




Weekly Briefing

**Estonia external relations briefing:
An Expo in China? What Expo? Zelensky was in town!
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

 china-cee.eu

An Expo in China? What Expo? Zelensky was in town!

If one of the least original ironic expressions is to be ever used once again, Estonia and China are almost neighbours – only one country is located between them. However, it could be evidently argued that the degree of responsiveness of the two sides to each other's initiatives deserves to be higher. A task to increase the aforementioned degree – nobody knows whom it is to be assigned for – is one of the most challenging in the field of international relations. China is one of this world's super-powers, and Estonia is a small European country, which 'crafts' its geo-strategic priorities around major alliances. In trade, the two parties are in very different 'leagues', but it is impossible to claim that Estonia does not have any leverage in such a context – after all, the country is an integral part of the European Single Market, which is the area of the highest purchasing capacity and nominal GDP of about USD 20 trillion.

These days, China is 're-discovering' the European (as well as African, South American, and even Asian) continent in its own specific way, while Estonian political elites have plenty of explainable confusions about what the 17+1 framework actually means for the ultimate stability of the politico-economic union the Republic of Estonia belongs to from 2004. An excessively overcited piece of common knowledge that the EU and China are enjoying a billion a day trade¹, does not hide away yet another interesting fact – the EU is in huge negative *saldo* (about EUR 185 billion) when it comes to trade in goods with the Asian giant. Finally, for this preface, the European Commission advises a Member State that “conduct[s] [its] bilateral relations with China – whether one-on-one or as groups of countries such as the 16+1 format” to cooperate with the EU's executive branch on the matter². Arguably, being one of the most pro-EU countries, Estonia does not have a single major problem with this particular advice of the Commission.

Considering the above factors and keeping in mind a truly small size of the Estonian economy, the news on the 2019 China International Import Expo were not making plenty of headlines in major Estonian media outlets. *Enterprise Estonia*, a state-run agency that promotes

¹ 'China' in *The European Commission*, 2 August 2019. Available from [<https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>].

² 'Joint Communication to the European Parliament and the Council: Elements for a new EU strategy on China' in *The European Commission*, 22 June 2016. Available from [http://eeas.europa.eu/archives/docs/china/docs/joint_communication_to_the_european_parliament_and_the_council_-_elements_for_a_new_eu_strategy_on_china.pdf].

business and regional policy in Estonia, was assigned to the task of completing the country's team of participants to be heading for Shanghai in November. The participation fees were announced to be EUR 2,000 per company, and the plan was that Estonia-originated companies would be visible in the 'Food & Agricultural Products' and 'Lifestyles' pavilions of the mega-Expo³.

Within the framework of the event, as it was reported, Mart Järvi, the then Estonian Minister of Rural Affairs, met with Li Guo, a member of the Central Committee of the Communist Party of China and the country's Vice-Minister to discuss "unresolved issues as well as further cooperation"⁴. The idea behind the meeting was that the Estonian side had a chance to advise the Chinese counterpart that it will be submitting "the questionnaire on beef to Chinese authorities at the beginning of next year", and, in the context of cod trade, the Estonian Minister noted that his country would prefer to receive "a permit under simplified procedure", so the corresponding governmental agencies "will quickly get to registering interested companies in the export of poultry, on which an agreement has already been reached"⁵. Clearly, the Estonian Government would prefer keeping the momentum going, since China is already on 17th place "among export destinations for Estonian agricultural products and foodstuffs, and 7th outside of the EU"⁶. Having reflecting on his experience of visiting China as well as the Shanghai-hosted event, Minister Järvi expressed plenty of positivity:

I have met with the Minister of Agriculture and Rural Affairs of China several times and each time he has stressed that Estonia's high-quality products are very welcome to the Chinese market. [...] Over the years, we have also signed several food safety protocols, which have ensured us access to the Chinese market. All of this creates an excellent background and gives entrepreneurs a positive signal to fulfil their export potential, especially in a situation where the traditional market is unavailable due to trade policy sanctions.⁷

³ 'China International Import Expo 2019' in *Enterprise Estonia*. Available from [<https://www.eas.ee/events/china-international-import-expo-2019/>].

⁴ 'Minister: Estonia hoping to see more products allowed on Chinese market' in *ERR*, 6 November 2019. Available from [<https://news.err.ee/1000026/minister-estonia-hoping-to-see-more-products-allowed-on-chinese-market>].

⁵ 'Minister: Estonia hoping to see more products allowed on Chinese market'.

⁶ 'Ministry: Chinese market successfully opened for Estonian food' in *ERR*, 10 November 2019. Available from [<https://news.err.ee/1001467/ministry-chinese-market-successfully-opened-for-estonian-food>].

⁷ Mart Järvi in 'Minister Järvi introduces Estonian food in China', *Ministry of Rural Affairs of the Republic of Estonia*, 12 November 2019. Available from [<https://www.agri.ee/en/news/minister-jarvik-introduces-estonian-food-china>].

It is known that, on 7 November, Minister Järvik, visited *Scandic Foods Asia*⁸, a company that promotes different Scandinavian products in Asia and declares that it is targeting about 100 million consumers out of the wealthiest social segment in China⁹. One never knows – there is a possibility for some Estonia-made quality products to shine in the Chinese market soon. Certainly, considering any prospective volumes arriving from Estonia, the EU-China dramatic disbalance in trade will not be fixed up, but a significant difference for the Estonian exporting companies will definitely be made. In Shanghai, Estonia was represented by *EBM Grupp AS*, *Haage Joogid OÜ*, *Saku Õlletehase AS*, *Tanker Brewery OÜ*, *Ecotar OÜ*, *Mayeri Industries AS* and *Top Connect OÜ*.

For example, *Haage Joogid OÜ* acknowledged the Expo’s high-profile, since “[Chinese] President Xi Jinping [...] gave the opening address”¹⁰. A relatively new in regards of participating at major international events, *Haage Joogid OÜ* already took its part in the 2019 SIAL trade fair in Shanghai, returning to the same city in November as well. The first experience was very successful – the company shipped its first container of mineral water to China after the SIAL. Having commenced the process of learning about the Chinese market, *Haage* builds its strategy on the fact that “clean drinking water is something Estonians take for granted, [whilst] in Asia – and particularly in China – it is a luxury”¹¹. Xenia Joost, the company’s Sales & Marketing Manager, noted that “it is the purity and high quality of the natural environment in Estonia that makes [*the Haage*] products so special in China [...] [so the] Chinese consumers come to trust products of Estonian origin and that the country has its distinctive mark of quality on foreign markets”¹².

Stepping slightly off the almost unnoticeable (in Estonia) story-line of the Shanghai Expo, there was something that made plenty of headlines in the country, in November. The end of the month was distinctly featured by different media narratives associated with the state visit to Estonia made by one of the world’s biggest political celebrity – on 26 November, Volodymyr Zelensky was in Tallinn for the day, having the tightest possible schedule to allow for myriads on meetings with different representatives of the country’s political elites, including the President, the Prime Minister, the Speaker of the *Riigikogu*, and many others, while finding

⁸ ‘Minister Järvik introduces Estonian food in China’.

⁹ ‘About us’ in *Scandic Food Asia*. Available from [<http://www.scandicfoodsasia.com/about-us/about-us>].

¹⁰ ‘China International Import Expo 2019’ in *Haage Joogid OÜ*. Available from [<https://haage.ee/en/events/china-international-import-expo-2019/>].

¹¹ ‘China International Import Expo 2019’.

¹² Xenia Joost in ‘China International Import Expo 2019’.

some time to have a friendly chat with a group of Estonia-based Ukrainians and Estonian citizens of Ukrainian background. During the visit, Estonian President Kersti Kaljulaid, with whom her Ukrainian counterpart has already met for the fourth time, “emphasised how the conflict in Ukraine clearly has an aggressor and a victim”¹³. In his turn, Zelensky specified that “the aid Estonia has given [to] Ukraine is the biggest in the world per capita and thanked Estonia for providing 182 Ukrainian military personnel with rehabilitation [... adding that] he hopes [that] Estonia being elected to serve as a non-permanent member of the UN Security Council will help the restoration of Ukraine’s sovereignty and territorial integrity”¹⁴. In the context of the upcoming summit in Paris (scheduled for 9 December 2019), where the leaders of France, Germany, Ukraine and Russia are to have multiple discussions in different formats on how to finish the Russo-Ukrainian war, the Ukrainian President’s most recent visit to Tallinn has been considered by many in Estonia as a genuine recognition of the Republic of Estonia’s important role in the process of solving the European continent’s biggest conflict at present.

¹³ Kersti Kaljulaid as cited in Martin Kutti, ‘Zelensky receives warm welcome in Tallinn’ in *Postimees*, 27 November 2019. Available from [<https://news.postimees.ee/6836167/zelensky-receives-warm-welcome-in-tallinn>].

¹⁴ Volodymyr Zelensky in Kutti.