



# Weekly Briefing

**Macedonia External Relations briefing:**  
**A Macedonian Perspective on the China International Import Expo**  
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# **A Macedonian Perspective on the China International Import Expo**

## **Introduction**

The China International Import Expo (CIIE) held in Shanghai in the first week of November 2018 was a milestone event in the process of China's emergence as a global trading power. The Expo, announced a year in advance and in preparation perhaps perhaps way longer than that, had the purpose of bringing together representatives of governments and businesses (including some of the leading global multinational corporations) from around the world to China with the aim to facilitate their entrance to the Chinese market. Aware of the trade surpluses it enjoys with most of its trading partners (and the growing dissatisfaction around the world because of the growing imbalances), the CIIE was also an opportunity for China to present itself as willing to tackle these issue by boosting imports from around the world. As such, the Expo attracted significant global attention. It welcomed 3.600 companies and national delegations from 172 countries, regions and international organizations, including several delegations from Central, East and Southeast Europe (CESEE). Macedonia, however, was not represented at CIIE at the official level in any capacity. There has been no publicly available information about Macedonian companies attending the Expo either. More even so, despite managing to attract attention and being debated around the world, the Expo has been almost not covered at all in the Macedonian media and the public discourse, except from a handful of very short articles. This report therefore briefly analyzes the minuscule attention that CIIE received in Macedonia, and then analyzes the context and reasons for that.

## **Information about CIIE in Macedonia**

The main source of information about CIIE, and the main contact point for the CIIE in Macedonia has been the national Economic Chamber, which facilitates a lot of the business-to-business exchanges between Macedonia and China. The Chamber had issued an official announcement and invitation to Macedonian companies to attend the Expo as early as December 2017. The Chamber thus was in a position to facilitate the participation of business representatives from Macedonia at the Expo. A preliminary research of public records and online sources nevertheless, yielded no information of Macedonian companies being represented in Shanghai – which is nevertheless, to be officially confirmed.

In terms of the media coverage of CIIE, the Expo was almost entirely absent from the new cycles of Macedonian media. A detailed search through the archives of the Macedonian media databases has shown that there were only a handful brief articles published on the occasion of the opening of the Expo. All of these articles were either translations of reports done by international press agencies, or items published by the Macedonian branches of international media houses. In this sense, the reports on CIIE were not authored by Macedonian journalists; they also did not refer to Macedonia, or the region of CESEE; they only conveyed rather general information and provided some background context. Some of these reports referred briefly to the context of the US-China trade war and also reported on the measures proposed by China's President Xi Jinping to facilitate trade. Other reports were discussing who were the high profile participants in CIIE – while some media focused for instance, on the appearances of Bill Gates and Jack Ma Yun, others reported on the presence of Russia's Prime Minister Dimitri Medvedev trying to create association between China and Russia. Some of the reports voiced the Western European perspective that China has not been doing enough to ensure that the trade relations between EU and China are reciprocal and fair. CIIE was completely absent from Macedonian social media.

The only social space in which CIIE was mentioned in the context of Macedonia-China and China-CESEE relations was the Fifth High-Level Think Tanks Symposium of China and CESEE that took place at the end of October 2018 in Skopje, only few days ahead of the CIIE. The CIIE was referred to in passing in the keynote speeches of some of the Chinese participants, and briefly discussed in some of the panels. Moreover, some of the participants in the Symposium in Skopje, in the days following the Symposium departed to Shanghai to take part in the CIIE or CIIE-related activities. Nevertheless, beyond the few references in passing, CIIE was not featured prominently in the debates at the Symposium, nor was discussed by the Macedonian participants, nor was picked up by Macedonian media who attended the Symposium. During the official speeches as well as informal conversations, Macedonian officials also seemed not too knowledgeable or enthusiastic about CIIE, and could not provide an official position of Macedonia on the issue.

## **Analysis**

The Macedonian government has had a long-standing interest in improving trade relations with China, and in particularly increasing the export of Macedonian goods to China. In the past, Macedonian governments have taken various measures to boost Macedonian exports to China and have actually managed to note some success. As a result, Macedonia is often referred to as one

of the countries in CESEE with a trade deficit with China relatively smaller compared to other countries in the region. However, this has not been a result of the boost of the export of finished goods, but rather the export of raw and semi-processed materials (in the first places, ores and alloys). Representatives from the business sector and officials working on China have realized this, and have continued to push for the diversification of Macedonian exports to China, by for instance exporting, among other goods, more Macedonian wine, agricultural products and pharmaceuticals. The CIIE then, one can assume, could have been a particularly useful opportunity for Macedonian producers to present their products in China, and a rare chance for economic policymakers to explore the potential of facilitating the access to the Chinese market. Thus, from the perspective of the national interests of Macedonia, not devoting more attention to the CIIE was perhaps a missed opportunity.

The absence of Macedonia from the countries officially taking part in CIIE points to a number of possible interpretations. One possible explanation could be that the Macedonian government (as well as the producers), despite the declarations that they want to boost the exports to China, are aware that the Expo may not be as helpful as it may seem. According to this thinking, there is perhaps not too much to be gained from being at the Expo, as the challenges for Macedonian producers do not only pertain to the access to the Chinese market, but rather the handling of its complexity and the scale of demand. Macedonian producers, according to anecdotal evidence, even in cases when having had secured access to the Chinese market, did not have a sufficient output level that could match the demand of the Chinese market, or simply the volume of the trade could not justify the costs of transport and logistics.

Moreover, one has to have in mind that Macedonia is overall an import economy; the de-industrialization and the outflow of productive forces has made the country completely dependent on foreign products. Thus, despite the promise of the Chinese market, the predominant interest of Macedonian companies is to import from China. In fact, anecdotal evidence has shown that the scale of Macedonian outputs is so small that often times, when Macedonian producers travel to China with the desire to export goods, while quickly selling what they have, also end up buying Chinese products whose value surpasses the value of what they had sold.

In terms of the potential political explanations why Macedonia was not officially represented at CIIE, one could argue that the government had different priorities, and that is why it did not organize a business delegation to the CIIE. In the past several months, the Macedonian government has directed all its efforts and resources towards solving the name issue and implementing the Prespa Agreement. It is a common trope that all policy issues are being put on hold until

the name issue is solved – especially in the domain of foreign affairs. Another possible political explanation for the lack of government initiative towards CIIE can be the potential wariness of developing closer relations to China in times of the US-China trade war. The Macedonian government led by SDSM and DUI is firmly pro-Western and pro-American, and despite the will and interest to work closer with China, it will not risk even remotely appearing as diverging from the line of official Washington. Moreover, recently, the EU has also argued that China has a negative influence in the Balkans. Anecdotal evidence has suggested that when dealing with China, Macedonian officials are increasingly considering the potential response of Washington, Brussels and Berlin, and think less in pragmatic terms.

Beyond all these arguments, one could also argue that the Macedonia government, in fact, had an interest to attend the CIIE but they simply lacked the financial, human and other resources to do it. Macedonian institutions – and in particular Macedonia's diplomacy – operate with a number of constraints and limits. So it is possible that CIIE was simply off-limits, as sending a delegation and organizing a national pavilion in Shanghai would have required certain investment of funds, time and people that the Macedonian institutions cannot afford.

As for the media discourse, the lack of interest in CIIE and the lack of original reporting from Shanghai is not surprising, nor resembles a deviation from the overall situation of how Macedonian media cover China. In general, over the years, they have demonstrated very little interest, produced little authentic material, and have mostly relied on Western reporting on China. This nevertheless does not have so much to do with a particular attitude towards China, but rather the somewhat limited awareness of global developments. Thus, even if the CIIE was a global event, with an added weight since it takes place in times of a global struggle to define the discourse and terms of world trade, and even though these developments affect Macedonia too, Macedonian media have had no interest for them, and considered them as not having much to do with the country. This touches upon deeper challenges – even three decades after the independence, Macedonians have a problem of seeing themselves as part of the world, and defining their perception of world affairs, as well as their role in it. Thus, in the common Macedonian perception, attending or discussing global events, such as CIIE, is something what others do – and Macedonia is perceived as too small to take part in it, and as a place that has too many issues of its own to be bothering with events that take place in China. While the former may not be necessarily too, it is increasingly hard to argue against the latter.