republic by June 2021, the country donated several batches of COVID-19 vaccines to Taiwan. Following the COVID-19 outbreak, the Czech Republic has also been among those calling for the inclusion of Taiwan in the

WHO. In May 2022, the Czech Republic once again supported Taiwan's bid for inclusion in the WHA.<sup>99</sup>

### Slovakia

In comparison to its neighbor Czechia, neither China nor Taiwan have featured prominently on the agenda of Slovak political elites. In line with the country's "One-China Policy," relations with the former have influenced relations with the latter. When the country was governed by elites emphasizing economic relations with China, relations with Taiwan stagnated. By contrast, when the emphasis was on a values-based foreign policy, relations with Taiwan improved. Nevertheless, Taiwan has long remained on the periphery of Slovakia's interests, at least until recently. Following the 2020 parliamentary election, a coalition government more critical

94 Andrea Procházková, "UK Propustila Akademiky, KTERÍ Dostávali Peníze Od Čínské Ambasády," *Týdeník Respekt*, May 11, 2019, <https://www.respekt.cz/politika/uk-propustila-akademiky-kteri-dostavali-penize-od-cinske-ambasady>.

95 Lukáš Valášek, "Odsouzeného Antisemitu Platí Čína. Na Akademii Věd Se Podílí Na Akcích o Číně I Rusku: Aktuálně.cz," *Aktuálně*, November 4, 2021, [https://zpravy.aktualne.cz/domaci/v-akademii-ved-pracuje-odsouzeny-antisemita-porada-konferenc/r~d5e89e2a359611ec8fa20cc47ab5f122/?fbclid=IwAR0Kj3Tp9\\_Miso-vURekIhIbDW0PAVOdRmQiuwuFtXlUC1jtJ89LsGV92je0](https://zpravy.aktualne.cz/domaci/v-akademii-ved-pracuje-odsouzeny-antisemita-porada-konferenc/r~d5e89e2a359611ec8fa20cc47ab5f122/?fbclid=IwAR0Kj3Tp9_Miso-vURekIhIbDW0PAVOdRmQiuwuFtXlUC1jtJ89LsGV92je0).

96 Lukáš Valášek, "Confiscated face masks imported by an influential Chinese representative in Czechia," *Aktuálně*, March 26, 2020, <https://zpravy.aktualne.cz/domaci/confiscated-face-masks-imported-by-an-influential-representa/r~560650326f6611ea842f0c-c47ab5f122/>.

97 Keoni Everington, "Taiwan Donates 5 Mask Production Lines to Czech Republic," *Taiwan News*, September 3, 2020, <https://www.taiwannews.com.tw/en/news/4000913>.

98 Jakub Zelenka, "Vláda Rozhodne, Kam Pošle Vakcíny. Ve Hře Je i Tchaj-Wan," *Deník N*, July 20, 2021, <https://denikn.cz/668300/vlada-rozhodne-kam-posle-vakciny-ve-hre-je-i-tchaj-wan/>.

99 Kelvin Chen, "Foreign Ministry Lauds High Level of Support for Taiwan in WHA," *Taiwan News*, May 29, 2022, <https://www.taiwannews.com.tw/en/news/4554212>.



of China rose to power,<sup>100</sup> under which Slovakia not only donated 160,000 vaccines to Taiwan,<sup>101</sup> but for the first time co-hosted a Global Cooperation and Training Framework (GCTF) workshop.<sup>102</sup> Slovakia also became one of the three countries toured by the 66-member Trade and Investment Delegation from Taiwan.<sup>103</sup> This not only coincided with the visit by Minister Joseph Wu, who delivered an unprecedented speech at a conference in Bratislava, but was also the first among several high-level delegations that followed between the two countries.<sup>104</sup>

### *Political and Diplomatic Dynamics*

Communist Czechoslovakia was one of the first countries to establish official relations with the PRC. Accordingly, it was not until the collapse of the Soviet bloc that Taiwan tried to use its economic diplomacy to establish ties with the emerging democratic regimes in Central and Eastern Europe.<sup>105</sup> Taiwan succeeded in developing substantive ties with most countries in the region, including

post-communist Czechoslovakia, where President Havel became one of the staunchest supporters of Taiwan. Nevertheless, following the federation's dissolution in 1992, the newly independent states diverged in their relations with both China and Taiwan. Slovak Prime Minister Vladimír Mečiar opted to prioritize economic relations with China—and while Czech Prime Minister Václav Klaus adopted a similar approach, a voice supportive of Taiwan similar to Havel's in Czechia was lacking in Slovakia.<sup>106</sup> Relations with Taiwan improved in the late 1990s, when Prime Minister Mikuláš Dzurinda began emphasizing democratic values over economic pragmatism.<sup>107</sup> The year 2003 saw the opening of the Taipei Representative Office (TRO) in Bratislava, more than a decade after the opening of the Taipei Economic and Cultural Office in Prague.<sup>108</sup> This was followed shortly after by the opening of the Slovak Economic and Cultural Office (SECO) in Taipei.<sup>109</sup>

The period that could arguably be termed the golden age of Slovak-Chinese relations occurred in the mid-2000s under Prime Minister Robert Fico, who placed economic pragmatism at the center of Slovakia's foreign policy.<sup>110</sup> One of Fico's first official visits was to China, which was followed by a 2009 visit to Slovakia by Chinese President Hu Jintao (胡锦涛).<sup>111</sup> By the time of his second term, however, Fico's enthusiasm for China began to dimin-

100 Matej Šimalčík, "Slovakia: A New Challenger of China's Human Rights Record?" *The Diplomat*, August 17, 2020, <https://thediplomat.com/2020/08/slovakia-a-new-challenger-of-chinas-human-rights-record/>.

101 "Slovakia to Ship COVID Vaccine Donation to Taiwan; Doses Increased," *Focus Taiwan*, September 26, 2021, <https://focustaiwan.tw/politics/202109240017>.

102 "Slovakia Joins Taiwan, US and Japan to Host International Workshop," *Focus Taiwan*, September 10, 2021, <https://focustaiwan.tw/politics/202109090015>.

103 Richard Q. Turcsanyi and David Hutt, "Technology Is the New Priority in Central and Eastern Europe's Accelerating Relations with Taiwan," *Taiwan Insight*, January 13, 2022, <https://taiwaninsight.org/2021/11/01/technology-is-the-new-priority-in-central-and-eastern-europes-accelerating-relations-with-taiwan/>.

104 "Taiwan Foreign Minister Adds Slovakia to Rare Europe Trip," *Euractiv*, October 21, 2021, <https://www.euractiv.com/section/china/news/taiwan-foreign-minister-adds-slovakia-to-rare-europe-trip/>; and "Taiwan FM Emphasizes Democracy, Trust in Slovakia Speech," *Focus Taiwan*, October 27, 2021, <https://focustaiwan.tw/politics/202110260022>.

105 Czesław Tubilewicz, *Taiwan and Post-Communist Europe: Shopping for allies* (Routledge: 2007).

106 Eunika Rejtová, "Slovak-Taiwanese Relations under »One China« Policy," *Studia Orientalia Slovaca* 18, no.1, 2019: 75-98; and Tubilewicz, *Taiwan and Post-Communist Europe*.

107 Rejtová, "Slovak-Taiwanese Relations under »One China« Policy."

108 Taipei Representative Office, Bratislava, "TROB," accessed January 2023, [https://www.roc-taiwan.org/sk\\_en/post/4.html](https://www.roc-taiwan.org/sk_en/post/4.html); and Taipei Economic and Cultural Office, Prague, "Hospodářská a Kulturní Kancelář V České Republice," accessed January 2023, [https://www.roc-taiwan.org/cz\\_cs/post/11.html](https://www.roc-taiwan.org/cz_cs/post/11.html).

109 Šimalčík et al., "Slovakia and the Democracies of Northeast Asia," Central European Institute of Asian Studies, [https://ceias.eu/wp-content/uploads/2020/12/POLICY-PAPER\\_MZV\\_2020.pdf](https://ceias.eu/wp-content/uploads/2020/12/POLICY-PAPER_MZV_2020.pdf).

110 Ibid; and Matej Šimalčík, "Image of China in Slovakia: ambivalence, adoration, and fake news," *Asia Europe Journal* 19, no. 2, 2021: 245-258.

111 "Chinese President Hu Jintao Visits Slovakia; His Supporters Clash with Slovak Human Right Activists," *Spectator*, June 19, 2009, <https://spectator.sme.sk/c/20033103/chinese-president-hu-jintao-visits-slovakia-his-supporters-clash-with-slovak-human-right-activists.html>.

ish, culminating in his decision to abstain from attending the 2015 16+1 summit in Suzhou—citing the lack of economic benefits as one of the reasons for this decision.<sup>112</sup> Following this, the government's support for relations with China had more to do with domestic politics—China was used as a tool to criticize the opposition—than a genuine belief in the potential economic benefits.<sup>113</sup> Examples of this include the government's criticism of both the 2016 meeting between President Andrej Kiska and the Dalai Lama and the 2019 meeting of incumbent President Zuzana Čaputová with Chinese Foreign Minister Wang Yi (王毅), during which she raised the issue of China's human rights violations.<sup>114</sup>

Amidst this conflicted approach at the executive level, several members of the former opposition visited Taiwan.<sup>115</sup> Ivan Štefanec—who currently serves as an MEP in the European Parliament, where he frequently voices his support for Taiwan's international space and the strengthening of EU-Taiwan relations<sup>116</sup>—even founded the Slovak-Taiwanese Parliamentary Friendship Group.<sup>117</sup> Indeed, it is at the EU level where Slovak political elites have been particularly critical of China and supportive of Taiwan.<sup>118</sup> For example,

Amidst this conflicted approach at the executive level, several members of the former opposition visited Taiwan.

several Slovak MEPs, including Štefanec and Miriam Lexmann, signed a joint statement condemning China's threats against Czech Senate Speaker Vystrčil following his 2020 visit to Taiwan. Lexmann, one of the initiators of the statement, was also one of the MEPs sanctioned by China in 2021.<sup>119</sup> Furthermore, with parties whose members have previously visited Taiwan currently in the governing coalition, there has been increasing support for Taiwan at the governmental level. 2021 was a particularly fruitful year, as not only did Slovakia co-host its second GCTF workshop,<sup>120</sup> but then-State Secretary for the Slovak Ministry of Economy Karol Galek led a 43-member delegation to Taiwan—the country's highest-level delegation since 2003—to attend the first session of the Taiwanese-Slovak Commission on Economic Cooperation.<sup>121</sup>

High-level visits continued in 2022. Particularly noteworthy was a six-day visit to Taiwan by a

112 Barbara Keleman et al., "Slovakia and China: Challenges to the Future of the Relationship," Central European Institute of Asian Studies, <https://ceias.eu/wp-content/uploads/2020/01/Slovakia-and-China-Challenges-to-the-Future-of-the-Relationship.pdf>.

113 Šimalčík et al., "Perception of China among V4 Political Elites."

114 Kelemen et al., "Slovakia and China: Challenges to the future of the relationship."

115 Šimalčík et al., "Slovakia and the Democracies of Northeast Asia."

116 Ivan Štefanec, "EU-Taiwan political relations and cooperation" (transcript), October 19, 2021, [https://www.europarl.europa.eu/doceo/document/CRE-9-2021-10-19-INT-2-276-0000\\_EN.html](https://www.europarl.europa.eu/doceo/document/CRE-9-2021-10-19-INT-2-276-0000_EN.html)

117 Office of the President of the Republic of China, "President Ma meets Slovak-Taiwanese Parliamentary Friendship Group Chairman Ivan Štefanec" (press release), March 7, 2011, <https://english.president.gov.tw/NEWS/3566>.

118 Office of Miriam Lexmann, "Political Leaders Express Solidarity with Czech Senate President Miloš Vystrčil in Connection

to His Official Visit to Taiwan" (press release), August 25, 2020, <https://lexmann.eu/political-leaders-express-solidarity-with-czech-senate-president-milos-vystrcil-in-connection-to-his-official-visit-to-taiwan/>.

119 "CEEAsia Special Issue" (page), Central European Organization for Asian Studies, 2021, <https://mailchi.mp/beef261fd211/ceasia-sanctionsmonday>.

120 American Institute in Taiwan, "The United States, Taiwan, Japan, United Kingdom, and Slovakia Cohost Virtual Global Cooperation and Training Framework (GCTF) Workshop on Disinformation and Media Literacy" (press release), November 9, 2021, <https://www.ait.org.tw/the-united-states-taiwan-japan-united-kingdom-and-slovakia-cohost-virtual-global-cooperation-and-training-framework-gctf-workshop-on-disinforma/>.

121 "Taiwan and Slovakia hold talks as island strengthens ties with Europe," *South China Morning Post*, 2021, <https://www.scmp.com/news/china/diplomacy/article/3158655/taiwan-and-slovakia-hold-talks-island-strengthens-ties-europe>.

10-member cross-party parliamentary delegation led by Deputy Speaker of the Slovak National Council Milan Laurenčík.<sup>122</sup> During the trip, the parliamentarians met with President Tsai Ing-wen, as well as other high-ranking Taiwanese officials, and signed an arrangement on judicial cooperation in civil and commercial matters—the first such agreement between Taiwan and an EU country.<sup>123</sup> The Legislative Yuan's Taiwan-Slovakia Inter-Parliamentary Amity Association subsequently made a reciprocal visit to Slovakia a month later.<sup>124</sup>

#### *Economic and Trade Dynamics*

Regardless of the government in power, economic relations with Taiwan have been evolving since 1998, when the Slovak Chamber of Commerce and Industry and the Chinese National Association of Industry and Commerce in Taiwan signed the first cooperation agreement.<sup>125</sup> Further agreements include cooperation between the two countries' small and medium-sized enterprises (SMEs), avoidance of double taxation, mutual recognition of driving licenses and judicial cooperation, to name a few.<sup>126</sup>

Despite worries about the potential Chinese repercussions, China does not have significant economic leverage over Slovakia, nor indeed the rest of Central and Eastern Europe.<sup>127</sup> Chinese investment in Slo-

vakia is negligible—in fact, Beijing's total FDI stock in Slovakia is the lowest amongst the V4 states.<sup>128</sup> What is more, despite the harsh rhetoric from the Chinese side, Slovak exports to China increased following the Kiska-Dalai Lama fiasco.<sup>129</sup> By contrast, Taiwanese companies are the third largest group of East Asian investors in Slovakia<sup>130</sup> (following Japan and South Korea), having invested about €450 million (approximately USD \$481.7 million) and created 2,500 jobs.<sup>131</sup> Nevertheless, there is room for improvement, especially when it comes to cooperation on electric vehicles, which would combine Slovakia's and Taiwan's strengths in the automotive and semiconductor industries. Foxconn, which is one of the major Taiwanese investors in Slovakia, has announced plans to start manufacturing electronic components for the automotive industry in its plant in Nitra.<sup>132</sup> Additionally, seven MOUs, ranging from cooperation in electric vehicles to blockchain applications in space technology, were signed during the October 2021 visit by the Taiwanese business delegation to Slovakia.<sup>133</sup>

A further nine MOUs were inked during the December 2021 visit by the Slovak delegation to Taiwan, including one between the Hsinchu Science Park and the Technical University of Košice.<sup>134</sup> The Slovak delegation also visited the Taiwan Semiconductor Research Institute, which is particularly noteworthy considering the proposed semiconductor cooperation between Taiwan and the three CEE countries of Lithuania, Czechia, and Slovakia.<sup>135</sup> Indeed, Slovakia and

122 "Slovakia Delegation Touches Down in Taiwan," *Taiwan Today*, June 6, 2022, <https://www.taiwantoday.tw/news.php?unit=2&post=220083&unitname=Politics-Top-News&postname=Slovakia-delegation-touches-down-in-Taiwan>.

123 Ibid.

124 Stephanie Chiang, "Taiwan-Slovakia Inter-Parliamentary Amity Association Makes First Visit to Slovakia," *Taiwan News*, July 9, 2022, <https://www.taiwannews.com.tw/en/news/4592675>.

125 Šimalčík et al., "Slovakia and the democracies of Northeast Asia Partnerships rooted in values."

126 Ibid; and Huang Tzu-ti, "Taiwan, Slovakia ink judicial cooperation agreement," *Taiwan News*, August 4, 2021, <https://www.taiwannews.com.tw/en/news/4264044>.

127 Karásková et al., "Empty shell no more: China's growing footprint in Central and Eastern Europe," *China Observers in Central and East Europe*, 2020, [https://chinaobservers.eu/wp-content/uploads/2020/04/CHOICE\\_](https://chinaobservers.eu/wp-content/uploads/2020/04/CHOICE_)

Empty-shell-no-more.pdf.

128 Ibid.

129 Šimalčík et al., "Slovakia and the democracies of Northeast Asia Partnerships rooted in values."

130 Ibid.

131 David Hutt, "CEIAS CONSIDERS: Taiwan's Future In Central Europe," Central European Institute for Asian Studies, October 21, 2021, <https://ceias.eu/ceias-considers-taiwans-central-europe/>.

132 "Foxconn Slovakia Plánuje Vstúpiť Do Automobilového Priemyslu," *TERAZ*, May 10, 2022, <https://www.teraz.sk/spravy/foxconn-slovakia-planuje-vstupit-do-a/632426-clanok.html>.

133 "Taiwan and Slovakia ink 7 MOUs, pave way for closer ties," *Focus Taiwan*, 2021, <https://focustaiwan.tw/politics/202110230004>.

134 "Taiwan, Slovakia sign agreement, 9 MOUs to deepen cooperation," *Focus Taiwan*, December 9, 2021, <https://focustaiwan.tw/politics/202112090018>; and Lin Chia-nan, "Slovak delegation visits science park, inks two MOUs," *Taipei Times*, December 9, 2021, <https://www.taipetimes.com/News/taiwan/archives/2021/12/09/2003769279>.

135 Ben Blanchard, "Taiwan looking at chip cooperation with

Taiwan have recently signed three MOUs during the second session of the Taiwanese-Slovak Commission on Economic Cooperation. These agreements aim to boost—among other other things—bilateral trade, exchanges between startups, and collaboration in the semiconductor sector.

### *Additional Dynamics*

Once China replaced Taiwan as the major economic player in CEE, the Taiwanese government refocused on public diplomacy.<sup>136</sup> The TRO and SECO have cooperated to facilitate Slovakia-Taiwan academic exchanges, as well as individual MOUs between Slovak and Taiwanese universities.<sup>137</sup> The latter stand in stark contrast to agreements between Slovak and Chinese universities, which are often criticized for their lack of transparency and due diligence on the Slovak side.<sup>138</sup> Similar to the rest of Europe, controversies also surround the PRC's Confucius Institutes, with a noteworthy example being a threatening email sent by the head of the Confucius Institute in Bratislava to Matej Šimalčík, the executive director of the Central Europe Institute of Asian Studies (CEIAS), a Bratislava-based think tank, following the latter's publication of a report on Slovak-Chinese academic cooperation.<sup>139</sup> By contrast, Taiwan's National Central Library has recently opened Taiwan Resource Centres for Chinese Studies at five universities across CEE—including Comenius University in Slovakia, Masaryk University in Czechia, Vilnius University in Lithuania, and Eötvös Loránd University in Hungary.<sup>140</sup>

Eastern European nations," *Reuters*, November 25, 2021, <https://www.reuters.com/technology/taiwan-looking-chip-cooperation-with-eastern-european-nations-2021-11-25/>.

136 Tubilewicz, *Taiwan and Post-Communist Europe*.

137 Šimalčík et al., "Slovakia and the democracies of Northeast Asia Partnerships rooted in values."

138 Matej Šimalčík and Kalivoda Adam, "China's inroads into Slovak universities Protecting academic freedoms from authoritarian malign interference," Central European Institute of Asian Studies, 2020, <https://ceias.eu/wp-content/uploads/2020/12/universities-paper.pdf>.

139 Finnbar Bermingham, "'Are you sleeping well?' How Europe's China researchers are alarmed by efforts to stifle criticism," *South China Morning Post*, May 9, 2021, <https://www.scmp.com/news/china/diplomacy/article/3132543/are-you-sleeping-well-how-europes-china-researchers-are>.

140 "Taiwan's National Central Library Expands Presence in

Another aspect of the TRO's job is the promotion of Taiwan's prowess in technology and public health—for example, by donating ICT equipment to primary and secondary schools, medical equipment to hospitals, and supporting events sponsored by Taiwanese tech companies in Slovakia.<sup>141</sup> Indeed, ICT and public health have been conducive to further cooperation between the two countries, with Slovakia's recent vaccine donation portrayed as returning the favor for Taiwan's mask donation in the earlier stages of the pandemic.<sup>142</sup> Since the start of the Russian invasion of Ukraine, Taiwan has also provided several rounds of humanitarian donations to CEE countries hosting Ukrainian refugees, including Slovakia, Lithuania, Czechia, and Hungary, with the Slovak National Council's Foreign Affairs and Health Committees citing Taiwan's humanitarian assistance as part of their resolutions calling for Taiwan's observer status at the 2022 session of the World Health Assembly (WHA).<sup>143</sup>

### *Hungary*

Whereas Czechia and Slovakia have been increasingly critical of China, Hungary remains one of China's staunchest supporters in Europe. This support goes beyond the economic pragmatism of other EU countries, as Prime Minister Viktor Orbán and other officials take pro-China political stances at both the domestic and EU levels. According-

Central, Eastern Europe," *Taiwan Today*, October 20, 2022, [https://taiwantoday.tw/news.php?post=226892&unit=10&utm\\_source=Taiwan%2BInfo%2B1&utm\\_medium=email&utm\\_content=Society%2Btextlink](https://taiwantoday.tw/news.php?post=226892&unit=10&utm_source=Taiwan%2BInfo%2B1&utm_medium=email&utm_content=Society%2Btextlink).

141 Šimalčík et al., "Slovakia and the democracies of Northeast Asia Partnerships rooted in values."

142 Taipei Representative Office, Bratislava, "Mask Donation from Taiwan reaches Slovakia" (press release), April 21, 2020, [https://www.roc-taiwan.org/sk\\_en/post/2238.html](https://www.roc-taiwan.org/sk_en/post/2238.html).

143 "Slovakia's Foreign Affairs, Health Committees Urge Taiwan's WHA75 Observer Status," *Taiwan Today*, April 28, 2022, <https://taiwantoday.tw/news.php?unit=2&post=218262&unitname=Politics-Top-News&postname=Slovakia%E2%80%99s-Foreign-Affairs%2C-Health-committees-urge-Taiwan%E2%80%99s-WHA75-observer-status>.



ly, it should not be surprising that Hungary has paid little attention to its relations with Taiwan.

### *Political and Diplomatic Dynamics*

Neither Orbán nor Hungary—a foreign policy distinction which has become increasingly blurred under the legislative supermajority held by Orbán's Fidesz party and his personalized China policy—have been supportive of China from the beginning.<sup>144</sup> In fact, Hungary was one the first countries to approach Taiwan following the dissolution of the Soviet bloc.<sup>145</sup> The year 1990 saw the opening of Taiwan's first representative office in CEE, under the name "Taipei Trade Office" in Budapest. It was renamed "Taipei Representative Office" in 1995,<sup>146</sup> when the function of promoting trade and investment was taken over by the "Taiwan Trade Center, Budapest."<sup>147</sup> The first parliamentary delegation from CEE to Taiwan also came from Hungary, and the Hungarian bus manufacturer Ikarus was the first CEE company to win a major contract with a Taiwanese city, marking the significance of early Hungarian-Taiwanese relations.<sup>148</sup>

Following his election in 1998, Orbán was critical of China's human rights violations, going so far as to meet with the Dalai Lama in 2000.<sup>149</sup> However,

Orbán's successor Péter Medgyessy oversaw a general warming of Hungary-PRC relations during his tenure.<sup>150</sup> By the time of Orbán's second election in 2010, Hungary's values-based approach to China had largely been abandoned in favor of his signature "Eastern Opening" policy.<sup>151</sup> The purpose of this initiative was to reduce Hungary's economic dependence on Western financial institutions—especially following the global financial and Eurozone crises, when Hungary, like many other European countries, started prioritizing economic over normative considerations in its foreign policy. Specifically, Budapest began to seek closer relations with China and other countries to its east, including Russia, Japan, and South Korea.

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When it comes to the 16+1 initiative, not only did Hungary host the 2017 summit in Budapest, but it also hosted the very first meeting between Chinese and CEE leaders in 2011—even before the first official summit in 2012.<sup>152</sup> Orbán has attended all of the 16+1 summits, and Hungary hosts the largest number of 16+1 institutions in the CEE region.<sup>153</sup> What is more, Orbán frequently praises China's political and socio-economic systems, and often employs Hungary's closeness to China as leverage against the EU.<sup>154</sup> Hungary has a history of vetoing EU statements critical of China—such as the 2016 statements on China's activities in the South China Sea, or 2021 statements on crackdowns in Hong Kong.<sup>155</sup> And even though Hun-

144 Marshall Reid, interview with Tamás Matura, *GTI Insights*, podcast audio, October 19, 2021, <https://anchor.fm/global-taiwan-institute/episodes/Season-2--Episode-13-A-Conversation-with-Tams-Matura-on-Hungarys-Complex-Relations-with-China-and-Taiwan-e18vctq>.

145 Tubilewicz, *Taiwan and Post-Communist Europe*.

146 Taipei Representative Office, Budapest, Hungary, "A Gazdasági Osztály fő tevékenysége" (press release), June 28, 2022, [https://www.roc-taiwan.org/hu\\_hu/post/18.html](https://www.roc-taiwan.org/hu_hu/post/18.html).

147 Tubilewicz, *Taiwan and Post-Communist Europe*.

148 Ibid.

149 Réka Koleszár, "Hungary-China Relations: Is it Time for a Change?," *China Observers in Central and East-*

*ern Europe*, October 28, 2021, <https://chinaobservers.eu/hungary-china-relations-is-it-time-for-a-change/>.

150 Ibid.

151 Brattberg et al., "China's Influence in Southeastern Central, and Eastern Europe."

152 Karásková et al., "Empty shell no more: China's growing footprint in Central and Eastern Europe."

153 Ibid.

154 Ivana Karásková et al., "China's Sticks and Carrots in Central Europe: The Logic and Power of Chinese Influence."

155 Robin Emmott, "EU's statement on South China Sea reflects divisions," *Reuters*, July 15, 2016, <https://www.reuters.com/article/southchinasea-ruling-eu-idUSL8N1A130Y>; and Hans Von Der Burchard and Stuart Lau, "Germany chides Hungary (again) over blocked Hong Kong support," *Politico*, June 4, 2021, <https://www>.



garian officials agreed with EU sanctions on Chinese authorities in Xinjiang, Hungary's Minister of Foreign Affairs Péter Szijjártó was quick to criticize this decision.<sup>156</sup>

However, China's successful elite capture has not translated to pro-China attitudes amongst the Hungarian public—even among Fidesz voters.<sup>157</sup>

Although Orbán withstood the controversies surrounding the Budapest-Belgrade railway and Hungary's purchase of China's Sinopharm vaccines, the protests against the plans to build a Fudan University campus in Budapest brought China to the forefront of the 2022 parliamentary election campaigns.<sup>158</sup>

These scandals had the effect of uniting the opposition—or at least the seven parties that formed the United for Hungary alliance—in its criticism of Orbán's China policy. This

[politico.eu/article/germany-chides-hungary-blocked-hong-kong-support/](https://politico.eu/article/germany-chides-hungary-blocked-hong-kong-support/).

156 "Foreign Minister Slams EU Sanctions Against Myanmar, China as 'Pointless and Harmful,'" *Hungary Today*, March 22, 2021, <https://hungarytoday.hu/foreign-minister-slams-eu-sanctions-against-myanmar-china/>

157 Brattberg et al., "China's Influence in Southeastern Central, and Eastern Europe"; and Klára Dubravčíková et al., "Hungarian public opinion on China in the age of COVID-19 Enthusiasm overshadowed by skepticism?," Central European Institute for Asian Studies, 2020, <https://ceias.eu/wp-content/uploads/2021/08/HU-poll-report.pdf>.

158 Kevin Curran interview with Szabolcs Panyi, "Voice for CHOICE #10: Getting a Handle on Sino-Hungarian Relations with Szabolcs Panyi," podcast audio, July 7, 2021, <https://chinaobservers.eu/voice-for-choice-10-getting-a-handle-on-sino-hungarian-relations-with-szabolcs-panyi/>; and Brînză Andreea, "China and the Budapest-Belgrade Railway Saga," *The Diplomat*, April 28, 2020, <https://thediplomat.com/2020/04/china-and-the-budapest-belgrade-railway-saga/>; and "New Hungarian Research Finds Sinopharm Ineffective in a Quarter of People Over 60," *Hungary Today*, July 20, 2021, <https://hungarytoday.hu/new-hungarian-research-sinopharm-ineffective-people-over-60/>; and Eleanor Albert, "Hungarians Spurn Chinese-Backed University Campus," *The Diplomat*, June 8, 2021, <https://thediplomat.com/2021/06/hungarians-spurn-chinese-backed-university-campus/>; and Szabolcs Panyi, "The Fight Over Fudan: A Chinese University in Budapest Sparks Reckoning for Sino-Hungarian Relations," *China Observers in Central and Eastern Europe*, June 7, 2021, <https://chinaobservers.eu/the-fight-over-fudan-a-chinese-university-in-budapest-sparks-reckoning-for-sino-hungarian-relations/>.

was a significant development, as up until that point there had been a cross-party consensus on Hungary's cooperation with China.<sup>159</sup> (This consensus was demonstrated by the Great Wall Hungarian-Chinese Friendship Association, which is chaired by a member of the United Opposition.<sup>160</sup>) Amidst the Fudan controversies, Budapest Mayor Gergely Karácsony—who spearheaded the United Opposition's efforts to have the Fudan project decided by means of referendum—expressed support for Taiwan's participation in international organizations, and for closer Hungarian-Taiwanese relations.<sup>161</sup> Nevertheless, the opposition's poor showing during the April election—as well as the ruling by the Constitutional Court that deemed the Fudan referendum unconstitutional—has since closed the window of opportunity to change Hungary's China policy.<sup>162</sup>

### *Economic and Trade Dynamics*

While Hungary is unlikely to change its political approach toward China—and by default, Taiwan—a more balanced view has emerged on the economic front. On the one hand, Hungary holds the largest share of Chinese FDI stock of all the V4

159 Réka Koleszár, "Hungary-China Relations: Is It Time for a Change?," *Chinaobservers*, October 28, 2021, <https://chinaobservers.eu/hungary-china-relations-is-it-time-for-a-change/>.

160 Szabó András, "MP of Hungary's Strongest Opposition Party Has Ties to the Government's Controversial Trading House Business," *Direkt36*, September 13, 2019, <https://www.direkt36.hu/en/a-dk-tamadta-a-kormany-kereskedohazait-egy-kepviselujuk-megis-tobb-szalon-kotodik-az-uzlethez/>.

161 "With Hungary firmly in China's orbit, Budapest's mayor welcomes Taiwan," *Focus Taiwan*, October 29, 2021, <https://focustaiwan.tw/politics/202110290011>; and "Hungary's Election Authority Approves Bid to Hold Referendum on Chinese University," *RadioFreeEurope/RadioLiberty*, August 31, 2021, <https://www.rferl.org/a/hungary-budapest-china-university-/31435749.html>; and Gergely Karácsony, Twitter post, May 7, 2021, 7:42 a.m., <https://twitter.com/bp-karacsonyg/status/1390633007313264642>.

162 "Top Court Rules Opposition Referendum Bid on Chinese Fudan University Unconstitutional," *Hungary Today*, May 19, 2022, <https://hungarytoday.hu/top-court-opposition-referendum-chinese-fudan-unconstitutional/>.

states, and Hungarian officials frequently praise Chinese investments.<sup>163</sup> On the other hand, Hungary has a significant trade deficit with China, and Hungary-China bilateral investment levels are nowhere near those between China and Western Europe.<sup>164</sup> What is more, despite Hungary being the first EU country to sign an MOU with China promoting the BRI projects within its territory, the only major project negotiated up to date is the controversial Budapest-Belgrade railway.<sup>165</sup> At the same time, Hungary holds the second largest stock of Taiwanese FDI in the EU—second only to the Netherlands—and traditionally welcomes Taiwanese investments warmly, if not publicly.<sup>166</sup> Additionally, Hungary's first industrial 5G network was established at a Foxconn plant. Foxconn has become one of the biggest Taiwanese investors in the country, and has recently announced plans for further expansion.<sup>167</sup>

Outside of political exchanges, academic cooperation is arguably one of the most fruitful areas in Hungarian-Chinese relations.

This is particularly noteworthy, as Hungary is one of the few CEE countries that did not ban Huawei from building its 5G infrastructure and hosts Huawei's largest supply center outside China.<sup>168</sup>

### *Additional Dynamics*

Outside of political exchanges, academic cooperation is arguably one of the most fruitful areas in Hungarian-Chinese relations. Hungary hosts the second largest number of Confucius Institutes in CEE,<sup>169</sup> and the Corvinus University of Budapest offers a joint MBA program with Fudan University.<sup>170</sup> When it comes to academic exchanges with Taiwan, these are organized through cooperation between the Taipei Representative Office in Budapest and the Hungarian Trade Office

in Taipei. The most recent example of such cooperation is the 2020 MOU on education cooperation, which aims to provide scholarships for students from both countries to study in the other country's language and higher education institutions.<sup>171</sup> In addition to the Taiwan Resource Center for Chinese Studies affiliated with Taiwan's National Central Library, Hungary is also one of the EU countries—and the only CEE country—that hosts a branch of the Taiwan Center for Mandarin Learning (TCML).

163 Karásková et al., "Empty shell no more: China's growing footprint in Central and Eastern Europe."; and Mariann Őry, "Chinese Investment Contributes to Hungary's Growth," *Hungary Today*, September 23, 2022, <https://hungarytoday.hu/chinese-investment-contributes-to-hungarys-growth/>.

164 Karásková et al., "Empty shell no more: China's growing footprint in Central and Eastern Europe"; and Agatha Kratz et al., "Chinese FDI in Europe: 2020 Update," Mercator Institute for China Studies, June 16, 2021, <https://mercator.org/en/report/chinese-fdi-europe-2020-update>.

165 Brattberg et al., "China's Influence in Southeastern Central, and Eastern Europe"; and Karásková et al., "Empty shell no more: China's growing footprint in Central and Eastern Europe."

166 Ágnes Szunomár, "For Taiwan, China-Friendly Hungary Remains a Key EU Investment Destination," *Chinaobservers*, April 21, 2022, <https://chinaobservers.eu/for-taiwan-china-friendly-hungary-remains-a-key-investment-destination-in-the-eu/>.

167 "Hungary's 1st industrial 5G private network goes live at Foxconn's factory," *Budapest Business Journal*, June 11, 2021, <https://bbj.hu/business/tech/telco/hungarys-1st-industrial-5g-private-network-goes-live-at-foxconnsc2%a0fac>

tory.

168 Ivana Karásková et al., "Huawei in Central and Eastern Europe: Trends and Forecast," *China Observers in Central and Eastern Europe*, 2021, [https://chinaobservers.eu/wp-content/uploads/2021/02/briefing-paper\\_huawei.pdf](https://chinaobservers.eu/wp-content/uploads/2021/02/briefing-paper_huawei.pdf); and "Huawei Celebrates 15 Years of Operating in Hungary," Huawei, October 20, 2021, <https://huawei.eu/press-release/huawei-celebrates-15-years-operating-hungary>.

169 Karásková et al., "Empty shell no more: China's growing footprint in Central and Eastern Europe."

170 "Corvinus, Shanghai's Fudan University announce MBA program," *Budapest Business Journal*, October 8, 2018, <https://bbj.hu/business/startups/ecosystem/corvinus-shanghai-s-fudan-university-announce-mba-program>.

171 "Taiwan, Hungary sign education cooperation MOU," *Taiwan Today*, November 6, 2020, <https://taiwantoday.tw/news.php?unit=2&post=188545>.

When it comes to public health cooperation, Hungary was the only V4 country that did not donate vaccines to Taiwan, despite receiving masks from Taiwan in the earlier stages of the pandemic.<sup>172</sup> Moreover, whereas Lithuania, Czechia, and Slovakia have been consistent in their support for Taiwan's participation in the WHA over the last couple of years, Hungarian officials have been more hesitant—even as Hungarian parliamentarians were among the 106 CEE lawmakers to sign a petition calling for Taiwan's inclusion.<sup>173</sup>

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172 Taipei Representative Office, Budapest, Hungary, "Hungary gratefully accepts Taiwan's humanitarian donation of 100,000 medical face masks" (press release), May 28, 2020, [https://www.roc-taiwan.org/hu\\_hu/post/2324.html](https://www.roc-taiwan.org/hu_hu/post/2324.html).

173 "Budapest Stands with Beijing Against Taiwan's Membership of WHO," *South China Morning Post*, May 20, 2020, <https://www.scmp.com/news/china/diplomacy/article/3084588/budapest-stands-beijing-opposing-taiwans-membership-world>; and R. Kwan, "106 European lawmakers petition for Taiwan Participation at World Health Org," *Hong Kong Free Press HKFP*, November 3, 2020, <https://hongkongfp.com/2020/11/03/106-european-lawmakers-petition-for-taiwan-participation-at-world-health-org/>.

## Conclusions

As the four case studies make clear, the Central and Eastern European region is by no means homogeneous in its approach to China and Taiwan. Rather, it is home to a wide array of policies and opinions, fueled by a diversity of political, economic, and historical contexts. Despite this heterogeneity, these case studies nevertheless illuminate several key regional trends, which could inform future efforts by Taiwan to make in-roads in the region.

**First, China's position in Central and Eastern Europe has eroded significantly.** As a result of coercive diplomacy, slow economic investment, aggressive and opaque behavior during the COVID-19 pandemic, and its ongoing partnership with Russia, Beijing has effectively alienated many of its erstwhile partners in the region. While the PRC still has supporters among CEE states, the majority have grown increasingly wary of Chinese influence and have begun to distance themselves from past commitments. The steady decline of the once-seemingly robust 16+1 initiative is indicative of this swing. As China continues to demonstrate its hostility to liberal democratic systems, this CEE turn away from Beijing is likely to persist in the coming years.

**Second, Central and Eastern European nations are more willing to discuss Taiwan than ever.** While states across the region have historically been reluctant to even mention Taiwan, this hesitance has steadily deteriorated in recent years. From Lithuania's visible expansion of bilateral ties with Taipei, to Czechia's more subtle and nuanced approach, numerous CEE states have grown increasingly bold in engaging with Taiwan. Motivated by declining opinions of the PRC, widespread appreciation for Taiwan's impressive handling of the COVID-19 pandemic, and mounting support for backing democratic states against authoritarian coercion, CEE states have increasingly framed Taiwan as a potential partner. Though it is unlikely that Taiwan will be able to establish formal diplomatic relationships with CEE states, Taipei nevertheless has an unprec-

edented opportunity to build informal ties with the region.

**Third, Russia's invasion of Ukraine has significantly impacted CEE opinion of China and Taiwan.** While the invasion has had ramifications for nations around the world, the CEE region has been the most directly affected by the war. From the Baltics to the Balkans, CEE states have been forced to contend with unprecedented political, economic, and diplomatic challenges due to the conflict. As a result of China's seeming endorsement of Russia's behavior, CEE states have increasingly linked Beijing and Moscow. In turn, this has contributed to the aforementioned decline in support for the PRC across the region. Similarly, China's bellicose behavior toward Taiwan has led many CEE states to link Taiwan with Ukraine, resulting in mounting regional interest in Taiwan's plight. While the long-term implications of these developments remains unclear, it seems likely that the Russian invasion of Ukraine will continue to influence CEE opinion toward both China and Taiwan in the near-term.

Taken as a whole, the CEE region represents a crucial faultline in the political, economic, and diplomatic competition between the PRC and Taiwan. While the area was once considered a bastion of Chinese support in Europe, China has seen its influence in the region decline precipitously in recent years. Amid the unprecedented disruptions brought about by the COVID-19 pandemic and the Russian invasion of Ukraine, CEE states have increasingly been forced to reevaluate their foreign policies. For policymakers in both Beijing and Taipei, this reevaluation could have significant implications in both the near- and long-term.

