



Weekly Briefing

**Serbia External Relations briefing:
Missed chance: Serbia at CIIE
IIPE**

China-CEE Institute

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Abstract

Among different models of development that China prepared not only for its own use, but also for the sake of other countries, the newest is China International Import EXPO announced in July 2018 and held four months later, in November, in Shanghai.

More than 100 countries decided to use this opportunity and take a part in this event. Serbia was only one of them that participated.

China's development policy that started 40 years ago, among other goals, put as a priority opening up together with establishing better relations with other countries. Eventually, new and fresh ideas nurtured Belt and Road Initiative as not only an economic initiative but initiative of connecting people and improving life and living standard of all. Some countries recognized this intention and took its chance while others criticize these ideas and activities aimed to lead to their fulfillment, blaming China to be self-centered and selfish, putting aside interest of others, interested only in dispersion of its influence and securing more profit. Among awkward allegations the strangest is that those who are blaming China for causing disturbances in the fragile economic system are those that threat it the most with own protectionist measures. In spite such accusations, China remains faithful to its path and inventing new ways and models. Intentionally or not, but the anniversary of four decades of China's opening up got new appearance with introducing this new form "the first ever import themed national level expo".

This form can be considered not only as China's commitment to opening up but also as effort to participate in building new open world economy. This is a call for opposing protectionism and unilateralism. Expo was expected to give an impetus for free trade in the world economy and to provide smoother transition of China's

development and shift from world's workshop to world's market and its population to demanding higher-quality consumer product.

Expo was announced in July 2018 as an important move to firmly support trade liberalization and open China's market. With such early announcement there was enough time for interested countries to get prepared.

Taking into account Serbia's excellent connections with China, frankly speaking, those of political origin, one would expect that Serbia will use this opportunity to push harder in order to give an even stronger impetus for developing those of economic nature.

Indeed, at the very early moment, both Serbian Agency for Development and Serbian Chamber of Commerce opened a call for participation at first ever China International Import EXPO-CIIE in Shanghai. As organizers, Government of the People's Republic of China and China International Import Export Bureau, planned expo was scheduled for November 5-10, 2018. It was explained that this event aims to foster import of foreign goods and services into China along with China's firm intention to promote globalization and open market. Also, it is highlighted that Expo expected to be a platform that participating countries will use for presenting own economic potentials and create a chance to make contacts with partners from China. As it stated, representatives of more than 100 countries, various regions and more than 150 000 professional buyers from China and other countries were expected.

Potentially interested exhibitors were informed that crucial condition is being in food industry and that they will share 54 m² at the exhibition venue. Along with propositions, number of exhibitors was limited to only 6 (it remained unclear whether such limitation was made by organizer itself or it depended on participating country).

Among numerous interested companies selection was made according to following criteria:

1. amount of the last year export,
2. valuing success in previous fairs organized by the Chamber of Commerce,
3. total number of participation in fairs organized

by Chamber, 4. new design solution, new product, new production process etc., and 5. time of submitting application. Along with those criteria following companies were selected: “Neutrino Power” from Valjevo, “YUMIS” from Niš, “PACKOM International” from Belgrade, “Toplica vineyards (Toplički vinogradi)” from Prokuplje, “Fruska Gora Vineyards” (Fruškogorski vinogradi) from Beočin and “Wine Zupa” (Vino Župa) from Aleksandrovac.

Although it is a true that all interested companies couldn't be included to present itself at such important event, it is hard not to get impression that other choices were possible too. Even more, better choices should be made. Considering the size of China's market and its growing demand for healthy food, Serbia could easily sell entire production of grains, vegetables, fruits, meat, milk products, beverages, etc. But, unfortunately, that was not the case.

One should not jump into conclusion that chosen companies didn't achieve significant success in their fields (mineral water, drinks, food powder products and wine) but Serbia has much more to offer to China. The first step would be that Serbia finally admits, at least to itself, that it is agricultural country and that it should use that potential. No one denies significance of industrialization, developing internet technologies, digitalization, infrastructure, mining, but Serbia's greatest wealth, apart its people, is its soil.

One of the most important comparative advantages of Serbia lies in its climate-geographical characteristics. Thanks to this advantage, Serbia is placed directly into the group of countries subjected to the development of agro-industrial sector as a key driver of development. In that respect, considering agro-industrial complex as complex that has special place and role in the economic development it thus can be called the most important sector. It is agricultural sector that will in the future determine the economic developments in the country. With well-planned policy agriculture in future easily could turned to be strategically important sector that, in the same time, could generate more wealth than ever.

It seems to be the last call for state to take more active role in this filed. First, we should preserve what we have, meaning that immediately should stop all those

activities that may harm either soil or water. Second, we should invest more finance and energy in developing agricultural policy through the regulation of structural changes in the sector. Such changes should ensure the stability of agricultural production, food industry and forestry as the leading rural economy sectors, thus contributing to the economic development of rural areas and reducing the gap in relation to urban centers. That will be the most efficient way for reducing unemployment rate. If situation turn in that way, very soon we will manage to stop depopulation not only in rural parts of the country, but in a country as a whole. Eventually, balanced and socially sustainable development of rural areas would improve the quality of life of the rural population, would introduce a more equal share in the distribution of income and economic opportunities, and more just social position. At the state level, Serbia could finally exit from stagnation position. As earlier said, active role of the state, as well as high private sector initiatives are necessary.

Conclusion

Although in the XXI century, speaking of men, it is not popular to be a farmer nor, speaking of countries, it is not popular to have a status of an agricultural country, rising pollution and environmental issues of different kind lead us to a different conclusion: in future everything will be about providing food and fresh water. Luckily, it is not yet the case but it is a truth that demands for healthy food is much and much higher. In that respect, Serbia with its natural advantages should put its efforts in growing agricultural products that will present to the world at the important events such as recently held CIIE.