



# RED DRAGON MENACING

Chinese Communist Party(CCP) Exposed

**DECEMBER 21, 2021 BY ADMIN**

595. China's Economic Attack  
on Lithuania Requires a Joint  
US-EU Defense

---



*U.S. Secretary of State Antony Blinken (right) speaks with Lithuania's Foreign Minister Gabrielius Landsbergis in the Benjamin Franklin Room of the State Department ahead of a meeting in Washington, on Sept. 15, 2021. (Mandel Ngan/Pool/AFP via Getty Images)*

## China's Economic Attack on Lithuania Requires a Joint US-EU Defense

***Beijing is also targeting Germany, France, and Sweden***



Anders Corr

December 21, 2021

*Epoch Times News Analysis*

Beijing has reacted against Lithuania's upgrade to its Taiwan relations with extended trade and diplomatic sanctions against the Baltic country. The move is so severe and unprecedented that it provoked reactions from not only the United States, Britain, and European Union, but a German business group that has deep financial ties to China.

Behind the uproar was Lithuania's courageous decision in November to allow Taiwan to open a de facto consulate in Lithuania's capital city of Vilnius. The office uses the name "Taiwan" rather than Taiwan's capital city of "Taipei." The former more accurately reflects the island democracy's sovereignty than the "Taipei" used in the United States and elsewhere in Europe.

Last year, Lithuania withdrew from China's "17+1" diplomatic forum of Central and East European countries, and Lithuania's ruling coalition agreed to support "those fighting for freedom" in Taiwan.

Lithuanian Foreign Minister Gabrielius Landsbergis said he will not attend the Beijing Winter Olympics.

Lithuania, a country of nearly 3 million, regained its independence from the Soviet Union in 1990, which in part explains the country's fierce defense of democracy relative to most of the rest of the world.

## Beijing's Backlash Against Lithuania

In response to Lithuania's growing resistance, Beijing effectively banned imports from the Baltic country on Dec. 1, and demanded that international corporations sever ties with Lithuania or be denied access to the Chinese market.

The Chinese Communist Party (CCP) expelled Lithuania's ambassador to China in November, withdrew its own from Vilnius, and recently attempted to illegally downgrade the Lithuanian Embassy in Beijing.

According to Bloomberg, “China had pressured the Baltic nation to change its embassy’s name to the Office of the Charge d’Affaires, according to Lithuania’s Foreign Ministry, a label that doesn’t exist in international law and one that would effectively downgrade its diplomatic status.”

Landsbergis said: “This is still our embassy, which has never changed its name. Any change of name must be done on [a] bilateral basis. Unilateral changes are not recognized by international law.”

Beijing most recently demanded that Lithuanian diplomats return their identification cards.

Alarmed at their possible loss of diplomatic immunity and concerned for their safety, Lithuania recalled its diplomats from China on Dec. 15 for consultations. Nineteen of them and their dependents consequently departed. The embassy now works virtually.

---



*The Lithuanian Embassy in Beijing, China, on Aug. 10, 2021. (Jade Gao/AFP via Getty Images)*

According to Arnoldas Pranckevičius, Lithuania's vice minister of Foreign Affairs, "China is trying to make an example out of us—a negative example—so that other countries do not follow our path. Therefore, it is a matter of principle how the Western community, the United States, and European Union react."

# Support for Lithuania Is Growing Too Slowly

The United States, Britain, Estonia, and of course Taiwan have all supported Lithuania in its dispute with China. But, so far, the EU has reacted only weakly, in large part due to Germany and France's economic ties with China, and apparent reluctance to use the bloc in defense of Europe's smaller countries.

In response to Beijing's economic sanctions against Lithuania, the EU began gathering evidence to bring China to the World Trade Organization (WTO) for violation of international trade rules, but that could take months.

And the WTO effort could eventually be scuttled, as some companies will not want Brussels to take strong action against Beijing. According to the Financial Times, "many companies fear that if they complain they will be shut out of China completely."



# Beijing Doubles Down Against Lithuania

China's nationalist media has weighed in on the dispute. According to the state-controlled Global Times tabloid, "we have no intention to deny that economic and trade cooperation between Lithuania and China will be affected after China downgraded its diplomatic relations with Lithuania to the level of chargé d'affaires, the lowest rank of diplomatic representative, over the latter's breach of the One-China principle. Make no mistake that any country that provokes China's core interests is bound to find itself on the receiving end of countermeasures."

Beijing's reaction could have been worse. In 2018, Beijing effectively kidnapped two prominent Canadians to pressure the North American country over the detention of Meng Wanzhou, the chief financial officer of Chinese tech giant Huawei. The two Canadians, Michael Kovrig and Michael Spavor, were kept in harsh conditions for over 1,000 days, until Meng was returned to China.





*(L-R) Michael Spavor and Michael Kovrig, two Canadians who were detained in China following the arrest of Meng Wanzhou in Canada on a U.S. extradition request. (AP Photo)*

Over this time, Beijing lied about there being no relationship between the detention of the “two Michaels” and the Meng arrest. Yet Spavor and Kovrig were arrested, and released, within days of the same happening to Meng.

The Chinese regime has likewise denied pressuring international corporations to sever ties with Lithuania, but has indicated as much by saying that Chinese companies no longer trust Lithuania.

“I heard that many Chinese companies no longer regard Lithuania as a trustworthy partner,” a Chinese foreign ministry spokesperson said. “Lithuania has to look at itself for the reason why Lithuanian companies are facing difficulties in trade and economic cooperation in China.”

## Beijing Extends Sanctions to Germany, France, and Sweden

The CCP’s trade sanctions have quietly extended to pressure German, French, and Swedish companies with supply chains that reach Lithuania.

According to Politico sources, “two German companies in the auto industry had parts stopped at Chinese ports in recent days because they were manufactured in Lithuania. Some of these components could take years to be replaced with trusted alternative suppliers. ... French and Swedish firms are also reportedly facing similar problems because Lithuanian products form part of their supply chain.”

Consequently, some international companies have canceled contracts with Lithuanian suppliers.

Over the longer term, others will increasingly reevaluate the wisdom of relying on Chinese markets and manufacturing.

“Lithuania’s direct trade with China is relatively small,” according to the Gatestone Institute. “The country exported €300 million worth of goods to China in 2020, less than 1% of its total exports. It is, however, home to hundreds of companies that make products for multinationals that sell to China.”

This includes Lithuanian components in German cars, for example. The German industry is pushing its business lobby, BDI, into the desperate position of publicly criticizing both Lithuania and Beijing for the dispute.

German companies, which depend on the relatively low-wage industry of Lithuania, will also consider transshipment of Lithuanian components through other countries.

Continental and Hella are two major German corporations that rely on Lithuanian labor and are getting pressured by

Beijing through denial of imports or exports. Similar denials are also affecting smaller German companies.

“Continental, which has operations in 58 countries, is considering shipping products from Lithuania via other countries ... in order to avoid further the Chinese blockade,” according to a Financial Times source.

BDI criticized Beijing for its “own goal,” revealing even in its public criticism that the group is advising the CCP on how best to achieve what the business group should realize are Beijing’s illiberal ends.

BDI went further to tangentially criticize the victim, Lithuania, for being “out of step” with EU policy.

The German industry’s awkward attempt to find a middle path between dictatorship and democracy is explained by Germany’s 2020 trade with China. This amounted to €213 billion (about \$247 billion) in goods alone, Germany’s largest with any country.

# Beijing's Threat to International Law and the Equal Sovereignty of States

By criticizing Lithuania, the German industry is weighing in on the side of autocracy and the status quo of massive China trade at the expense of democracy in Taiwan and the freedom of countries, like Lithuania, to support democracy globally. This will push the EU into pressuring not only Beijing, but Lithuania, thus furthering the occlusion of small democracies by big power politics.

China's state media reflects this unequal approach to international politics, describing Lithuania as “a mouse or even just a flea under the feet of fighting elephants.”

Even large democratic blocs like the EU, of which Lithuania is a member, are in a weak position relative to Beijing.

According to Politico, “for the world's biggest trade bloc, its usual trade defense instruments such as safeguards or anti-

dumping measures do not cover the gray economic zone in which China is targeting Lithuania. The EU also doesn't have a bilateral trade agreement with China through which it could remedy the tensions."

The EU's coordination failures and lack of defensive instruments will necessitate either caving to Beijing, or a strengthening of the EU, both of which result in a concentration of power in what are becoming superpower capitals.

EU Trade Commissioner Valdis Dombrovskis has proposed as much in his anti-coercion instrument "designed to tackle exactly this [China-Lithuania] type of geopolitically motivated trade tensions," according to Politico, and which would allow "the EU to strike back against trade challengers via goods, services and intellectual property rights."

---



*EU Trade Commissioner Valdis Dombrovskis speaks during a press conference at the Europa building in Brussels, on Dec. 7, 2021. (Olivier Matthys/AP Photo)*

But Brussels, Paris, and Berlin are all more cautious about opposing Beijing publicly, than are smaller states in the EU—including Czechia, Lithuania, Slovenia, and Slovakia—that want EU protection against Beijing's pressure. Thus the EU is stymied by the vetoes of its biggest economies.



# China

Get the full  
political story

Prev

The WTO is likewise paralyzed and illiberal due to the accession of China in 2001.

## Beijing Forces Global Political Polarization and a Concentration of Power

The China-Lithuania dispute and its necessary remedies are tragic examples of the concentration of power at the international level, as Lithuania retreats from its independent representation in Beijing to rely on the EU, whose remedies are contrary to the political independence of its component parts. The EU has a relatively illiberal

position, compared to Lithuania, on the issue of Taiwan's sovereignty and democracy.

Trade sanctions meted out by Beijing have similarities to what it might have done years ago to foreign corporations that refer to Taiwan as a country rather than a city or province of China. This indicates how Beijing views the status of not only Taiwan, but other small countries globally. They are either with Beijing, or against it, due to their recognition of Taiwan. Those in the latter category must necessarily be subordinated to Beijing's goals of hegemony.

The best defense of Lithuania, Taiwan, and democracy generally is for the EU to overcome its paralysis and work together with the United States to impose counter-sanctions on China directly, completely bypassing the slow-moving WTO. International organizations that include China have proven to be failures for democracies given Beijing's growing influence, veto, and breaking of international norms.

*Anders Corr has a bachelor's/master's in political science from Yale University (2001) and a doctorate in government from Harvard University (2008). He is a principal at Corr*

*Analytics Inc., publisher of the Journal of Political Risk, and has conducted extensive research in North America, Europe, and Asia. His latest books are “The Concentration of Power: Institutionalization, Hierarchy, and Hegemony” (2021) and “Great Powers, Grand Strategies: the New Game in the South China Sea” (2018).*

*[https://www.theepochtimes.com/chinas-economic-attack-on-lithuania-requires-a-joint-us-eu-defense\\_4164991.html](https://www.theepochtimes.com/chinas-economic-attack-on-lithuania-requires-a-joint-us-eu-defense_4164991.html)*