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Unequal partners: Consequences of the power shift in Sino- Russian relations

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Executive summary

- This study explores the shifting power balance between China and Russia since 2022 and its impact on their diplomatic, economic and military relations, as well as on the Arctic and Central Asia. It considers what a weakened Russia might offer China, the benefits China could seek and the implications for their bilateral ties.
- As Russia becomes increasingly dependent on China to sustain its economy, support its war effort, advance technology, counter isolation and uphold anti-western narratives, China is gaining influence over Russia's economy, politics and society. This leverage might allow China to exert pressure, make demands or seek concessions from Moscow. However, the extent of this shift, China's willingness to use its leverage and what a weakened Russia can offer vary across domains.
- **Economically**, China's leverage could mean deeper discounts on Russian energy exports as sanctions make its oil and gas harder to sell. Moscow might also further promote the "yuanisation" of its economy, supporting China's push to internationalise its currency. Beijing is likely to seek greater access to Russian markets for its exports and, in the long term, possible involvement in strategic infrastructure projects.
- In the **diplomatic** domain, China has shown restraint in using its growing leverage, which probably reflects the value both countries place on their strategic partnership and shared goal of challenging the US-led world order. Nonetheless, Russia is offering more explicit support for China's positions than before, especially concerning its "core interests". China could seek stronger diplomatic backing from Russia in key international institutions, on NATO or even in regional disputes with India and Vietnam, although China is likely to avoid putting too much pressure on Moscow to protect their strategic ties.
- In **defence and military** cooperation, China could seek or potentially demand several things from Russia: specific military technologies, sharing of operational experience and intelligence, access to Russian overseas bases and assistance in the event of an escalation related to Taiwan.
- **Globally**, China could push for greater Russian alignment with its positions and acceptance of Beijing's interests. In Central Asia, this could mean allowing China to expand its economic and security influence while limiting the role of Russia-led regional organisations.
- In **the Arctic**, Russia remains a major power with geographic and capability advantages over China. Despite its isolation by other Arctic states, it will continue to wield influence and be capable of offering China substantial opportunities. While Russia is likely to maintain red lines, especially when it comes to the extent of military cooperation, it might have to accept greater Chinese engagement in areas where it was previously reluctant to do so, such as governance, mining and maritime security matters.
- As the power imbalance between China and Russia grows, European policymakers should not make assumptions about the continued stability of the Sino-Russian partnership and instead consider the possibility that tensions could become unmanageable, undermining their political ties, and prepare for the potential consequences of such a development.

Introduction

Russia's full-scale invasion of Ukraine in February 2022 has reinforced the enduring trend of an increasingly skewed power balance between the close partners Russia and China. The shift towards a stronger China and a weaker and more dependent Russia is evident in the political, economic, military, diplomatic and regional spheres, and is expected to persist.

Importantly, this trend existed long before the war. For many years, China has far surpassed Russia in GDP growth, defence expenditure and military capacities, technological development, global integration in trade and supply chains, and international political influence and soft power. Since Russia's annexation of Crimea in 2014 and the western sanctions that followed, Moscow has become significantly more dependent on China than vice versa.

However, this shift has accelerated during the war, partly due to its negative consequences for Russia, partly because of unprecedented western sanctions and Russia's international isolation, and partly as a result of China's efforts to strengthen cooperation with Russia, which often benefit Beijing more than Moscow. While there are strong reasons to believe that the power dynamic will become increasingly unbalanced, it is unclear when, how or to what extent China will leverage its growing power over Russia.

Understanding the shifting power balance between the two countries is crucial for several reasons. Arguably, the evolving power dynamics will influence how both partners perceive and value the relationship, how it compares to other ties, how much they are willing to invest in it, what they expect from it and what they can realistically gain. Moreover, given the relationship's centrality for both, the power balance will also affect their wider geopolitical and strategic calculations, actions and behaviour.

Importantly, an increasingly uneven partnership could heighten tensions between them, by intensifying Russia's fears of being exploited and isolated, prompting more desperate and unpredictable behaviour – for example by [retaliating](#) against Chinese products and actors. Policymakers must also grasp how China might exploit its growing leverage and the potential consequences in order to prepare effectively for various scenarios in the evolution of Sino-Russian relations.

Despite the urgency of these issues, analysts and scholars have largely focused on examining the [extent, depth and limitations](#) of coordination between China and Russia, as well as the [threat they jointly pose](#) to western countries, leaving a gap in understanding how the increasingly [imbalanced power dynamic](#) might shape their relationship in different areas.¹ The report thus seeks to answer the following questions:

- How has the power balance between China and Russia shifted since the full-scale invasion of Ukraine in February 2022?
- What can Russia offer China and what might China seek to extract from Russia?²
- How might Russian concessions and Chinese demands affect bilateral relations?

¹ Please see the [China-Russia Dashboard](#) for continuous quantitative and qualitative updates on the ongoing developments of the relationship across different spheres.

² The report does not explicitly focus on, but still indirectly answers, the opposite question – what China can offer Russia – in the various sections' outline of current relations, including China's economic, military and diplomatic support to Russia during the war against Ukraine. Given the current power imbalance, it is unlikely that Russia will be able to extract much more from China.

It studies the shifting power balance and its consequences in three key policy areas – diplomacy, economics and defence – as well as regionally in the Arctic and Central Asia, two central strategic regions for both countries where their interests both coincide and diverge. Shifts in these areas and regions have the potential to influence not only Sino-Russian relations, but also broader regional and global geopolitics. The analysis of each area and region is structured around the three guiding questions outlined above. An overview is provided in Table 1.

The analysis is based on official documents, such as statements from the Chinese and Russian governments, joint declarations and policy documents. It also incorporates economic data, such as trade and customs statistics and news reports, and draws on previous research on the topic. This selection has been made to ensure the breadth, rigour and quality of the analysis, and to incorporate both quantitative and qualitative data.

Table 1: Overview of the shifting power balance in Sino-Russian relations across areas and regions, possible Russian concessions in specific areas and their impact on relational dynamics

	How has the power balance shifted?	What can Russia offer China?	Impact on relations
Diplomacy	<ul style="list-style-type: none"> · Growing asymmetry; Russia now more reliant on Chinese political support following its isolation from large parts of the West 	<ul style="list-style-type: none"> · Support for China's "core interests" · Support in international institutions (UN, BRICS, SCO) · Support in regional disputes and with global influence efforts 	<ul style="list-style-type: none"> · Potential tensions if China oversteps · China likely to show restraint in exploiting leverage, so impact on the relationship might be manageable
Economy	<ul style="list-style-type: none"> · Russia heavily dependent on Chinese exports and imports · "Yuanisation" of Russian economy · Less Chinese investment in Russia · China resisting new gas infrastructure 	<ul style="list-style-type: none"> · Further discounts on Russian energy · Growing access to Russian markets · Continued "Yuanisation" of Russia · Potential increased access to strategic investments 	<ul style="list-style-type: none"> · Less impactful – inevitable due to China's size and Russia's isolation · Relatively low cost for Russia vs gains · More publicly visible – might cause manageable backlash
Military & security	<ul style="list-style-type: none"> · Russian arms exports even less vital – China independent · China leading in many tech sectors · Russia dependent on Chinese dual-use exports · China leading more joint exercises 	<ul style="list-style-type: none"> · Russia sharing war expertise and lessons · Access to Russian military bases globally · Russian support in case of Taiwan war · Russia sharing specific tech: nuclear, air defence, anti-ship, submarine, early warning, fighter jets 	<ul style="list-style-type: none"> · More impactful due to strategic and symbolic value of military might · Sensitive for Kremlin due to identity; history of mistrust; Chinese espionage · Risk for security elite backlash; Indo-Pac war could unite them
The Arctic	<ul style="list-style-type: none"> · Russia maintains regional advantage · Mutual dependency; Russia needs Chinese financing, energy markets; China needs Arctic access 	<ul style="list-style-type: none"> · Greater access to Arctic resources and shipping routes, technologies · Military access to the Arctic · A greater role in Arctic governance 	<ul style="list-style-type: none"> · Russia remains protective of its Arctic region · China therefore likely to pursue greater Arctic access gradually to avoid provoking backlash
Central Asia	<ul style="list-style-type: none"> · Reduced Russian influence; growing Chinese spheres · Russia excluded from the vital "Middle Corridor" through the region 	<ul style="list-style-type: none"> · Russia allowing further Chinese economic integration and larger Chinese security role · Less activity in Russia's regional organisations (CSTO/EEAU) 	<ul style="list-style-type: none"> · Sensitive to Russian interests – China likely to be cautious · Overlapping regional interests, and Russian advantages, might mean less Russian worry about Chinese influence

Diplomacy

How has the power balance shifted?

Following its full-scale invasion of Ukraine in 2022, western countries moved quickly to isolate Russia in the realm of diplomacy. Shortly after the invasion, [NATO–Russia Council](#) meetings were suspended, and Russia was expelled from [the Council of Europe](#) and suspended from the [UN Human Rights Council](#). Many Russian elites have faced personal sanctions, including travel bans to western countries.

In addition, the International Criminal Court (ICC) has issued an [arrest warrant](#) for President Vladimir Putin, significantly restricting his international travel. Member states of the ICC are legally obliged to arrest him if he enters their territory, leaving signatory states to either comply, risk breaching their commitments by hosting him or consider withdrawal from the ICC. This has led Putin to avoid travel to most ICC signatory states, including EU member states and fellow BRICS countries [South Africa](#) and [Brazil](#).³

The United States in President Donald J. Trump's second term (2025–) has sought a reset with Russia marked by a [summit in Alaska](#) and reported talks on [joint energy projects](#), but these efforts have faced repeated setbacks and failed to produce any meaningful breakthroughs. As of November 2025, a new [peace proposal](#) for Ukraine backed by the United States includes gradual sanctions relief and other provisions that would reduce Russia's isolation. However, the outcome of these renewed talks is still uncertain. For now, Russia remains isolated from large parts of the West, and even if a settlement is reached, political uncertainty and mistrust are likely to keep western cooperation with Russia constrained for the foreseeable future.

This isolation has left Moscow increasingly reliant on China's economic and political support, particularly in the context of the war in Ukraine. As a result, China has gained greater leverage to secure Russian support on global political issues.

However, while China appears willing to exploit the opportunities that arise from the increasingly unequal economic partnership, for instance, through steep discounts on Russian energy, it has shown more restraint in extracting political concessions from Russia. In fact, China has not just [criticised](#) western sanctions and broader efforts to isolate Russia diplomatically and economically; in some cases, it has also responded with [countersanctions](#) and eased Russia's isolation by supporting the expansion of the [BRICS](#) and the [Shanghai Cooperation Organisation](#) (SCO), both of which include Russia as a founding member.

Despite China's growing leverage, both countries are careful to project an image of equality. They continue to exchange [state visits](#) and to [publicly praise](#) their partnership. While they support each other on key political issues, this backing is not entirely symmetrical. China has drawn clearer [red lines](#) in its support for Russia than vice versa. It has offered diplomatic cover to Russia by refusing to condemn its illegal invasion of Ukraine, instead blaming the United States and NATO for disregarding Russia's "legitimate security concerns". At the same time, however, it avoids endorsing some of Russia's narratives or claims, such as depictions

³ Other developments that contribute to Russia's isolation include [the defeat](#) of the Russia-backed Assad regime in Syria and the growing movement of [Armenia](#) and [Moldova](#) away from Moscow towards closer ties with the EU. Russia has also experienced full or partial suspensions from global sporting bodies such as [FIFA](#) and the [International Olympic Committee](#).

of Kyiv as a “nazified” regime, recognition of occupied Ukrainian territories as Russian, or Moscow’s use of nuclear threats. In contrast, since 2022, Russia has become more [explicit and proactive](#) in backing China’s core interests, particularly on [Taiwan](#) (see below).

What can Russia offer China?

Despite Russia’s declining power relative to China, it will remain a valuable strategic partner capable of offering China substantial political support.

Support for China’s “core interests”. Russia could offer more vocal and explicit support for China’s core interests, particularly regarding Taiwan. In bilateral statements, Russia might increasingly endorse China’s positions, while China continues to offer more restrained recognition of Russia’s concerns.

Signs of this shift are already visible. While Russia has long supported the “one-China principle” – as affirmed in the 2001 Sino-Russian [Treaty of Friendship](#) – and has consistently [backed China](#) diplomatically during major Taiwan crises since the 1990s, support had previously been primarily expressed during moments of tension or in foundational documents. In the decade before 2022, bilateral statements rarely mentioned Taiwan. Since then, however, the Taiwan question has become a recurrent theme in such statements. These have evolved from a standard, minimalist endorsement in [2022](#) (adherence to the one-China principle, recognition of Taiwan as an inseparable part of Chinese territory and opposition to independence) to more elaborate and active support in 2023–2024: in [2023](#), the paragraph on Taiwan explicitly backed China’s measures to safeguard sovereignty and territorial integrity; in [2024](#), it went further by adding support for measures aimed at achieving “national reunification”. By [2025](#), the language became even more expansive, explicitly spelling out that “there is only one China in the world” and that the People’s Republic of China is the sole legitimate government representing all China (two of the core tenets of the one-China principle; the third, that Taiwan is an inalienable part of China, had already been spelled out in the earlier statements).

Russia has also stepped up diplomatic signalling, aligning [its narratives](#) more closely with Beijing during Taiwan-related tensions. In August 2022, Foreign Minister Sergey Lavrov condemned the United States and the then US House of Representatives Speaker, Nancy Pelosi, for her visit to Taiwan as an [attempt to provoke](#) China. That same month, Foreign Ministry Spokesperson Dmitry Peskov [defended](#) China’s “sovereign right” to hold military drills around Taiwan, and describes Pelosi’s visit as “absolutely unnecessary” and a “provocation”. In November 2024, [Putin described](#) China as Russia’s “ally”, praising its “reasonable policy” and blaming Taiwan for “provoking the situation towards escalation”. Later that month Deputy Foreign Minister Andrei Rudenko [accused the](#) United States of violating the “one-China principle” and “strengthening military-political contacts with Taipei under the slogan of maintaining the ‘status quo’”.

Diplomatic support in key international and multilateral institutions. Russia retains membership of and influence in major international bodies, most notably its permanent seat on and veto power in the UN Security Council, where it can back China’s positions. Russia also remains active and influential in both the BRICS and the SCO, which serve as platforms for China to advance its global agenda. In the Arctic, Russia continues to be a major political actor through its [membership of the Arctic Council](#), although cooperation in the Council has been significantly reduced since the full-scale invasion of Ukraine. Its participation in several other regional bodies was [suspended](#) after the invasion, and in some cases Russia [withdrew](#) as a result.

Should China choose to apply political pressure in these forums, it could extract greater Russian support on global issues, even when doing so might not fully align with Moscow's interests. Over time, Russia's growing dependence on China could undermine its ability to maintain an independent foreign policy, gradually pushing it towards closer alignment with Beijing's priorities.

Support for China's stance on NATO. Russia has endorsed China's position that NATO should remain a regional organisation confined to the North Atlantic, and not expand into the Asia-Pacific. This stance, which has been included in [joint statements](#), aligns with China's strategic interest in limiting western military presence in its neighbourhood. Moscow has chosen to support China's view, despite the fact that a global NATO would divert focus and resources from Europe, thereby reducing the pressure on Russia in its own region.

Diplomatic support for China in sensitive regional disputes. Moscow has thus far preferred [to hedge](#), refraining from overtly taking sides or actively supporting China in regional disputes involving countries with which Russia maintains long-standing and strategically important relations, such as [India](#) and [Vietnam](#). Although China could in principle request Russian diplomatic backing in these conflicts, such a move would be drastic and risky, and Moscow would be likely to resist pressure that could jeopardise its strategic ties with these countries.

Political influence in other regions. Russia retains considerable political influence, not only within its traditional spheres, but also in regions such as [Latin America](#) and [Africa](#). Russia and China [already amplify](#) each other's narratives that challenge western positions on the war in Ukraine and other global issues, apparently often without close coordination. Moscow could step up its efforts to promote Chinese narratives in these and other regions.

While Russia could offer various forms of diplomatic support, there are limits to how far China is willing to exploit its leverage. One factor that might deter China from extracting concessions is the close political partnership between the two countries. China only has one [defence treaty ally](#) – North Korea. It maintains official “strategic partnerships” with other countries, and these can be [ranked by](#) their terminology. The Sino-Russian strategic partnership, [established in 1996](#), sits at the top of this hierarchy. It has been elevated several times and, as of 2019, [carries the title](#) “Comprehensive Strategic Partnership of Coordination for a New Era”.

Distinctive terminology has signalled the partnership's special importance since the mid-1990s but the level of strategic cooperation remained limited until Russia's annexation of Crimea in 2014. Since then, it has [deepened](#) considerably, driven in part by western sanctions that prompted Russia to pivot toward China. This shift led to an increase in trade and encouraged Russia to [ease some restrictions](#) in sensitive areas such as military cooperation and Arctic cooperation.

An important foundation of their partnership is their shared interest in opposing “US hegemony” and the western-led world order. Both advocate a more [“democratic” multipolar world](#), less dominated by the interests of the United States and its allies, although it is less clear if they agree on what a new world order would look like in practice. They are vocal critics of what they describe as the illegal and illegitimate [“unilateral sanctions”](#) used by the West as a means to uphold US financial hegemony.⁴

4 This is despite the fact that both China and Russia themselves apply unilateral sanctions. Russia has [imposed sanctions](#) on the EU, Ukraine, Georgia and other countries, framing them as defensive or reciprocal. Beijing has traditionally favoured [informal measures](#) of economic coercion, as this allowed it to maintain its official stance against unilateral sanctions and interference in other countries' affairs. Since 2020, however, China has increasingly turned to formal, legally based sanctions, which [by 2023 has become](#) its preferred approach and which have proven more effective.

China and Russia also promote a [similar vision](#) of international security, emphasising that states' "legitimate security concerns" should be respected and the principle that security is "indivisible". This principle, which originated in the [1975 Helsinki Accords](#), has long been promoted by Russia. China formally adopted it at a high level following the publication of its Global Security Initiative [concept paper](#) in 2023, although it had previously [endorsed the concept](#) in joint statements [with Russia](#) and [in the BRICS](#). Unlike the western understanding of the concept, which stresses states' sovereign right to choose their own alliances, the Russian and Chinese interpretations oppose security decisions by other states that they perceive as harming their own security. Their bilateral statements frequently [criticise](#) "cold war mentality", "bloc confrontation" and the expansion of military alliances.⁵

These shared goals, [which date back decades](#), are promoted by China and Russia in multilateral organisations such as the SCO and the BRICS, both of which serve as platforms for [challenging](#) the US-led global order. For China, achieving these long-term objectives requires Russia to remain a reliable and stable partner. Beijing thus has a vested interest in supporting Moscow politically and diplomatically without exploiting its leverage too aggressively, to avoid weakening Russia to the point of making it ineffective as a strategic partner.

What is the impact on overall relational dynamics?

The shifting power balance between China and Russia has the potential to affect their bilateral relations if China were to exploit its leverage too forcefully. However, doing so would weaken Russia as a political partner – an outcome China would like to avoid. Given the value China places on the partnership, it is likely to show restraint in exercising its leverage. At the same time, China is likely to continue to provide diplomatic support to Russia, albeit to a lesser degree than it receives in return.

Meanwhile, despite Russia's waning global influence, it retains key diplomatic and political levers, such as its UN Security Council veto, its membership of organisations like the BRICS and the SCO, and its regional influence in Central Asia and the Arctic. If China were to press too forcefully for concessions, for example by demanding diplomatic support in conflicts with Russia's strategic partners India or Vietnam, Russia would be likely to push back. The same applies if Beijing expects Moscow to align its foreign policy more generally with China's without offering meaningful support in return. It is therefore important not to overstate the notion that Russia is becoming China's junior partner or vassal.

The Economy

How has the power balance shifted?

Trade between Russia and China has surged since Russia's full-scale invasion of Ukraine, albeit from previously relatively low levels given the size and proximity of the two countries. Bilateral [trade volumes](#) grew by 29.3 percent from \$147 billion in 2021 to \$190 billion in 2022, and again by 26 percent in 2023 to \$240 billion, although the rate of growth then slowed in 2024 to just 2 percent, while reaching a record of almost \$245 billion. Importantly,

⁵ Russia is itself a member of a military alliance – the Collective Security Treaty Organisation (CSTO) – but presents it as a defensive, regional alliance, in contrast to NATO.

trade has declined in 2025, and was almost 10 percent lower in the first 10 months of the year compared to the same period in 2024.

However, while both countries have benefited from these strengthening ties, they have also resulted in Russia becoming heavily dependent on China, which dictates the terms of cooperation to maximise its own benefits. It is in the realm of [economic](#) ties that the imbalance between Russia and China is most evident – and perhaps where many of the most significant consequences of this uneven power dynamic could unfold.

Importantly, Russia accounts for only about 4 percent of China's total foreign [trade](#), while China constitutes roughly [one-third](#) of Russia's. Only a small number of isolated countries are more dependent on China than Russia, in terms of China's share of their total foreign trade in goods – notably North Korea, Mongolia and Laos. In addition, China trades far more with many other countries than with Russia, including the United States, Japan, South Korea, Vietnam and Taiwan, as well as with the EU. China's trade with Russia is comparable to its trade with Brazil, Germany, Malaysia or Australia.

For China, Russia is mainly a source of cheap energy – over 85 percent of Russia's exports to China are natural resources, such as energy, metals and minerals – and an accessible, but not critical, export market. In contrast, Russia's economy would struggle to survive without Chinese imports of Russian hydrocarbons and Chinese exports across multiple sectors.

During the war against Ukraine, Russia has [shifted](#) much of its trade – both imports and exports – from Europe to China. This especially concerns vital Russian energy exports, which account for [around](#) 30 percent of Russia's budget revenues. From 2021 to 2024 the [annual](#) value of Chinese energy imports from Russia rose from \$44.7 billion to \$83.4 billion. While EU imports of Russian gas [fell](#) by around 70 percent between 2021 and 2024, Russian gas exports to China doubled in value, although the volume far from replaced the lost exports to Europe. While EU imports of Russian oil largely have disappeared since December 2022, China's imports have increased significantly in value terms, despite [falling](#) in 2025 due to US sanctions and a global decline in oil prices.

Thus, since the imposition of EU sanctions on Russian oil in December 2022, as of September 2025, China had [bought](#) 47 percent of Russia's crude exports. During the same period, China had also bought 43 percent of Russia's coal exports, 30 percent of its pipeline gas and 22 percent of its liquefied natural gas (LNG).

Without China's imports of Russian energy, Russia would face a far grimmer macroeconomic picture of much smaller payment inflows, and a smaller trade surplus, less budgetary room for manoeuvre and higher inflation. The negative [consequences](#) of Russia's dependency have become evident with the [fall in](#) oil exports to China in 2025.

Just as with exports, the Ukraine war has also made Russia critically dependent on imports from China for its economy and its defence industry. Between 2021 and 2024, Chinese exports to Russia [rocketed](#) from \$68 billion to \$115 billion annually. In some months in 2024, Chinese exports to Russia surpassed its imports.

This involved strong growth in the biggest product categories of vehicles, machine tools and other machinery, and consumer electronics, as well as in [microchips](#) and other dual-use goods, and components and parts used for military purposes. Using complex trade schemes with China as an intermediary, Russia is able to circumvent sanctions and export controls on

critical western technology and goods. However, Russia has [not been able](#) to replace all of what it used to import from the West. Furthermore, as with exports to China, imports have also fallen in 2025.

Nonetheless, despite the stark increases in bilateral trade, Chinese investments in Russia remain [small](#), despite lofty joint [statements](#), as China seems more interested in maximising exports to Russia rather than strengthening local production. Major Chinese funding flows into Russia almost entirely [ceased](#) after 2022, and the total stock of Chinese foreign direct investment (FDI) in Russia in 2023 was only \$10.7 billion according to some [estimates](#), accounting for only 0.4 percent of China's total outward FDI – and only half the level of French and German FDI stocks in Russia.

What can Russia offer China?

Given this power imbalance, Russia is likely to continue to offer China economic concessions, and China may demand them in several areas.

Further discount on Russian energy exports. The most significant concession, which is already in effect, is [discounts](#) on Russian energy exports to China. Western measures, including sanctions and the oil price cap, have curtailed Russian energy exports to Europe, so China gets a [discount](#) on the energy it buys from Russia.

In the spring/summer of 2025, the [average](#) price difference for Urals crude oil compared to Brent crude was \$3–6 per barrel – far lower than in 2022–23 due to Russian efforts to bypass the price gap through use of the shadow fleet and non-US dollar payment systems. In early 2025, the discount for Eastern Siberia-Pacific Ocean (ESPO) for Chinese refineries was [reportedly](#) \$2–3 per barrel.

China can and is likely to continue to demand a [discount](#) for Russian oil and gas, and might be able to [extract](#) more as it becomes more [risky](#) to buy Russian energy. The January 2025 [package](#) of US sanctions on Russia's energy sector and the lower [EU price cap](#) on Russian oil since the summer of 2025 (\$47.6 per barrel compared to the \$60 per barrel US/G7 cap) provided Chinese and other buyers with increased leverage in 2025. The [US sanctions](#) in October 2025 against major Russian giants Rosneft and Lukoil are [reportedly](#) having similar effects of pushing prices and revenues down for Russian oil as the discount [increases](#).

Russia is in a difficult position to reject such discount demands and is more likely to make this concession and accept such inequality, given the importance of China's imports to Russia's economic survival. Russia also has few other options, apart from buyers that also receive discounts, such as India and Türkiye.

Furthermore, China has other energy options and has clearly shown an [unwillingness](#) to become too dependent on Russia. China's demands for further discounts on Russian energy exports are also reflected in its reluctance to proceed with the long-discussed Power of Siberia 2 gas pipeline until its [demands](#) are met. China is allegedly demanding a price close to what domestic Russian consumers pay.

The further “yuanisation” of Russia. There has been a further [“yuanisation”](#) of Russia and its economy, society and people, against a backdrop of western sanctions that are severing Russia from the global financial system and transactions in dollars and euros. The Chinese currency has become [increasingly](#) important for Russia – in both its domestic economy and its foreign trade – in order to bypass sanctions.

Thus, the yuan's share of Russia's total foreign trade [increased](#) from 2 percent in 2022 to a peak of 40 percent in early 2024, although it has since [fallen](#) to around 30 percent in 2025 linked to stronger US sanctions pressures. In trade with China, the yuan and the rouble together account for around 95 percent of all transactions, [according](#) to Russian officials, as [alternative](#) payment systems for cross-border transactions have been developed with smaller regional [Chinese banks](#).

There are also indications that the yuan is being used in Russia's foreign trade with [third countries](#), including [Indian purchases](#) of Russian oil and [Bangladeshi payments](#) for a nuclear plant. Recently, China took steps to [allow](#) Russian energy giants to issue yuan-denominated bonds in domestic Chinese financial markets, although fears of secondary sanctions seem to have [blocked progress](#).

Importantly, the yuan is also playing a growing *domestic* role in Russia, including in [government](#) and private savings and Russian [markets](#), as it is attractive in the face of Russian inflation and high interest rates. In 2022, the yuan's permitted share of Russia's National Wealth Fund (NWF) was increased from 30 percent to 60 percent, and several Russian banks began offering [yuan savings accounts](#) and [yuan loans](#) to companies. At the end of 2023, the Central Bank of Russia (CBR) reported that Russian business and household accounts in yuan [exceeded](#) those in US dollars, and that the value of yuan-denominated loans had tripled. In 2024, the yuan's share of Russia's foreign exchange trading [reached](#) almost 100 percent after the United States imposed sanctions on the Moscow Exchange.

The yuan helps Russia mitigate the effects of its isolation and western sanctions, and is therefore vital to Russia's efforts to keep its economy afloat. However, as Russia becomes increasingly dependent on the yuan instead of the dollar, other problems and challenges arise, and China's political leverage over Russia's economy and policies [increases](#). The yuan is not freely convertible as China keeps its currency under tight control. Should relations sour, or should China's economic interests not align with Russia's, Russia could face severe payment disruptions, reserve losses or trade problems.

There have already been cases where China has manipulated the rouble-yuan exchange rate to its advantage – and Russia's disadvantage. Shortly after the invasion of Ukraine, China eased yuan controls, [allowing](#) the rouble to depreciate faster, thereby [preventing](#) Russians from getting more yuan than their roubles were really worth – and making Chinese goods much more expensive.

Moreover, in late 2024, major [Russian banks](#) started to experience a yuan [liquidity crisis](#) – as demand for borrowing in yuan [increased](#) due to high rouble interest rates – and the CBR had to step in [by selling yuan](#). This was [connected](#) to Chinese banks' reluctance to transfer yuan to Russian counterparts after the 2024 US [sanctions pressure](#), which led many Chinese banks to [cease](#) all financial operations with Russia. Sino-Russian trade is fairly balanced overall, so there is no large yuan surplus generated in Russia.

While the yuan liquidity problem seems to have [diminished](#) in 2025, it demonstrates Russia's frail position. In addition, the CBR had to continue [selling yuan](#) assets from the [NWF](#) in 2025 to address the growing budget deficit linked to falling oil and gas revenues. The ability to [continue](#) to do this sustainably and profitably is reliant on [Beijing's goodwill](#), as China could decide to impose restrictions on yuan flows.

For China, the yuan's increasing dominance in Russia is a way to test, and [promote](#), the [internationalisation](#) of its currency, as well as expand its own alternative payments systems – and thereby to contribute to challenging the global dollar hegemony and western financial systems. China might therefore push Russia to further “yuanise” its economy and society, increasing Beijing's influence, even where this is counter to Russia's interests.

Further growth and access for Chinese goods to Russian markets. A third trend is for a [continuation](#) of and growth in Chinese [companies'](#) access to and [presence](#) in various Russian markets. Since Russia's full-scale invasion of Ukraine, Chinese products have flooded Russian markets, [filling](#) the void left by the exit of western products, but also, increasingly, pushing out [domestic](#) Russian equivalents.

In many sectors, when Russian customers browse for goods, they now choose between different Chinese brands. Chinese cars have all but [consumed](#) the Russian market, and this – not only global exports of Chinese electric vehicles (EVs) – has made China the [biggest](#) exporter of cars globally. Russia has [emerged](#) as China's most important car export market, mainly for traditional internal combustion engine vehicles.

All this keeps Russian markets stocked but also increases Russian dependence on Chinese brands. At the same time, volatile domestic [demand](#) and [unstable](#) exports to western markets make exports to Russia more important for Beijing. It is thus in China's interest to push continuing strong Chinese export growth to Russia and [expand](#) Chinese companies' footprints in Russia.

This is especially relevant in the context of increasing [protectionist measures](#) by Moscow, specifically designed to shield domestic companies from Chinese competition. For example, in the [vehicle sector](#) – one of the largest product categories in Chinese exports to Russia – [exports fell](#) by 59 percent, or \$4.3 billion, in the first half of 2025, largely due to Russia's restrictions. This is a potential friction point, where China might be tempted to demand more concessions that allow key Chinese exports greater access to Russian markets. In the same period, Chinese exports of vehicle parts surged fivefold, implying more localised production or assembly, which is more in line with Moscow's wishes than Beijing's.

Chinese strategic investments and funding. From a long-term perspective, it is possible to envisage more Chinese demands for access to strategic investments in various critical economic sectors, infrastructure and regions, be they in the Arctic or the Russian Far East, or in natural resources, mining, energy or the infrastructure sector. However, given the sensitivity for Russia, this might be less likely in the short term, and would require further Russian weakness and greater boldness from Beijing.

Moreover, since the start of the war, developments have in many ways been in the opposite direction, where Chinese funding in Russia has [shrunk](#) from previously higher levels. Between 2013 and 2021, Russia was the [top destination](#) for Chinese Belt and Road Initiative (BRI) investments, in total around \$105 billion or 15 percent of total global BRI funding.

BRI funding in Russia was heavily dominated by Chinese state-backed loans for [a few mega-projects](#) in the energy and mining sectors, particularly resource-secured lending. One example is a \$33 billion “oil-for-loan” [loan to Rosneft](#) in 2013 by the China National Petroleum Corporation through an oil prepayment facility. Chinese funding to Russia has thus mainly been in the form of loans and credit lines such as official debt financing, rather than FDI or aid-type grants, signalling China's reluctance to acquire equity and preference for lower risk options.

Since the war, however, Chinese investments in Russia have all but [disappeared](#), probably indicating continued Chinese caution about investing in Russia in the face of western sanctions and Russia's flailing economic prospects. In 2022–2025, there were [almost no](#) Chinese funding flows to Russia. This also reflects the wider context of Russia's [struggle](#) to attract investment. In 2024, inward [FDI flows](#) to Russia amounted to just \$3.35 billion – 91 percent lower than 2021 and the lowest level since 2001 – and total FDI stock was \$216 billion, 57 percent lower than 2021.

What is the impact on overall relational dynamics?

China's economic size and might, and Russia's long-term negative economic [outlook](#) make a power imbalance inevitable. Similarly, because of its isolation and sanctions, Russia has no choice but to trade as much as it can with China. The concessions Russia must make in the economic sphere are a necessary evil for Moscow in exchange for rescuing its economy. Therefore, these developments might have less impact on overall relations dynamics than other areas of cooperation. For Moscow, economic concessions to China might also be a preferable way to further strengthen bilateral ties compared to concessions in the diplomatic, military or regional areas of cooperation.

However, both the “yuanisation” of Russia and the growing presence of Chinese products and companies in Russia are more visible to ordinary Russians than other concessions, and might therefore have more consequences for the Russian [elite](#) and for [society's](#) perception of, and [sensitivity](#) to, the relationship's inequality. Importantly, the yuan is less useful than the dollar for trade with third countries, and Chinese products are often both of a lower quality than western products – and often also more expensive because of Chinese inflation. This shift therefore has negative consequences for both Russian businesses and the Russian consumer. These developments might therefore have greater impact at the societal level of Russian-Chinese relations.

Russia has also started to [push back](#) against Chinese competition in order to shield domestic companies and promote production and investment – areas where China is reluctant to go due to the risk of secondary sanctions. Here, too, Russia's dependence creates friction and negatively impacts overall relational dynamics. The clearest example so far is in the massive vehicle sector, but other [sectors](#) have also seen [steps](#) or calls for additional restrictions – including the large [electronics](#) sector – possibly signifying a growing domestic Russian backlash.

Moscow's willingness to respond to domestic sensitivities through various regulatory, tariff or technical standards measures also suggests an awareness, and concern, about these issues in the Kremlin. This might especially be the case in highly visible areas with political salience such as the vehicle sector.

Military

How has the power balance shifted?

Russia and China are growing increasingly close in areas of defence [cooperation](#). Military [exercises](#) are growing in number, size and [complexity](#). In 2024, the two countries held more than a [dozen](#) joint exercises – more than in any previous year – across various [domains](#)

and in many areas of the globe. They held their first joint [submarine](#) patrol in 2025. The exercises are also becoming global in their geographical scope, and increasingly take place in sensitive or strategic locations. The latter include the [Yellow Sea](#) close to South Korea, the [East China Sea](#) near Japan, around [Alaska](#) and the [South China Sea](#), where China has maritime territorial disputes or tensions with neighbouring countries. The exercises therefore act as political [signalling](#), including of Russian assistance against Chinese adversaries.

The two countries have also become closer [institutionally](#) in the defence sphere through joint [technological](#) development and increased [contacts](#), as well as increasing [interoperability](#) and joint ventures. Joint defence production projects include [drones](#), [helicopters](#) and [submarines](#). In recent years, Russia and China have sought to expand cooperation on various [emerging technologies](#) and other technological fields with military applications, such as [5G](#), [satellites](#), advanced telecommunications equipment, [space](#) and [counter-space](#), [nuclear](#) energy, [quantum](#) technology and [artificial intelligence](#).

At the same time, growing inequality is increasingly [visible](#) in the military and defence sectors. China's military [capabilities](#) are growing [stronger](#) each year, with the long-term aim of being able to challenge the United States, while Russia has been severely [weakened](#) by the ongoing war against Ukraine, not least by the loss of at least 3000 main battle tanks (visually confirmed, but which could be over 5000 in total), suffering between 500 000 and one million casualties according to different [estimates](#), [exhausting](#) its stocks of artillery shells, suffering [catastrophic losses](#) in its Black Sea Fleet and losing access to global markets for its defence industry.

Since 1990, China has [bought](#) Russian arms valued at more than \$38.5 billion, representing 77 percent of total Chinese arms imports. Major purchases have included [S-400](#) air defence systems and [Su-35 fighter jets](#). China's major [orders](#) of Russian arms in the 1990s and 2000s helped China modernise its armed forces, the People's Liberation Army (PLA). In the period 2009–2023, however, China's arms [imports](#) were 40 percent lower than in the preceding 15-year period, in large part due to fewer imports from Russia.

Crucially, China has surpassed Russia in many technological areas, such as Unmanned Aerial Vehicles (UAVs), [electronics](#) and [optics](#), [shipbuilding](#) and [naval technology](#), and [satellite imagery](#). China's HQ-9 and [HQ-19](#) air defence systems are [on a par with](#) Russia's S-300/S-400 and China is [developing](#) the new HQ-26. China's [WS-10](#) and [WS-15](#) turbofan engines reduce its dependence on Russian AL-31s – from which they were [reverse-engineered](#) – for its fighter aircraft.

Russian [arms exports](#) to China, which used to play a [significant](#) role in the bilateral relationship, are therefore now a fraction of their previous magnitude, as China now produces its own weapons. At its peak in the early 2000s, the value of Russia's arms export to China [reached](#) \$2–3 billion annually. In 2024 it was estimated at \$30 million. Importantly, China's technological development and production have to a large degree been enabled by [copying](#) Russian technology through their defence trade and cooperation.

The arms trade relationship has instead reversed in many areas. Since Russia's invasion of Ukraine, China has significantly [increased](#) its exports of various goods, products and [components](#) necessary to sustain Russia's defence industry and war effort. Examples include technology such as navigation equipment for [helicopters](#), [drone](#) components, [parts](#) for fighter jets, radars, optics and [jamming](#) equipment, and a range of [metals](#) and [chemicals](#).

While Russia's military industry previously sourced a large proportion of its components from the West, and especially Europe, Russia is now in practice left with China as its [sole source](#) of high-tech components – be they Chinese or [western](#) in origin. In 2023, up to 90 percent of Russia's imports of goods on the joint US-UK-EU-Japan Common High Priority List ([CHPL](#)) of critical technology were [enabled](#) by China. However, there are also reports that China has [restricted](#) exports to Russia of some machine tools that are vital for the Russian defence industry, including for the production of missile parts.

Finally, while Russia's global arms exports have [plummeted](#) since 2022, China's have [grown](#). Since, unlike western producers, both countries primarily [compete](#) in the lower-cost segment of the global arms market, Russia's decline has allowed China to gain ground as foreign buyers [shift](#) their sourcing. Notably, China has now [surpassed](#) Russia in arms exports to sub-Saharan Africa.

What can Russia offer China?

Given this imbalance, what might China potentially want, or demand, from Russia in the military sector? And what could Russia realistically provide?

Russian military technology. China may have overtaken Russia in the military technology sector, but Russia retains some advantages in a few specific, niche, high-end technologies. The gap is shrinking fast, however, and China is far outperforming Russia in terms of industrial mass production and [technological innovation](#).

- Russia's powerful [anti-ship missiles](#) are among the world's fastest and hardest-to-intercept (systems such as the supersonic [P-800 Oniks](#) and hypersonic [3M22 Zircon](#), and [Kh-32](#) air-launched missiles), although China has a large and diverse inventory (including the [YJ-12](#), [YJ-18](#) and [DF-21D/DF-26](#)).
- In its nuclear [submarine](#) capabilities, Russian systems (including the [Borei-A](#) ballistic missile submarine ([SSBN](#)) and the [Yasen-M SSGN](#)) maintain a qualitative edge through [nuclear propulsion](#) and [quieting](#) tech. China has a rapidly expanding fleet (including the [Type 094 SSBN](#) and [Type 093 SSN](#)) but lags behind in these technologies.
- Russia's Soviet-era fully fledged [early warning](#) capacities (including satellite and ground-based tracking systems) are still clearly superior to [China's](#). China's lack of sensors is a major gap in its missile defence architecture. However, China's [early-warning radar network](#) is improving rapidly, including through new [satellite](#) launches.
- China's air force is still to a large degree dependent on Russian-made jet engines or Chinese copies. In recent years, these engines have [represented](#) about 80 percent of China's arms imports from Russia. According to some [sources](#), up to 40 percent of Chinese military [aircraft](#) use Russian-designed [engines](#). This is rapidly changing, however, and several Chinese fighters are increasingly being produced with indigenous Chinese engines, including the [J-20](#) stealth fighter, the [J-10C](#) multirole fighter, the [J-15](#) naval fighter and the J-16.

Thus, China is still [dependent](#) on the most advanced Russian weapon platforms and technologies. In some cases, such as aviation and aircraft engines, Moscow has also been able to [prevent](#) Beijing from copying Russian technologies that are difficult to reverse-engineer. Increased knowledge and technology [sharing](#) and transfer could be something Beijing might start demanding from Moscow, and such transfers are already [ongoing](#).

Specifically in the realm of nuclear weapons, where China is [striving](#) to modernise and expand its nuclear forces to strengthen its position relative to the United States and Russia, Beijing would presumably be interested in gaining [further access](#) to Russian technology, expertise and resources to overcome the many challenges associated with its nuclear build-up. Moscow and Beijing have seen their [cooperation](#) in the nuclear field grow in recent decades. Russia has served as a key long-term strategic [partner](#) (along with France, Canada and the United States) for China's nuclear energy industry, specifically related to reactor construction and fuel supply.

This cooperation could extend to Russia [supporting](#) China's ambition to increase nuclear warhead production by providing greater [access](#) to uranium and, as some experts [speculate](#), even weapons-grade plutonium, of which Russia holds a large [stockpile](#). Notably, Russia's export of highly enriched uranium to China has significantly [increased](#) during the war, seemingly partly as a way to [circumvent](#) US sanctions, as China then can export more of its own enriched uranium to the United States. Furthermore, as China's nuclear arsenal expands, it might seek Russian expertise in managing, deploying and operating its nuclear forces. Finally, [Beijing](#) might also be interested in Russian advances in nuclear propulsion technology, such as those used in the [Poseidon](#) underwater drone and the [Burevestnik](#) cruise missile.

Importantly, however, today China designs, produces and deploys its own reactors, and [leads](#) in research on and development of advanced nuclear technologies, including fourth-generation reactors, small modular reactors and [molten salt reactors](#).

Russian knowledge and experience of modern war. The PLA has not been involved in major warfare [since 1979](#). Russia's armed forces have extensive experience and know-how of modern, large-scale industrial warfare – against western weaponry – after years of [fighting](#) in Ukraine.

Convincing Russia to increase its [sharing](#) of such knowledge and expertise with Chinese units is another target for which Beijing could start to push. For example, a 2024 RUSI [report](#) concluded that the countries' ongoing cooperation on satellite and drone imaging for purposes of military logistics, reconnaissance and geospatial intelligence, including in the context of the Ukraine war, could also provide useful lessons applicable to a Chinese invasion of Taiwan. Recent [leaks](#) of Russian-Chinese agreements suggest that Russia has already agreed to provide equipment, technology and especially training related to strengthening Chinese airlift and airborne infiltration capacities, which are highly relevant in the context of amphibious operations against Taiwan.

Moreover, growing Russian-Chinese defence ties through military exercises, senior visits and the institutionalisation of cooperation formats are potentially already playing a key role. As a 2024 US Department of Defence (DOD) report to Congress [underlines](#), “Beijing often relies on senior military visits, bilateral and multilateral exercises and training, peacekeeping, and military assistance to promote the PRC's foreign policy objectives”. Furthermore, China might also seek further Russian participation in its military exercises near [Taiwan](#), to bolster Beijing's goals of power projection and strategic signalling.

A 2024 [study](#) by Skylar Mastro on Russian-Chinese military alignment concludes that joint military activities between 2005 and 2022 seemed geared mainly towards creating the conditions for Russia to “enhance China's dependent military capabilities in peacetime and

to serve as a strategic rear in wartime". Another report [concludes](#) that, since the early 2000s, China has massively increased its participation in joint military exercises to almost 20 per year, with Russia as its number one partner. Today, most joint Russian-Chinese [exercises](#) are naval patrols and drills in the Pacific.

Military access overseas. China has only one official overseas military base – in [Djibouti](#), since 2017 – but there are also two semi-official bases, in [Cambodia](#) and [Tajikistan](#). [Russia](#), on the other hand, has [several](#) overseas military [bases](#), from facilities in the post-Soviet region, such as [Central Asia](#) and the [South Caucasus](#), to [Syria](#) in the Middle East, as well as planned future bases in [Sudan](#) and potentially in [Laos](#). China has significant geopolitical, economic or security interests in many of these areas.

Getting further access to these bases might improve China's political and military reach, [power projection](#) capabilities and ability to affect regional developments in its favour – including by countering western ambitions and interests. The 2024 US DOD report [emphasises](#) that “Beijing may assess that a mixture of military logistics models [...] most closely aligns with the PRC's overseas military logistics needs”, and that overseas basing and access would allow the PLA to sustain military power at greater distances, disrupt US military operations and support the PRC's global ambitions. Access to Russian military bases might be an important component of this logistical network. Interestingly, China has been [provided](#) with access to Russian military bases in recent joint military exercises.

Russian support for China in Indo-Pacific military conflict scenarios. Russia could do much to strengthen China's military capabilities in the context of an Indo-Pacific war. Importantly, some [analyses](#) highlight Russia's maritime military [build-up](#) in the [Pacific](#) in recent years, along with [developments](#) in its maritime and Arctic policy and high-level personnel changes, as [indications](#) of its long-term preparation for maritime conflict in the East. In the event of an escalation or [conflict](#) around Taiwan, China might be interested in, and in need of, Russian direct or indirect [support](#) for its war effort. This could take many shapes and forms.

One likely form would be for Russia to serve as a strategic and support base, providing intelligence, equipment and material support such as a cheap – and long-lasting – supply of energy, foodstuffs or products necessary for the Chinese defence industry – as China has done for Russia during the war against Ukraine. Russian material support might be especially crucial to counter western hostile trade measures such as sanctions and naval [blockades](#). A 2024 [report](#) analysing the weaknesses of a US blockade against China in a hypothetical protracted conflict estimates that China's energy supply could last for 21 months, and up to 8 years if additional pipelines from Russia were constructed. Similarly, a 2008 [article](#) emphasises that “no blockade of China in history has succeeded without Russian acquiescence”.

Another form of support during conflict would be for Russia to use various means – hybrid, [cyber](#) and informational – to sabotage or [degrade](#) western military operations in the Indo-Pacific, including by attacking logistics or infrastructure facilities. This could be either indirect, hybrid involvement in a conflict, or Russia becoming a directly involved party.

Russia could also aim to deny access to airspace near its territory, including for [Japan](#) and South Korea where the United States has a significant military presence and several bases. The 2024 [study](#) by Skylar Mastro [highlights](#) that Russia could play a special supporting role in a US–China conflict by setting up defensive air patrols as ostensible “homeland defence”.

This would “create sanctuaries for Chinese offensive power, draw down Japanese resources, and deny the United States the air and naval superiority it needs”. Russia’s strategic spoiler role would be especially central in the context of Japan’s growing [strategic](#) importance and [capabilities](#), and possible involvement in Taiwan contingencies.

Conceivably, Russian strategic support to China could also come indirectly through promoting or contributing to regional escalation on the Korean Peninsula or in areas near Japan, thereby distracting or stretching US and western capabilities and resources.

Ultimately, while Russia’s ability to provide significant material support for Chinese war efforts might remain [low](#) for several years following a less hot or frozen war against Ukraine, the potential [timeline](#) for Taiwan [scenarios](#) is still further in the future, according to many [experts](#). Furthermore, China would probably be in a good position to successfully demand Russian aid with Taiwan, given Russia’s dependence on China and the fact that China has materially supported Russia’s war effort for many years. Moreover, it would be in Russia’s interest to see China succeed in most Indo-Pacific conflict scenarios, given the stark negative implications this would have for the West and the liberal world order, and the positive consequences for the Sino-Russian axis.

What is the impact on overall relational dynamics?

The power imbalance in the military sphere might be more impactful on overall relational dynamics compared with other areas, given its strategic and symbolic value, as well as its role in advancing geopolitical ambitions. Russia’s military might is [crucial](#) to its national [identity](#), just as its military methods are [central](#) to its foreign policy toolbox. Moreover, the mutual [distrust](#) and suspicion that have historically characterised Russian-Chinese relations might also be a more important factor in the effects of the military imbalance compared with the economic or diplomatic spheres.

Military concessions to China, while perhaps less noticeable to the Russian public than other types of support, could therefore be far more sensitive and disagreeable to the Kremlin and Russia’s security elites. This is especially the case with defence technology, where there is a long and complex [history](#) of Chinese [theft](#) of Russian military technology through reverse-engineering, hacking and industrial and cyber [espionage](#) against Russia’s defence industry. According to a [report](#) by the CSIS, there have been over 20 such cases in the past two decades. In 2019, Russia’s state-owned defence conglomerate, Rostec, publicly [criticised](#) China for breaching contracts by copying various Russian technologies, including aircraft engines and air defence systems.

China overplaying its hand by making demands in this sphere might therefore risk a greater Russian [backlash](#) than in other areas. Such a backlash might take the form of increased mistrust towards China among Russian military and defence industry actors, an unwillingness to cooperate and share technology and know-how, and a discontent with the Kremlin’s policies towards Beijing. This could create new or heighten existing barriers to cooperation in the military and technological areas.

The Arctic

How has the power balance shifted?

Unlike in other areas of their relationship, Russia retains the upper hand over China in the Arctic due to its geographic and operational advantages. However, the shifting power balance has enabled China to push for greater influence, albeit with constraints resulting from its own [setbacks](#) in the region and lack of Arctic access elsewhere.

Since Russia's full-scale invasion of Ukraine, western sanctions have deepened Moscow's dependence on Beijing for Arctic shipping and related logistics, as well as for energy and infrastructure projects – areas where cooperation with western countries has been cancelled, suspended or severely disrupted. Russia has also redirected a growing share of its Arctic energy exports from Europe [to Asian markets](#), especially China and India, increasing its reliance on those countries.

Moreover, Russia is now more heavily reliant on Chinese companies to help implement its Arctic projects. According to [a report](#) by Strider Technologies, the number of Chinese companies active in the Russian Arctic has grown rapidly since 2022. In the first six months of 2023 alone, 123 Chinese firms registered to operate in the region, compared with 111 in 2022, 77 in 2021 and 48 in 2020. While this surge suggests growing Chinese interest, many of these ventures could be exploratory, and it [remains unclear](#) how much they can accomplish given the political and economic hurdles that have hampered previous joint ventures in the Arctic.⁶

Meanwhile, China is facing a growing [backlash](#) in the seven Western Arctic states, where its investments are increasingly seen as a security risk. In Greenland, for example, Copenhagen [has effectively blocked](#) Chinese attempts to invest in infrastructure, and the United States has made clear its determination to prevent China from gaining any foothold there. In the Canadian Arctic, a Chinese bid to acquire a gold mine [was rejected](#) on national security grounds, and other Chinese investments are facing heightened scrutiny. Similarly, in the [Nordic countries](#), research collaborations have been cancelled and Arctic connectivity projects that once attracted Chinese interest have been put on hold.

This backlash predates Russia's full-scale invasion of Ukraine but has intensified due to the [close Sino-Russian partnership](#) and Beijing's refusal to distance itself from Moscow. Since then, stricter [investment screening](#), European efforts to ["de-risk"](#) supply chains from China and the accession of Sweden and Finland to NATO have all contributed to limit Chinese cooperation with Nordic countries in the Arctic. As a result, China has been forced to rethink its Arctic strategy, moving from seeking cooperative partnerships with all Arctic states, particularly the Nordic states, to relying more heavily on Russia.

Thus, while the power balance in other regions may have shifted more decisively in China's favour, the situation in the Arctic is more complex. There is a degree of mutual dependency: Russia needs Chinese financing and technical expertise for Arctic energy and infrastructure

6 The US-backed [peace proposal](#) for Ukraine put forward in November 2025 explicitly mentions US-Russia cooperation on energy and rare earth mining in the Arctic, among other areas. While a peace agreement could in theory restore more western cooperation with Russia on areas like Arctic governance, the outcome of the talks is still uncertain, and broader Arctic cooperation with Russia will likely continue to be constrained by mistrust and political risk.

projects, and market access for energy exports, while China is increasingly dependent on Russia for *physical access* to the Arctic region.

What can Russia offer China?

Russia is one of the Arctic's two dominant powers, alongside the United States. It boasts the largest Arctic landmass, the longest Arctic coastline and the largest Arctic population, accounting for more than half the total population of the region. China, by contrast, has no Arctic territory. The distance between China's northernmost territory, Mohe County in Heilongjiang Province, and the Arctic is nearly 1,500 kilometres. As such, China depends on the eight Arctic states – Russia, Canada, Iceland, Denmark (via Greenland), Finland, Sweden, Norway and the United States – to advance much of its Arctic agenda. Most of the Arctic mineral resources that it is [feasible to extract](#) lie within the territorial land, sea areas, exclusive economic zones (EEZs) or continental shelves of these Arctic states. China also relies on them for access to Arctic shipping routes, port infrastructure for trade and many of its Arctic research activities.

Due to its extensive Arctic geography and advanced capabilities, even a weakened Russia still offers China advantages in the region that it cannot easily obtain elsewhere. This is especially true now that China's cooperation with other Arctic states has become increasingly restricted.

Access to Arctic shipping. Russia [controls access](#) to the primary Arctic shipping route – the Northern Sea Route (NSR) – and could provide China with greater access to this route and its Arctic ports. Operating along the NSR generally [requires escort](#) by a Russian ice breaker. Moscow [could offer](#) Chinese ships more permissive access to the NSR through faster approvals, longer seasonal windows and priority escorts. Russia could also allow China to operate more independently along this route with its own icebreakers, something current [Russian legislation](#) does not allow without prior approval and coordination.

Access to Russian ice-breaking technology. Russia could also provide China with greater support with icebreaker development. Western sanctions disrupted Russia's icebreaker development by ending [long-standing collaborations](#) with Finland. About [one-third](#) of Russia's operational icebreakers were built there, and Finland has provided key design expertise and technological solutions. Although [some analysts](#) suggest that these sanctions could cause Russia's icebreaker fleet to shrink rapidly, Russia still maintains by far the world's [largest icebreaker fleet](#) and is still the only country operating [nuclear-powered models](#), which are more powerful and capable of operating for longer periods than diesel-powered ones. This gives Russia a strategic advantage in the Arctic over other countries, particularly in navigating sea routes.

China could potentially gain some leverage by compensating for certain lost western technologies and use that position to push for greater access to Russian ice-breaking capabilities. However, Russia would be [likely to resist](#) sharing nuclear propulsion technology or cooperating on the development of nuclear-powered icebreakers, as doing so could erode its technological advantage and would be politically sensitive.

Access to Arctic resources. Russia could offer China greater access to the oil, gas and minerals within its territory, territorial waters and EEZ, on terms more favourable to China than today. The Russian Arctic is home to [vast resources](#) of critical minerals such as nickel,

lithium, rare earth elements and cobalt. Historically cautious about Chinese involvement in Arctic mining, Russia has since 2022 welcomed some Chinese investment, including plans to develop its largest [lithium deposit](#) in Murmansk on the Kola Peninsula and its largest [titanium deposit](#) in the Komi Republic near the Arctic Circle, although these projects remain in their early stages.

On energy, China is already a partner in and customer of Russia's two main Arctic LNG projects – Yamal LNG and Arctic LNG 2, although the latter has been [severely affected](#) by western sanctions. Russia could offer China lucrative deals on additional LNG projects and more favourable terms on the planned [Power of Siberia 2 pipeline](#), which, if implemented, will carry natural gas from the Yamal Peninsula to China via Mongolia.

Expanded military cooperation. Russia has the most significant [military presence](#) in the Arctic of any country, and could offer China expanded military cooperation and operational access to the Arctic. Despite Russia's historical reluctance to allow a Chinese military presence in the region, recent developments suggest a shift. Since 2022, the two countries have conducted their first [joint military drills](#) in Arctic or Arctic-adjacent waters. Joint naval exercises [reached into](#) the Bering Sea in 2022 and 2023. In July 2024, they carried out their first-ever [joint bomber patrol](#) in Arctic-adjacent waters, which possibly reached into the Arctic circle, flying over the North Pacific, the Bering Sea and the Chukchi sea. During the operation, Chinese and Russian bombers [took off together](#) from a Russian airfield. The two countries have also initiated cooperation on Arctic [maritime security](#), probably partially in response to growing traffic along the NSR as oil and gas shipments to China and India increase. This led to a [joint patrol](#) by the Chinese and Russian coastguards in the Arctic Ocean in October 2024, marking the Chinese coastguard's first appearance in Arctic waters.

Beyond more frequent and expanded military exercises, Russia could – although this remains highly unlikely – offer China access to Russian military bases and allow the temporary or permanent stationing of Chinese troops or submarines in its Arctic region. In theory, Russia could also expand joint drills into the Barents region around Russian interests there, although such a development would represent a significant escalation in tensions with the West that is unlikely to be acceptable to either country.

A greater role in Arctic governance. Russia could advocate for a larger role for non-Arctic states like China in Arctic governance. Russia is a founding member of the Arctic Council, the primary intergovernmental forum for Arctic cooperation. The Council [consists of](#) representatives from the eight Arctic countries as well as indigenous groups and 13 observer states. While high-level meetings remain [suspended](#) following Russia's full-scale invasion of Ukraine, its working groups have resumed work in virtual format. As an [observer state](#), China participates in research programmes and can submit ideas for projects through a member state but lacks voting rights.

Russia has historically been opposed to giving non-Arctic states influence over Arctic governance. It initially resisted China's bid to join the Arctic Council as an observer, even siding with the United States [in rejecting](#) China's self-designation as a "near-Arctic state". Since 2022, however, Moscow has signalled greater openness to non-Arctic states, although this could be a [tactical move](#) intended to prompt western states to re-engage with Russia. In theory, Russia could support China by advocating for reforms to increase the influence of non-Arctic states in the Council or by establishing an alternative governance body with China and other partners. While Moscow may have to accept a larger role for China in Arctic

governance in future, its longstanding reluctance to share governance with non-Arctic states suggests it would not give up control willingly.

As illustrated by the examples above, China is already capitalising on its leverage by seeking [greater Arctic access](#) from Russia, particularly in shipping, mining and military cooperation. This suggests that, regardless of their interdependence in the Arctic, the outcome remains similar to patterns observed elsewhere. Russia has had little choice but to grant China a greater role, and China continues to expand its influence in the region, forcing Russia to sacrifice a degree of control.

This does not mean that cooperation with China offers no benefits for Russia's Arctic goals. Rather, it suggests that Russia is now willing to accept forms of collaboration it had [previously resisted](#) for fear of compromising its sovereignty and autonomy in the Arctic. While some forms of collaboration may be [symbolic or limited](#) in scope, they illustrate how isolation by the West and economic pressures are driving Russia to welcome partnerships it previously avoided, despite persistent concerns over sovereignty and the growing asymmetries in its relationship with China.

At the same time, Russia is likely to engage with China selectively and maintain its red lines. The Arctic is central to Russia's nuclear defence against the United States. It is [host](#) to early warning radar systems along its Arctic coast, the most critical being on and near the Kola peninsula, where it also maintains strategic [submarine bases](#) that provide second strike capability. Unless there is a fundamental shift in the nature of the Sino-Russian relationship, such as the formation of a formal alliance, Russia is unlikely to permit the permanent stationing of Chinese troops or submarines in its Arctic waters or territories. Both sides routinely reject the idea of a formal alliance as [inferior](#) to the "strategic partnership" they currently enjoy.

What is the impact on overall relational dynamics?

The Arctic is a highly strategic region for Russia and one where it remains particularly cautious about Chinese influence. If China were to move too aggressively in attempting to secure greater military access to the Russian Arctic or challenge Russia's control over the NSR, this would be likely to provoke unease in Moscow and risk damaging bilateral relations. This could potentially spill over into the broader partnership. Aware of this, China is expected to move cautiously by gradually seeking greater access to the Russian Arctic to avoid triggering a backlash.

Avoiding an Arctic backlash from Russia is crucial for Beijing given the pushback it has already faced from the [other Arctic states](#) in recent years. Concerned about its growing reliance on China, Russia has sought to diversify its partnerships by inviting other "Russia-friendly" countries to collaborate in the Arctic. It has, for instance, sought to [cooperate with India](#) on Arctic shipping and LNG infrastructure, and proposed establishing a [BRICS research station](#) on Svalbard. In the long term, this could lead to a more crowded region, diminishing Russia's relative influence and conflicting with its long-standing belief that Arctic affairs should be handled by Arctic states. Nonetheless, these countries are unlikely to replace China as Russia's key source of funding and technical expertise.

Central Asia

How has the power balance shifted?

In Central Asia, Russian and Chinese economic, military, security and geopolitical interests [intersect](#). The region, which is often seen as the shared backyard of both China and Russia, has clearly reflected the [changing](#) balance of power between the two states since Russia's full-scale invasion of Ukraine. While this trend began well before the war, the conflict has significantly accelerated it, reshaping the dynamics of cooperation and [competition](#) between Moscow and Beijing in ways that [favour](#) China.

Russia's weakened and isolated position, Central Asian [concerns](#) over Russian aggression and China's growing ambitions have undermined Russia's influence, in areas such as security cooperation, energy, diplomacy and the economy. Crucially, reduced Russian influence has led to [growing](#) regional agency, cooperation and unity, and increased confidence in the Central Asian countries.

Importantly, Russia's invasion of a post-Soviet neighbour caused significant [concern](#) among Central Asian states about Russia's [imperial](#) ambitions, further aggravating existing [grievances](#) over Russia's aggressive and exploitative [policies](#) towards the region. Since 2022, these states have cautiously but clearly [criticised](#) and distanced themselves from Russia's war in [words](#) and [actions](#). From the perspective of the region, this has been driven by [mistrust](#) of Russia's intentions and of its ability to provide security and prosperity, their efforts to address the economic and geopolitical [consequences](#) of the war, and their desire to steadily but cautiously [strengthen](#) their independence from Russia.

The growing [distance](#) between Russia and its Central Asian neighbours is visible not least in the [decreasing](#) volume of Central Asian labour migration to Russia in recent years. The decrease is widely notable – the number of Uzbek citizens is down to 1.3–2 million from [many times more](#) a decade ago; Tajiks now [number](#) around 1.2 million, almost [half the number](#) in 2023; and the number of Kyrgyz almost [halved](#) to 350,000 in 2024 from 650,000 in 2023. This decline has been driven not least by a [tightening](#) of Russia's [migration policies](#), especially after the increase in [xenophobia](#) following the 2024 Crocus City Hall terrorist attack, which was [blamed](#) on Tajiks. Remittances have long been a [critical source](#) of income for the region – in terms of remittance [share of GDP](#), Tajikistan (49 percent), Kyrgyzstan (18 percent) and Uzbekistan (14 percent) are among the top countries globally. Importantly, unlike the number of labour migrants, remittance flows have [not decreased](#) dramatically.

The growing split between Russia and Central Asia has created new economic and political [opportunities](#) for China in the region, which is important to Beijing's geopolitical [ambitions](#). China has also clearly [signalled](#) its support for the region in the event of potential Russian aggression and against [hostile](#) Russian motives. Similarly, the Central Asian countries have themselves used ties with Beijing to signal to Moscow their displeasure, independence and existing alternatives.

Therefore, despite the region's many historical, cultural, linguistic and political [ties](#) with Moscow, it is now to [Beijing](#) that the five Central Asian capitals turn for economic investments, infrastructure development, and security and energy cooperation. As the crucial midpoint

in the “[Middle Corridor](#)” connecting Europe and East Asia that bypasses Russia,⁷ these countries are far more interested in building intra-regional [connectivity](#) and ties with a diverse range of actors, including [Europe](#), China, [Turkey](#) and [India](#), than they are in staying in the orbit of Russia.

A key political development is the China-Central Asia “5+1” meeting cooperation format, which was launched at the [ministerial level](#) in 2020 – and then expanded in 2023 through the inaugural China-Central Asia [summit](#), which was repeated [in 2025](#). Interestingly, this has since been [replicated](#) by a number of other third countries, such as [the EU](#) and [Azerbaijan](#), and potentially soon also by [South Korea](#) and [the United States](#).

In the economic realm, the change is clearly visible. By 2023, China had [surpassed](#) Russia as the number one trading partner of all five Central Asian countries. In 2024, China’s total trade with Central Asia was more than double that of Russia’s.⁸ Central Asia’s three largest foreign trade partners in 2024 were [China](#) (\$95 billion, 48 percent of total trade), the [EU](#) (\$53 billion, 26 percent of total trade) and [Russia](#) (\$44 billion, 22 percent of total trade). Kazakhstan accounted for 46 percent of China’s trade with Central Asia in 2024.

Importantly, Central Asia has been [central](#) to China’s global infrastructure project, the [BRI](#), ever since Xi [inaugurated](#) the project during a state visit to Kazakhstan in 2013. Since then, China has heavily [invested](#) in infrastructure to [integrate](#) the [region](#) into its economic network, overland trade corridors and supply chains. Finally, through [strategic investments](#) in oil, gas and [energy](#) infrastructure in the region, China has also broken Russia’s traditional monopoly in this field, thereby reducing both the region’s and China’s energy dependence on Russia.

Examples of major Chinese infrastructure projects in Central Asia include the Central Asia-China gas [pipeline](#) and the China-Kyrgyzstan-Uzbekistan [railway](#). At the same time, however, in general, the growth of large Chinese projects has declined, linked to a popular backlash and negative [sentiment](#), as well as more cautious [governments](#).

Even in the [security](#) sphere – [traditionally](#) Russia’s main arena for cooperation and [influence](#), and where China is still weaker – Beijing has made significant inroads. These include new military bases in [Tajikistan](#), Chinese [private military companies](#) [protecting](#) its investments and enterprises, and growing long-term cooperation between security services and [law enforcement agencies](#) in areas such as counterterrorism, military training and intelligence sharing. Launched in 2022, China’s Global Security Initiative ([GSI](#)) has also played a [role](#) in building ties with the Central Asian governments.

Finally, China has made [efforts](#) to increase its [soft power](#) in Central Asia in recent years, an area in which Russia has had an advantage for historical, cultural and linguistic reasons, along with the presence of ethnic Russians and media. Important examples include [scholarships](#) and student [exchange](#) opportunities.

7 At the same time, the long-term feasibility of the Middle Corridor can be questioned, as can the project’s purpose of bypassing Russia. There are many diplomatic, geopolitical, economic and financial hurdles that must be overcome, across many diverse countries with different ambitions, customs regimes and allegiances. The Middle Corridor must go through the Caspian Sea or Iran – and both options are fraught with difficulties. Moreover, through its cooperation with Iran, its influence and presence in the South Caucasus and its overall spoiler capacity, Russia can do much to obstruct the project’s fruition.

8 The trade figures reported in this paragraph represent trade in goods, not services.

What can Russia offer China?

China's growing regional clout means that it could start demanding more concessions from Russia in Central Asia. This could include fewer Russian threats to the countries' sovereignty, Russian assistance in promoting Chinese local and regional business, investment and infrastructure interests, and agreeing to promote China's security and military presence.

Reduced relevance of Russian regional organisations. As both Russia and China leverage different regional organisations and groupings to compete for influence, China could start pushing for Russian concessions regarding various regional multilateral formats. Several Central Asian countries are crucial members of Russia's two regional organisations, the Collective Security Treaty Organization ([CSTO](#)) and the Eurasian Economic Union ([EAEU](#)) – Kazakhstan and Kyrgyzstan in both, and Tajikistan in the CSTO.

From a longer perspective, China could start demanding that Russia reduce the number of regional activities by the EAEU and CSTO, and for Moscow to quietly accept further Chinese integration of Central Asia in various formats and groupings. This might also come in the form of [coupling](#) or [integrating](#) Russia-led organisations with Chinese groupings on Beijing's conditions and favouring China's interests.

Russian concessions in multilateral formats. The [SCO](#) was created in 2001 by Russia and China with all the Central Asian states apart from Turkmenistan. It has since expanded to include India, Pakistan, Iran and Belarus. The SCO has enjoyed [some limited](#) success and [relevance](#) in the security field, including on [counterterrorism cooperation](#), [border management](#) and [joint military exercises](#).

In September 2025, the SCO convened its [25th summit](#) in Tianjin, China – the organisation's largest gathering of leaders so far. Its members highlighted the symbolic value of mutual trust and good neighbourly relations and promoted alignment of foreign policies. Some have [argued](#) that for China, the SCO also serves the purpose of accommodating and managing Russian reaction to the growing Chinese regional presence.

In terms of effectiveness and concrete cooperation mechanisms, however, the SCO has not achieved much, especially in the economic field. Crucially, the organisation has largely [failed](#) to become an important tool for either Moscow or Beijing, due to their [conflicting](#) interests. Russia has previously [blocked](#) China's two main ideas: creating an SCO [development bank](#) and a [free trade zone](#) to counter outsized Chinese influence. Instead, China turned to the BRI, the Asian Infrastructure Investment Bank (AIIB), the BRICS' New Development Bank, the GSI and the "China + Central Asian 5" regional [format](#) to further its economic and regional integration interests. In 2022, the AIIB [froze](#) all lending to Russia.

Thus, China could potentially push Russia to accept Chinese positions and demands in existing joint structures such as the SCO – as seen recently in the [start](#) of a political process to create an SCO Development Bank.

What is the impact on overall relational dynamics?

To a large degree, the shifting power balance between Russia and China in their clout in Central Asia, as across other regions globally, reflects [changing](#) Russian priorities and new limitations. Moscow has chosen to focus all of its energies on Ukraine. This means that Russia's ability to maintain its presence and influence beyond its borders has been reduced.

There are many other recent examples, such as [the fall](#) of the [Russia-backed](#) al-Assad regime in Syria, which Russia could do nothing to prevent, and ongoing developments in the [South Caucasus](#), where Russian influence is diminishing fast and [China](#) is making inroads.

As is evident in Central Asia, this often means increased Chinese influence and opportunities, to the [chagrin](#) of Russia. As Central Asia is vital to Russian economic, security and political interests, Moscow is unlikely to be happy to see its clout further decline and the region shift even more towards Beijing. For this reason, China is likely to proceed carefully, given the region's strategic and political value for Russia and Russian [sensitivities](#) about its diminishing clout in the [post-Soviet](#) region.

At the same time, despite their rivalries, the two partners often have [overlapping](#) regional interests, including countering the spread of Islamism and extremism, supporting local autocrats to prevent any potential popular uprisings leading to democratic revolutions, such as the “colour revolutions”,⁹ and fighting western influence.

Moreover, it is important not to overestimate China's influence or underestimate [Russia's](#) in the region. [Beijing](#) does not have the same expertise, experience and tools that Russia has in the region, and China's inroads face [resistance](#) from the [local population](#). Russia's ties to the people of Central Asia, its institutional networks with the countries' regimes and wider political elites, and its extensive security cooperation in the region are unlikely to disappear anytime soon. [Sanctions](#), Russian [migration](#) and changing trade flows mean that Russia's trade with the region has significantly [increased](#) during the Ukraine war. While its influence is decreasing, its interest in the region has increased in certain respects, linked to [sanctions evasion](#) and the need to counteract its isolation.

Crucially, China has neither the capacity nor any intention to completely replace Russia in the region. For example, China would not want to bear the responsibilities and risks associated with the task of ensuring Central Asian states' regime stability and survival through direct involvement in the same way as Russia did through its CSTO operation in Kazakhstan in January 2022. This might to some extent mitigate Russian [concerns](#) about its diminishing regional power and concessions to China, thereby also lessening the effect on overall relational dynamics.

Conclusions

This study has examined the evolving power dynamics between China and Russia since 2022 and their implications for bilateral relations in diplomacy, economics and military affairs, as well as regionally in the Arctic and Central Asia. It has also assessed what a weakened Russia could offer China, the benefits China might seek to extract and the resulting impact on their relationship. The analysis indicates that the long-term trend for China to gain the upper hand has strengthened in all the areas examined (see Table 1).

As Russia becomes increasingly dependent on China to sustain its economy, support its war effort, advance technological development, counter sanctions, promote anti-West narratives

⁹ Colour revolutions, which generally [refer](#) to popular, peaceful, pro-democratic uprisings in post-Communist countries (e.g., in Georgia in 2003, Ukraine in 2004 and Kyrgyzstan in 2005), have for many years been the target of frequent and systematic Russian and Chinese narrational efforts to discredit any popular protests as merely products of western manipulation and machinations.

and maintain its global relevance, China is gaining substantial leverage over Russia's policies, economy and society. This could allow China to pressure Moscow or extract concessions, although the scope and willingness to apply this leverage vary by domain.

Economically, China could secure greater energy discounts as Russian gas and oil face increasing sanctions, promote further "yuanisation" of Russia's economy, gain stronger access to Russian markets and participate in strategic infrastructure projects. Politically, however, China appears more cautious about exploiting its leverage, probably to preserve the strong political partnership – which is highly valued by both sides – aimed at challenging the liberal world order. Nonetheless, Russia is increasingly providing explicit support for China's "core interests", a trend that is likely to continue as its dependence on China deepens.

There is a significant risk that an increasingly imbalanced economic relationship between China and Russia could eventually undermine their political partnership. While the partnership currently appears to be relatively robust, such a scenario should not be ruled out in the medium to long term – especially as western sanctions on Russia intensify, further increasing Russia's dependence on China. Chinese leaders are likely to be aware of these risks, but the economic opportunities may prove too enticing to resist, potentially leading Beijing to overstep in exploiting its growing leverage over Moscow. For example, China's desire to gain even further energy discounts has already become a major obstacle to progress on the Power of Siberia 2 pipeline, which is potentially critical for Russia but comparatively less strategic for China. The opportunity to demand further Russian energy discount concessions might prove too tempting for China, especially as Beijing's leverage only grows stronger with tightening sanctions on Russian energy exports.

Furthermore, the power imbalance is already creating friction in the economic relationship. Russia has begun to push back against Chinese competition by protecting domestic industries and encouraging local production and investment – something China is reluctant to engage in due to the risk of secondary sanctions. (Chinese investment in Russia since the start of the war has been almost zero.) The most visible example is the automotive sector, but similar measures or proposals have emerged in other areas, such as electronics, suggesting an increasing domestic backlash in Russia. Importantly, Moscow's use of regulatory tools, tariffs and technical standards to address public concerns shows that the Kremlin is aware of the political sensitivity of the issue, particularly in high-profile sectors such as vehicle manufacturing.

On defence and military cooperation, China might seek specific niche Russian military technology, the sharing of military experience and intelligence, access to overseas bases and support with Taiwan-related contingencies. In the event of a war with Taiwan – potentially drawing in the United States – China would be particularly interested in Russia providing material support such as cheap energy, drones and foodstuffs; military support through anti-air and early-warning systems; operational support through intelligence; and Russia locking down Japan in the north, degrading western operations, as well as overall spoiling and distracting elsewhere by instigating chaos and conflict. China is likely to be able to obtain at least some of these, such as Russia providing material and operational support and playing a spoiler role, given the current power imbalance.

However, the military power imbalance is likely to have the greatest impact on overall Sino-Russian relations, due to its strategic importance and symbolic value, and the historical mistrust between the two states. Military concessions – especially involving sensitive

defence technology – are far more contentious for the Kremlin and security elites than economic or diplomatic compromises. Given China's past cases of copying Russian military technology, any Chinese pressure in this area risks triggering a backlash, increasing mistrust and reducing the willingness in Russia's defence sector to cooperate or share technology, putting potential strains on future military and tech collaboration.

Regionally, China could push Russia to align more closely with its positions. In Central Asia, this might allow Beijing to expand its influence and presence, and limit the activities of Russia-led regional organisations such as the CSTO and the EAEU. In the Arctic, Russia retains its advantages linked to geography and its capabilities, but could increasingly permit Chinese involvement in governance, mining and maritime security, even if certain red lines, particularly concerning the extent of military cooperation, will remain in place and frictions persist. Diverging interests will continue to constrain cooperation. China is expected to continue to balance its need for greater Arctic access through Russia with the need to maintain stable relations with other Arctic states and avoid western sanctions.

While a weaker Sino-Russian partnership might seem beneficial for the West, it also carries risks. China's support for Russia has become a major source of tension with European countries. If China distances itself from Moscow, some European countries might take the opportunity to strengthen ties with Beijing, providing China with new opportunities to expand its economic and political influence in Europe, divide the West and weaken Transatlantic ties. China's ability to extend its influence could increase even further if transatlantic relations continue to deteriorate under President Trump.

Policy recommendations

Western and European policymakers should take account of the growing imbalance in the relationship and the concessions China is able to extract from Russia – and how this affects western and EU interests across Eurasia, the Indo-Pacific and beyond. They should also avoid taking the stability of the Sino-Russian partnership for granted. They must consider the possibility that the tensions between the two might become unmanageable, undermining their political ties, and prepare for the potential consequences of such a development.

- **Increase secondary sanctions pressure on Chinese entities.** Sanctions on Russian energy exports and the Chinese entities involved are seriously affecting economic and political ties between Russia and China. As Russian gas and oil become more toxic, Chinese actors have become more cautious. Total bilateral trade [decreased](#) by almost 10 percent in the first ten months of 2025. China has also gained further leverage, creating tensions and preventing progress on energy deals. Measures such as the October 2025 two-pronged western action – the EU's [19th sanctions package](#) banning Russian LNG and targeting Chinese entities, and the US [sanctions](#) against Russian oil giants Rosneft and Lukoil – have played a major role in [hampering](#) Russian exports and thus reducing its revenue stream, and in creating tensions between Moscow and Beijing. Such measures should be further increased.
- **Exploit frictions where possible, including on economic ties.** The power imbalance is already creating tensions between Moscow and Beijing, as seen in the backlash in Russia and trade restrictions on Chinese exports, most notably internal combustion engine vehicles. Such frictions should be exploited and expanded. One example is

indirect promotion of Chinese exports to Russia of goods likely to cause friction with local production and business interests, by restricting imports to the EU, such as of petrol and diesel vehicles. [Tariffs](#) on these could be justified on [similar grounds](#) to those on EVs, and would be in line with long-term EU green transition ambitions.

- **Consider and plan for Russia's different roles in Indo-Pacific conflict scenarios.** In preparing for Indo-Pacific conflict scenarios, western policymakers should consider what type of support Russia is likely to provide China ahead of and during a conflict. This should also be coordinated with the western regional allies most likely affected, including Japan and South Korea.
- **In the Arctic, China and Russia [should be treated](#) not only as a joint challenge but also as distinct actors.** Russia's militarisation and provocative activities will continue independently, while China's Arctic presence beyond Russia remains relatively limited for now but reflects long-term ambitions that pose largely separate economic, normative and security challenges for Europe. Policy should differentiate between these challenges and risks by addressing Russia's immediate military activities and China's emerging influence separately. Treating them as a unified Arctic force risks obscuring these distinct challenges and undermining an effective Arctic strategy.
- **Further strengthen engagement with Central Asian countries.** Russian influence has been significantly reduced in Central Asia, as the countries turn elsewhere for contacts, trade and cooperation. China is partly filling this vacuum, but so are other players – such as [Türkiye](#), [Azerbaijan](#), [India](#) and [Iran](#). The region is vital to many EU interests, notably isolating Russia and battling [sanctions circumvention](#), promoting Eurasian connectivity outside of Russia and boosting the EU's global geopolitical clout, especially with countries balancing between East and West. The West and the EU should therefore double down on [recent efforts](#) to promote ties – potentially by further [connecting](#) their Central Asia policies with the [South Caucasus](#) and the [Black Sea](#). Here, cooperation should also be explored with other up-and-coming regional actors with geopolitical interests mostly aligned with the EU, such as Türkiye, Azerbaijan and India.



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The Stockholm Centre for Eastern European Studies (SCEEUS) at the Swedish Institute of International Affairs (UI) is an independent Centre, funded by the Swedish Government, established in 2021. The Centre conducts policy relevant analysis on Russia and Eastern Europe and serves as a platform and meeting place for national and international discussions and exchanges on Russia and Eastern Europe.

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