



## **Weekly Briefing**

**Estonia External Relations briefing:**  
**China International Import Expo 2018: Estonia is Shanghai**  
**E-MAP Foundation MTÜ**

### **China-CEE Institute**

Kiadó: Kína-KKE Intézet Nonprofit Kft.  
Szerkesztésért felelős személy: Chen Xin  
Kiadásért felelős személy: Huang Ping

 1052 Budapest Petőfi Sándor utca 11.  
 +36 1 5858 690  
 [office@china-cee.eu](mailto:office@china-cee.eu)  
 [china-cee.eu](http://china-cee.eu)

## China International Import Expo 2018: Estonia is Shanghai

Being globally acknowledged for its massive export-oriented economy, which made China a champion in many segments of international trade, the world's most populous country is now evidently and decisively responding a number of internal and external calls to import more as well. Some of the commentators in the field of international relations suggested that China, as it is now, “needs to prove its belief in shared prosperity”<sup>1</sup>. Therefore, in June 2018, there was already the 4<sup>th</sup> China-CEEC Investment and Trade Expo held in Ningbo, with a myriad of the Expo-associated events taking place at the same time<sup>2</sup>. However, there was something of a higher significance that was implemented in Shanghai in the period from 5 until 10 November 2018 – the import-focused Expo, but on a global scale. How did Estonian business respond to the call?

Enterprise Estonia<sup>3</sup> was the organiser of the Estonian participation at the event, focusing on the Pavilion of Food and Agricultural Products<sup>4</sup>. As reported, at the level of business, in Shanghai, the country was represented by a number of big companies including the following:

- ***AS Balsnack International Holding***. Currently, it is the only potato chips maker in Estonia, while also producing corn sticks with cheese, deep-freezing wild and garden berries and some other products<sup>5</sup>.
- ***EBM Grupp AS***. This company is a regional leader in the segment of trans-shipment, storing and pouring different types of vegetable oils. It uses

---

<sup>1</sup> Romi Jain, ‘The Significance of China’s International Import Expo’ in *The Diplomat*. 2 February 2018. Available from [<https://thediplomat.com/2018/02/the-significance-of-chinas-international-import-expo/>].

<sup>2</sup> ‘About CEEC Expo’. Available from [[http://www.cceecexpo.org/site\\_en/zdoblh.html](http://www.cceecexpo.org/site_en/zdoblh.html)].

<sup>3</sup> Enterprise Estonia is a state-run agency that focuses on promoting and supporting the country’s business, while enjoying the presence – via its representative offices – in 15 countries including the USA, China, Singapore, and India. Available from [<https://www.eas.ee/eas/?lang=en>].

<sup>4</sup> ‘China International Import Expo 2018’. Available from [<https://www.eas.ee/events/china-international-import-expo-2018/>].

<sup>5</sup> ‘Balsnack International Holding’. Available from [[http://www.balsnack.ee/en/1520/bird\\_food](http://www.balsnack.ee/en/1520/bird_food)].

leading technologies in the process of enriching the oils with vitamins and manufacturing deep frying oil mixtures<sup>6</sup>.

- **Heimtal Spirits OÜ**. It is a sizeable producer of organic as well as flavoured spirits from Estonian-grown raw materials and made with Estonian water. The company's products are gluten-free and contains absolutely no GMO, herbicides, and pesticides<sup>7</sup>.
- **Saku Õlletehase AS**. This is the region's major producer of beer, long drinks and light alcoholic beverages that are sold far beyond the Baltics and Finland<sup>8</sup>.
- **Värskaveesi AS**. Established in 1993, it is a company that bottles and markets different kinds of mineral and drinking water, utilising the reserves of Värskaveesi mineral springs<sup>9</sup>.

Commenting on Estonian participation at the Shanghai-hosed event, Tanel Rebane, Director of Trade Development Agency at Enterprise Estonia, noted that

[t]he potential of the Chinese market is enormous. It is true that you need some time in order to be successful in those markets [and] [the process] demands preparation and patience.<sup>10</sup>

On the state level, the country's official delegation was headed by Tarmo Tamm, the Minister of Rural Affairs of the Republic of Estonia, who had a busy schedule while at the Expo. On 5 November, he met with his Chinese counterpart Han Changfu, the Minister of Agriculture of the People's Republic of China. During the meeting, when the Chinese minister was invited to visit Estonia and

---

<sup>6</sup> 'About us'. EBM Grupp AS. Available from [<http://ebm.ee/en/about-us/>].

<sup>7</sup> 'Our products'. Heimtal Spirits. Available from [<https://www.heimtalspirits.com/>].

<sup>8</sup> 'About us'. Saku. Available from [<https://saku.ee/et/international/>].

<sup>9</sup> 'About the company'. Värskaveesi AS. Available from [<https://varskavesi.ee/en/about-the-company/>].

<sup>10</sup> Tanel Rebane in 'Eesti ettevõtted osalevad kõrgetasemelise äridelegatsiooniga Hiina äri suursündmusel'. Available from [<https://www.eas.ee/eesti-ettevotted-osalevad-korgetasemelise-aridelegatsiooniga-hiina-ari-suursundmusel/>].

take part in the *Agroforum Mare Balticum* international conference, the Estonian official stated:

Estonia can offer China high-quality dairy and fish products, as well as organic products where we see a rise in our production volumes. Our food safety and supervision in Estonia are also at a high standard.<sup>11</sup>

A day later, Minister Tamm met with Wang Lingjun, the Vice Minister of the General Administration of Customs of China, and signed a poultry protocol with him – the document opens up a range of opportunities for Estonian businesses to export poultry products to their customers in China. At the signing ceremony, Tarmo Tamm specified that

Estonian food safety and supervision are at a high level. Chinese inspectors have also seen this and as a result, we have already signed food safety protocols for dairy and certain fish products. Now we have taken one step further and also signed a poultry protocol with the Vice Minister of the General Administration of Customs. [...] What is especially noteworthy is the fact that we are only the second country in the European Union after Poland to have such enforced protocol with China.<sup>12</sup>

In a way, the above development could be considered a logical continuation of the process that started in July 2018, when Minister Tamm and Minister Han approved the action plan for furthering cooperation in agriculture in 2018-2022 between Estonia and China. It occurred during the meeting of government leaders of Central and Eastern European countries and China and the high-level economic forum in Sofia, where the two Ministers met and discussed a range of avenues for

---

<sup>11</sup> Tarmo Tamm in 'Estonia increasing its presence in China'. Available from [<https://www.agri.ee/en/news/estonia-increasing-its-presence-china>].

<sup>12</sup> Tamm in 'Estonia increasing its presence in China'.

prospective cooperation. Then, in Bulgaria, Tarmo Tamm underscored the status quo:

The Chinese market is vast and appealing to the Estonian farmers and food industry. In 2017, the total value of food products sold to China was 6.3 million euros, which is up one-fifth from the previous year. [...] The Estonian Crop Research Institute and Liaoning Academy of Agricultural Sciences signed a cooperation agreement last fall in order to create a joint potato laboratory and cooperate in research related to potato genetics and breeding. The main problem for potato breeding in China is creating resistance to droughts and diseases, which is why they are interested in the Estonian knowledge and expertise.<sup>13</sup>

Finally, for the Ministerial plans at the Shanghai Expo, on 6 November, Minister Tamm opened the Expo-associated Estonian reception, which was introducing the attendees to Estonian food and food culture<sup>14</sup>. The reception was featured by many Chinese officials and prospective partners attending it, and, in his opening address, the Estonian Minister underlined that

Estonia's advantage lies in our clean nature, which allows us to produce food that is both pure and high in quality. [...] Our businesses are greatly interested in exporting their products to the world and our current logistical and trade networks allow us to make it happen. Direct contacts are vital for developing export in the Chinese market and they can only be achieved through eye-to-eye meetings. That is why this event is of great importance to our businesses.<sup>15</sup>

---

<sup>13</sup> Tarmo Tamm in 'Estonia paving the way for the Chinese market'. Available from [<https://www.agri.ee/en/news/estonia-paving-way-chinese-market>].

<sup>14</sup> 'Estonia increasing its presence in China'.

<sup>15</sup> Tamm in 'Estonia increasing its presence in China'.

Arguably, the Shanghai Expo can lead to a breakthrough for a number of Estonian companies seeking to discover the Chinese market in the most comprehensive way. At the same time, as a full Member State of the EU, Estonia is also well aware of a communicational framework that has been established between the EU and China on a higher level. In such a context, it is worth noting that, in the light of the Expo in Shanghai, the EU issued its expectations for the event. In the document, which was published by the Delegation of the EU to China on 1 November 2018, the EU welcomed “China’s continued prosperity”, while, at the same time, encouraged “China to accelerate its reform and opening up policies to create a genuinely open and level playing field for international businesses engaged in trade and investment in China”<sup>16</sup>. In a more specific manner and in a separate Annex, the EU outlined a number of suggestions to China on existing policy revisions, which, if “tackled comprehensively”, could “lead to meaningful structural reform and business opportunities”<sup>17</sup>. For example, the EU suggests that China should “[i]ntroduce a risk based, timely (six months) and cross-sectoral licensing system [...], [r]emove burdensome approval procedures and unjustified food safety [...], [and] [d]eepen structural reforms in areas including competition policy, standard setting, conformity assessment and transparency [...],”<sup>18</sup>.

There is a likelihood that the above mentioned document will drive the EU’s negotiating approach in the process of discussing with China the next EU-China Strategic Agenda, which will be formulated by the two sides for the beyond 2020 period. Most probably, by that time, the EU will also establish a common understanding on a ‘role’ of the Chinese Belt and Road Initiative in the grand-framework of the EU-China strategic cooperation.

---

<sup>16</sup> ‘EU expectations for the China International Import Expo (CIIE), Shanghai Hongqiao International Trade Forum, 5 November 2018’. Available from [[https://eeas.europa.eu/delegations/china/53148/eu-expectations-china-international-import-expo-ciie-shanghai-hongqiao-international-trade\\_en](https://eeas.europa.eu/delegations/china/53148/eu-expectations-china-international-import-expo-ciie-shanghai-hongqiao-international-trade_en)].

<sup>17</sup> ‘EU expectations for the China International Import Expo (CIIE), Shanghai Hongqiao International Trade Forum, 5 November 2018’.

<sup>18</sup> ‘EU expectations for the China International Import Expo (CIIE), Shanghai Hongqiao International Trade Forum, 5 November 2018’.