



# Weekly Briefing

**Romania External Relations briefing:**  
**The impact of China International Import Expo in Romania**  
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## **The impact of China International Import Expo in Romania**

**The opportunity of participating in the first China International Import Expo was prepared by the Chamber of Commerce and Industry of Romania since April, once with the seminar specifically targeting to provide information to Romanian companies related to the organization and conditions for the participation in the international fair. Although there were only few Romanian companies who exposed their products during the days of the expo, Romania was represented by Ștefan-Radu Oprea, the minister for Business Environment, Trade and Entrepreneurship, who participated in a series of events for promoting Romania's commercial interests in China. The meetings with Chinese officials have materialized in trade and investment cooperation agreements in different areas.**

China International Import Expo represented a unique opportunity for Romanian companies to promote their products and to identify Chinese partners for expanding their activities in the Chinese market, as this is the first international fair dedicated exclusively to foreign imports to the Chinese market. The announcement of the China's President, Xi Jinping, related to the increase of imports, reducing customs tariffs for foreign firms and supporting free world trade, was good news for the Romanian companies, which intend to do business in China. Given the scale of the event, the Chamber of Commerce and Industry of Romania organized, in April, a seminar providing information on the organization and conditions for the participation of Romanian companies at the China International Import Expo Fair. The representatives of the Chamber of Commerce and Industry considered that such events are opportunities for Romanian entrepreneurs to move towards the largest market in the world, which has a high absorption power, and the expo was considered a very important platform that brings Romanian companies the opportunity to access the Chinese market.

Romania's presence at the China International Import Expo, the first international trade fair for imports to the Chinese market, was supported by the participation of Ștefan-Radu Oprea, the minister for Business Environment, Trade and Entrepreneurship, who participated to several events in the margin of the fair with the aim of facilitating the access of Romanian products to regional markets in China. In fact, the Romanian minister was carrying out an official visit in China in the period starting with the end of October, with the general objective of promoting the Romanian companies and products in order to reduce the trade

deficit and to present Romania as an investment destination. The first part of the official visit took place in Beijing, in the period 31<sup>st</sup> October - 4<sup>th</sup> November and was continued with a series of events which occurred in Shanghai, in the margins of the China International Import Expo, from 4<sup>th</sup> to 8<sup>th</sup> of November.

During the international fair, the Romanian minister participated to a panel of discussions where he presented Romania's priorities in the area of trade during the presidency of the Council of the European Union that Romania will exercise starting with January 2019. Among the over 3,000 foreign companies attending the event, there were some Romanian companies that participated with stands for the presentation of their products, originating in the area of cosmetics (Ivatherm, Farmec/Gerovital), wines (Budureasca), food industry - ingredients for bakery (Lesaffre/Secretul Bunicii) and mineral water (Borsec) who had the opportunity to meet over 150,000 Chinese and foreign companies specialized in imports, distribution and trade.

The program of the Romanian delegation to Shanghai included several meetings with officials from different regions. The meeting with the Shanghai Municipal Commission of Commerce, represented by the President Shang Yuying, and the Romanian minister emphasized the development of the trade relations between Romania and Shanghai. The following reports indicate that the discussions of the two officials were focused on concrete ways to promote Romanian companies on the Shanghai market, China's most powerful economic and financial centre. At the same time, members of the Romanian delegation met with representatives of the Hunan and Liaoning provinces, as well as officials of the Ningbo City Hall.

After the opening ceremony of the International Fair, the minister had a meeting with the Vice Governor of Hunan Province, He Baoxiang. The two officials signed a Memorandum of Understanding related to investments between the Department of Commerce of Hunan Province and the Ministry for the Business Environment, Trade and Entrepreneurship, with the aim of increasing bilateral trade and establishing investment partnerships in the areas of infrastructure, agriculture and industry. Romania has the advantage of the Constanta seaport, which is the entrance gate of Chinese products in the European Union, and therefore of a strategic importance for the EU-China trade. In the first half of this year, the trade volume between Hunan Province and Romania was USD 22.55 million, corresponding to an annual increase of 112.6%. The volume of imports rose to USD 12.57 million, an increase of 170.27%, while the Romanian exports reached USD 9.98 million, which means an annual increase of 67.33%. The potential for further development is large, as the Hunan Province is the leader in technological innovation, encompassing over 100 universities and

has an important contribution to creating added value, as the GDP surpasses USD 500 million.

The Business Forum Liaoning – Central and Eastern Europe was the occasion for presenting Romania as an investment destination, given the capacity of the Liaoning Province in north-eastern China to sustain such type of relationships, based on its GDP of over USD 350 billion dollars. The Minister Ștefan Radu Oprea also had meetings with the representatives of Fengxian District in Shanghai Province and discussions were focused on honey and sunflower, the most sought agri-food products originating from Romania on the market in the region. The district has highly developed industries in cosmetics and chemistry, which could start collaboration with Romanian companies in this area. The representatives of the two sides decided to organize joint missions with the aim of developing collaboration between the highly developed small and medium sized enterprises (SMEs) in the Chinese district and the SMEs in Romania. On this occasion, the Romanian Minister was invited to participate in the next year's opening of the cultural centre in Fengxian, where Romanian culture could be presented through different traditions and customs. Both Liaoning and Fengxian provinces are twinned with large cities in Romania.

One of the major achievements of the Romanian delegation during the visit in China was the meeting with Ren Hongbin, the Deputy Minister of Commerce, in Beijing, before the China International Import Expo. An important gain for the Romanian side was the two parties' decision to start an analysis of the commercial barriers that China applies to Romanian exports. The main aim is to achieve a volume of exports from Romania to China surpassing USD 1 billion in 2019. This action is carried out in the view of reducing the trade deficit in the bilateral relationship with China. In fact, as a trade partner, China is a priority in Romania's policy of developing relations with Asian countries, and it is the first Asian partner of Romania for both export and import activities. In the first eight months of this year, the volume of exports from Romania reached USD 604.02 million, an increase with 14.81% as compared to the same period of the last year. Still, the volume of imports from China is almost six times higher in the same period, reaching USD 3.43 billion, which is correspondent to an increase with 26.31% on a year-on-year basis. As regards investments that could be attracted from China, there is a large potential. The Chinese companies in Romania are rather small. Therefore, although their number is the fifth largest, representing 5.7% of the total number of companies with foreign participation in the first eight months of this year, their total capital reach only 0.67% of the total amount of subscribed share capital in USD, at a similar level with the one registered in 2018 in the same period.

The Romanian side assumed the capacity to support such an accelerated increase in exports and presented the measures taken for promoting a friendly business environment, which guarantees equal and non-discriminatory treatment of all economic partners, irrespective of their provenance. The Chinese side was particularly interested in cooperation in the field of agriculture and in the Romanian agricultural products, but also in areas such as energy, infrastructure, information and communications technology, advanced technologies, environmental protection and tourism.

The two officials signed the protocol of the XXVII Session of the Romanian-Chinese Inter-Governmental Commission for Economic Cooperation, which sets out the guidelines for bilateral cooperation until the next session. The Beijing visit also included meetings with top representatives of China's Industrial and Commercial Bank and large companies interested in public-private partnership projects. Both sides appreciated the economic collaboration that is emerging under the “One Belt and Road” and the “European Union - China Connectivity Platform” initiatives, as they provide a useful tool for increasing connectivity between Europe and Asia, based on the principles of market economy, transparency and sustainability. In addition, the minister invited the Chinese official to Romania for the next session of the Commission, during which an economic forum attended by representatives of state and private companies in Romania is going to be organized.

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