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**CEE COUNTRIES IN SHANGHAI**  
**IN THE CHINA INTERNATIONAL**  
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**CEE Countries in Shanghai  
in the China International Import Expo (CIIE)  
2019**

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**CHINA-CEE INSTITUTE**  
Budapest, April 2020

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## Preface

The China-CEE Institute has the honor to present the second book on CEE countries participating in the China International Import Expo (CIIE), for the year of 2019. In the Belt and Road International Forum in May 2017, Chinese President Xi Jinping had announced that China planned to hold China International Import Expo from 2018 on. The first China International Import Expo (CIIE) had been held in Shanghai in November 2018 successfully. So as to the second one in 2019. Comparing with the China Import and Export Fair in Guangzhou (Canton Fair) which had been held every year since 1957, CIIE is not only a trade fair, but also an important action and policy declaration on the active market openness. It is an important instrument for China to support the trade liberalization as well as to open the market to the world economy, and it is a new platform to entry into the Chinese market.

During the second CIIE in 2019, the number of enterprises participated had been increased from 3600 to more than 3800, and more than 180 countries, regions as well as international organizations had attended the expo. More than 500,000 buyers from China and abroad had visited the expo, with total deal of 71.1 billion USD. There were 61 countries presented their Country Pavilion, among them 15 countries as Guest Countries of Honour. 16 countries from Europe had their Country Pavilion, of which Poland, Croatia, Latvia, Slovenia and Hungary are from the 17+1 Cooperation framework. France, Italy, Czechia and Greece had been invited as the Guest Countries of Honour.

This book is a collection of reports by our associate researchers from the CEE countries. The reports are originated from the Weekly Briefings, a core product by the China-CEE Institute. The 2019 November issue of external relations is focus on analyzing business delegation to the expo as

well as media coverage in their own countries. The views in the book are represented by the individual authors instead of the China-CEE Institute.

The China-CEE Institute is established by the Chinese Academy of Social Sciences, registered as a non-profit limited company in Budapest, Hungary in April 2017. The China-CEE Institute is committed to build ties and strengthen partnerships with academic institutions and think tanks in Hungary, in Central and Eastern European countries as well as other parts of Europe.

The China-CEE Institute aims to encourage scholars and researchers in CEE countries to carry out joint researches, field studies, to organize conferences, seminars and lecture series, to hold training programs for young students, and disseminate publication.

I hope the book would promote the exchanges among the academics as well as business fields between China and Central and Eastern European countries.

Prof. Dr. CHEN Xin

Executive President and Managing Director, China-CEE Institute

Deputy Director General, Institute of European Studies, CASS

# **CIIE: Opening Up of Global Economy and Croatia's Ambition Towards Foreign Capital**

Benjamin Petrović

## ***Summary***

*In the early days of November 2019, from the 5<sup>th</sup> to the 10<sup>th</sup>, a second annual China International Import Expo (CIIE) took place at National Exhibition and Convention Center in Shanghai. As represented by Xi Jinping, General Secretary of the Communist Party of China and its President, an event of such a large scale aims at strengthening economic liberalization, trade globalization and helping the countries around the world to achieve greater trade exchange and cooperation.*

## **Opening up of global economy**

The main idea behind the International Import Expo is that through representation and promotion of products, goods and services from different countries around the world, especially those with surging industries, world economic trade levels, and reciprocally world economic growth, will raise both in quantity and quality and therefore strengthen the principle of global economic openness. President Xi Jinping, in his addressing of the participants, highlighted the positive outputs that China's development has on the rest of the world. Moreover, he stressed five measures necessary to adopt in order to achieve greater openness of global economy: markets expansion, framework improvement, optimization of business environment, stronger cooperation, and common investment in One Belt, One Road initiative. Declaring that "economic globalization

represents the trend of history”, President Xi Jinping brings forth the concept of a global economy based on sharing, innovation, and cooperation. Importance of import themed national level exhibition is also recognized by the rest of the world, most significantly by some of the most notable trade and development organizations such are World Trade Organization, United Nations Conference on Trade and Development and United Nations Industrial Development Organization. At the same time, China, looking towards expansion of its economic potential through ever growing adaptation of liberal economy values in its hybrid political system, could strongly benefit from replacing products and services imported until now with new ones which entail newly developed technologies and potential for bilateral agreements.

### **A position of prestige**

In line with its continuous attempts of establishing a firm position in global economic and financial order, China can greatly benefit from International Import Expo even when its overwhelming numbers and production quality are clouded by the uncertainties brought forward by the ongoing trade war between China and the United States. In a way, International Import Expo took place at a critical moment, not only from the perspective of China’s hardened relationship towards the United States, but also as a useful tool to curb the emphasis from issues directed towards some of its political and trade practices. Thus, China’s International Import Expo’s diplomatic purpose must not be neglected. With several world leaders and international organizations representatives attending, including French President Emmanuel Macron, Greek Prime Minister Kyriakos Mitsotakis, European Union Trade Commissioner Phil Hogan, and more than 3800 foreign companies presenting their products, technologies and innovations, the Expo’s potential for addressing China’s role in global economy is as vast as its ambition. Additionally, it is impossible not to mention China’s notable One Belt, One Road initiative, for which the Expo



gives a strong impetus. An ambition to develop and improve maritime and land transit infrastructure spreading across the globe with an emphasis on Central Asia and Central and Eastern Europe, is inextricably linked with ideas of establishing stronger commerce, share of knowledge, technologies and innovations. Through various deals, trade agreements, idea exchanges and basic networking for which the International Import Expo gives an ideal backdrop, Chinese companies and national industry will find an opportunity to arrange a new terrain for its investments, whether in the fields of robotics, engineering or transportation. Furthermore, through such deals, a stronger ground for export of Chinese industrial and economic capacities will be established. According to everything mentioned, it is obvious that China's International Import Expo is a well thought of vehicle, driving towards a strategically conceived goal of a leading global economic, and therefore, political impact and prestige.

### **New global economy leader**

With global economy openness as the distinctive feature of the International Import Expo, China managed to affirm its resolve in representing itself as the main agent of an open, free market order. Such an accomplishment might not be possible if there were not of opposing reasoning, often heard from the United States. President Trump's affirmative stance on economic protectionism and arduous display of reluctance towards international organizations, had put China in a position of main global economy arbiter. Therefore, the following statement by President Xi Jinping is not a coincidence: "We must all put the common good of humanity first, rather than place one's own interest above the common interest of all". The unwillingness of the United States to recognize global institutions such as World Trade Organization as an important actor in the sphere of international economy, allows China, which some still consider as a merely developing economy, to take a more influential position in such organizations and multi-lateral trade as a whole.

The above mentioned is confirmed by the words of president Xi Jinping: “We should commit ourselves to growing an open global economy to share opportunities and interests through opening-up and achieve win-win outcomes.” In that way, China has a unique opportunity, along with the European Union, to steer the global financial order in a new direction.

### **Emphasizing import**

The significance of China’s International Import Expo on China’s import policy is something that requires further addressing. In line with the initiative called Made in China 2025, another continuous goal of China is to shift the course of its national economy from export driven manufacturing to domestic based consumption of goods and services. Economic issues caused by the low-cost manufacturing method, materialize in uneven distribution of wealth, diversity in income per capita and living standard. Hence, China is attempting to restructure its economy by boosting domestic consumption through state produced services and products based on innovations. A way to achieve such a change is reducing tariffs on a high number of consumer products and by that, encourage higher levels of consumption on national base. As prices reduce proportionally with tariffs, Chinese people with a lower income will become able to buy more consumer goods and services. Therefore, International Import Expo, the first of its kind to be focused on import policies, is a step forward in China’s attempt to shift its economic discourse by means of welcoming foreign countries to its consumer market, replacing some of the domestic brands, not only inefficient ones.

### **Croatia at the International Import Expo**

Croatia, as an economically developing country, with a basis for further collaboration with China, established through involvement in 16 + 1 Initiative, had an opportunity to showcase its willingness to open up

towards foreign capital in areas such as infrastructure development, production capacities and mass expenditure, and at the same time, offer some of its innovation potential and uniqueness in approach towards development in different sectors, from technologies to tourism. Main representative duty, as an envoy of Croatian Government, was assumed by the Speaker of the Croatian Parliament, Gordan Jandroković. The significance of his presence on the Expo lies in the necessity of Croatia to attract foreign business opportunities and innovations which could give birth to new strategic investment plans aimed at reviving some of Croatia's failed businesses. At the same time, the character of the Expo, in its focus on import, allowed Croatia to present its agricultural export potential. Therefore, Croatian Chamber of Commerce was amongst the delegation, with a purpose of forming a basis for cooperation on several levels. In line with that, Chamber of Commerce representatives had discussions with the representatives of Department for International Cooperation of Zhejiang province. Zhejiang province credits itself with the fastest economic growth in China, with a share of 1% of global economy. Consequently, it is clear that Croatia arrived at the Expo with a strong ambition towards establishing a foundation for further business. It is worth to note another member of Croatian delegation, and that is Croatian National Tourist Board. As Croatia is successful in attracting a high number of Chinese tourists, such achievement lays ground for investments and projects which could benefit both economies. Of course, for everything mentioned to become feasible, Croatian Government needs to encourage the development of a stimulating regulatory framework which will enable conditions for an unconstrained business environment. At the same time, reforms with the goals of elevating business competition levels, removal of administrative obstacles and upgrading innovations framework are needed, in order for Croatia to achieve the ability to enter the global economic playfield as an equal competitor.

## **Conclusion**

The future of Chinese campaign, which reached its pinnacle at the International Import Expo, to establish itself as the leader of a new free trade market, based on sharing, collaboration and innovations is definitely going to be shaped by a high number of contributing factors. The orientation of the United States towards economic protectionism and disregard of international organizations is unclear, especially considering the 2020 presidential election which could mean another shift in foreign policy. Until then, China has an opportunity to fill the void of a global economic leader, especially considering the lack of will and the lack of ability of other actors. Also, the affects of China's emphasis on development of import policy based on domestic based consumption will inevitably steer its economic initiatives in the coming time. At the same time, developing economies such is Croatia, will need to affirm its ambition through creation of encouraging business environment thus creating a foundation for attracting investments but also strengthening its many export potentials.

# **The Second CIIE and Albania's Position**

Marsela Musabelliu

## **Introduction**

Albanian business circles are very diligent when selecting and attending exhibitions and trade fairs. Being a country that imports much more than exports, the main target of the country's entrepreneurs has been export exhibitions all around the world, however, this trend is has started to shift since some Albanian businesses started to flourish in local production. This trend developed mainly at the start of the new millennium when after a decade of open economy, Albanians realized that there were opportunities of local production in a multitude of areas and the most resilient of them started capitalizing on the Albania's most important comparative advantages: low labor cost and untapped natural resources. The initial Albanian exports were targeting neighboring countries of the Balkans, Turkey, Italy and Germany, in short, countries with which Albanian enterprises were familiar with. Later on, Albanian-made products could be found in North and South America, Russia, Scandinavian countries and so on.

For years People's Republic of China has been perceived from Albanian enterprises exclusively as a market to import from, in fact Chinese commodities have an overwhelming presence in the country's households, industrial settings, apparel stores and many more. Only recently, Albanian businesses have started to comprehend the real scale of the Chinese market and the enormous potential it represents.

## **2<sup>nd</sup> China International Import Exhibition as an opportunity to promote Albanian production**

An important meeting point for all nations and a substantial business-to-business platform the 2<sup>nd</sup> CIIE numbers in October 2019 are impressive: more than 180 participating countries and international organizations, more than 3200 enterprises and half of the Global 500s were present, the 2<sup>nd</sup> CIIE offers the possibility of a new stage of trade with China.<sup>1</sup>

According to national reports, in the previous year there were only four Albanian companies taking the lead of representation and be present in Shanghai: “Gjergj Kastrioti Skënderbeu”, “Aquila Group”, “Morava” and “Natyral ATC”. These companies are very well established in the local market, have all exported for years and apparently, they all desire to expand their business further in the Asian continent.

To summarize: alcoholic beverages, honey and natural/herbal teas, this was the Albanian production displayed in Shanghai. It is our argument here that by witnessing the interest of these type of producers, in April 2019, H.E. Ambassador Zhou Ding, in analyzing the Sino-Albanian relation in the framework of the Belt and Road Initiative and the “17+1” cooperation, stated in an interview: “[..] *Currently, the relevant Chinese and Albanian authorities are expediting work on inspection and quarantine of quality Albanian agricultural products to be exported to China; I believe that honey, dairy, olive oil and Albanian wine will soon be placed on Chinese tables.*”<sup>2</sup>

In November 2019 in the 2<sup>nd</sup> CIIE, the only reference found for a participant is one single company. Morava Sh.a. – this company was established in 1993 and as is a former State Owned Enterprise (SOE). The company started as local honey producer, only to expand in the decades to

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<sup>1</sup> Highlights of 2<sup>nd</sup> CIIE by numbers. Retrieved from: <https://www.ciie.org/zbh/en/>

<sup>2</sup> Albania Important for the BRI, we expect more commitment to economic projects. Translated from: <http://www.panorama.com.al/intervistaambasadori-kinez-shqiperia-e-rendesishme-per-nje-brez-nje-rruge-presim-me-shume-angazhim-per-projektet-ekonomike/>

come in the European, American and Asian market. This company has approached the Chinese market since 2009 and is the only one of the presents in CIIE that has continually tried to enter this market.<sup>1</sup> On the other hand, differently from the past year, there is no reference found for any Albanian delegation present.

### **Perception in media and commentaries**

For the purpose of this briefing, a full media and social platform screening was carried out in search for commentaries/news or information about the Albanian presence in the 2<sup>nd</sup> CIIE, ultimately, the only information available in Albanian language on the event was provided by a China Radio International in the its local platform Albanian CRI.<sup>2</sup> Even though this online and radio platform in Albanian language dedicated a series of news on the event, there was no mention of a political level delegation, hereby it is our assumption that no governmental or institutional body was representing Albania in Shanghai.

However, there was a case which made headlines in Albania with regards to the 2<sup>nd</sup> CIIE, the meeting of President Xi and President Macron and especially their commitment to further deepening free trade, anti-protectionism declarations and intentions of strengthening Sino-European ties.<sup>345</sup> There are mainly two reasons on why this meeting resonated more than any other in Albania; first because it was the most commented meeting

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<sup>1</sup> Translated from the company's official website. Available at: <https://mjalte-morava.com/rreth-nesh/?lang=sq>

<sup>2</sup> Info retrieved from: <http://albanian.cri.cn/1501/2019/10/15/28s182598.htm>

<sup>3</sup> Xi and Macron commit to protecting free trade and reinforcing relationships. Translated from ATA. Available at: <https://ata.gov.al/2019/11/06/kine-xi-dhe-macron-angazhohen-per-mbrojtjen-e-tregtise-se-lire-dhe-riforcimin-e-marredhenieve/>

<sup>4</sup> Macron and Xi: committed to free trade. Translated from: <http://gazetahorizont.com/macron-dhe-xi-marrveshje-prej-miliarda-dollarsh-si-angazhim-pr-tregtin-p1214-122.htm#>

<sup>5</sup> Xi and Macron: billion dollars commitment. Deutsche Welle Albania. Available at: <https://www.dw.com/sq/macron-dhe-xi-marr%C3%ABveshje-prej-miliarda-dollar%C3%ABsh-si-angazhim-p%C3%ABr-tregtin%C3%AB-e-lir%C3%AB/a-51137017>

in the Western mainstream media outlets and secondly due to the sensitivity of Albanians towards everything Macron does or declares lately. With regards to Albanian commentaries and news headlines, it has been argued also in previous briefings, that the narrative displayed for public consumption in the country is almost totally shaped (and many times just identically translated) from Western European mass media. News, analysis, headlines, reporting and so on, are basically a mere imitation of what is trending outside Albanian borders, be this in English, German, French or Italian.

The second reason, with regards to the public's sensitivity towards Macron, comes as the aftermath of the French veto in not allowing Albania to open accession talks with the European Union. Since October 18<sup>th</sup> 2019, when a handful of member states, led by France, blocked Albania from starting membership talks, the sentiment towards Macron has wavered from disappointment to rage.

### **The Albanian pattern of not reporting or analyzing PRC current events and reality**

By all considerations, it is only fair to state that China is absolutely underreported in Albania. From national events of PRC to its involvement in the international stage, little is known of this former strategic ally and close partner of Albania. It appears that Albanian journalists, reporters and current events analysts are not prone to describe modern China at all, or when it happens it is either a piece of news previously made public by foreign media agencies or include the participation of a high-ranking Albanian official (if not the Prime Minister himself) such as the case of the “17+1” cooperation platform. With regards to scholars, the overwhelming majority of local academicians studying PRC deal with the “Golden Age” of Sino-Albanian relations, namely the 1960s and 1970s – so their area of expertise remains confined within university auditoriums, academic papers or conferences.



*A linear time premise on the why*

In trying understand why Albania is facing such a lack of knowledge (or interest) towards China the only path of inquiry becomes sequential, meaning as a series of events that when connected together lead towards this conclusion. Since the rupture of Sino-Albanian relations in 1978 until 1991 when Albania opened up to the world there was no reporting on China because this was dictated by the regime. But what about after 1991?

Since then, Sino-Albanian relations can be subdivided in three main time-frames:

- a) the first period: 1991-2001, the decade of sidelined cooperation
- b) the second period: 2001-2012, the decade mutual exploration
- c) the third period: 2012- ongoing, rekindling the relations under the cadre of the “17+1” cooperation mechanism and the Belt and Road Initiative (BRI)

Certainly, mass information is influenced by the rhythm of bilateral cooperation in a country-to-country relation. The above three phases impact also the public perception of China in the country - a public perception which is mainly shaped by mass media and online platforms.

With regards to the first period, news on China and from China were totally inexistent in Albania. This can be attributed to the massive difficulties the entire society was facing and the social/political instability of the country. On the other hand, the totally isolated Albania for half a century was trying to reach West and mass migration to Italy, Germany, Greece, France, USA, etc. influenced Albania in ever step of its transition. It is understandable that public attention was targeted on the above-mentioned nations because their path to development and welfare was seen something to aspire to.

In the verge of this century, perception and attitude started to shift especially from the business circles. For the first time in decades Albanians were traveling again to China, this time for business opportunities and in the majority of cases the trip to China entailed purchase of locally produced merchandise. From 2001 to 2010, Albania witnessed an ever-growing presence of Chinese commodities in its markets and this is the decade when China made some headlines in the local media, however, these were isolated cases and unfortunately didn't have any considerable impact on the people's perception of PRC.

It is our argument that the third phase starts with the creation of the China-CEE cooperation platform in 2012. The presence of Albanian Prime Minister in the High-Level Meetings of the then "16+1" involved plenty of media attention, especially his one-on-one meetings with Premier Li Keqiang; however, these meetings remained in the ranks of one-day-news, no further analyses of outcomes, declarations or commitments were present in the public discourse.

Oddly enough, the current Chinese economic and political capital on the world stage is not properly perceived in Albania.

### **Conclusions**

As for plenty of other important events in occurring in China, the 2<sup>nd</sup> CIIE did not received a fitting portrayal in Albania. This can be attributed mainly to the almost inexistent Albanian presence in Shanghai (be this business or political) and to the continuation of the same pattern of underreporting of PRC in years.

More than the problem of missed clarity of the weight of current events in an international stage this is a missed opportunity for Albanian business and political environment.

Albanian producers of goods and services missed a significant opportunity to displaying their work to a market of 1.4 billion people (potential customers) and policymakers missed the chance to properly

introduce their country, “champion” companies and Albania’s comparative advantages to number one policy maker of PRC, President Xi Jinping.

## **The Second CIIE: A Bulgarian Perspective**

Evgeniy Kandilarov

From 5 to 10 November, 2019 at the National Exhibition and Convention Center (Shanghai) (NECC (Shanghai)) have been held the 2nd China International Import Expo (CIIE). After the great success and the impact that the first CIIE in 2018 had, as the world's first national level import-themed expo facilitating the great strategic plan for the "Belt and Road" initiative with an open and inclusive attitude in the new era, the 2nd CIIE featured further expanded exhibition scale and richer activities forms, in anticipation of achieving greater success.

Despite the indisputable high significance of this international event, it happened to be not so popular in the Bulgarian public space. Proof of this is the relatively small and even scarce number of publications in the Bulgarian media covering it.

Also, the media that mention CIIE are not at all central, but rather peripheral, and also often the articles that mention this world exhibition are not specifically dedicated to it, but rather to China itself and mention the CIIE as a curiously interesting and up-to-date event that is ongoing at that moment or already passed recently.

For the first time in the Bulgarian media, this world exhibition was mentioned in a January publication this year stressing the issue that Shanghai promises even better EXPO for 2019 and for opening the country for further imports. Presenting the annual report on the work of the local government, the publication is emphasizing that the city plans to open its doors to foreign investment and businesses even wider, thus enhancing the impact of the exhibition. In the same article is arguing that Shanghai will introduce one hundred measures to support its further opening.

In the same article there is an explanation that during the last year CIIE the import achieved close to \$ 58 billion in deals, attracting more than 400,000 buyers from home and abroad.

According to the CIIE organizers, more than 500 companies from 40 countries and regions have already confirmed their participation in the second edition of the exhibition planned for November.

Later in the year In some other publications there was relatively short information about that second China International Import Expo will be held at the International Exhibition and Conference Center in Shanghai and so far, more than 3,000 companies from more than 150 countries have signed up to participate and there will be many more than the first edition of the EXPO last year. At a press conference, Vice-Minister of Commerce Wang Pinnan said the exhibition was proof of China's determination to continue with further opening measures. In his words, it will contribute to the balanced development of China's exports and imports and to economic globalization.

The promotion of the second edition of the EXPO includes information that this Exhibition will consist of four parts - national, trade, companies and the International Economic Forum "Hongqiao". The comprehensive exhibition of the countries will demonstrate the national specifics in the fields of trade and investment, and will include opportunities for deals and transactions. The exhibition of the companies will include trade of goods and services. At the time of these publications, before the start of the EXPO at the beginning of November, near 61 countries have been confirmed that they will participate in the country's comprehensive exhibition. France and Italy have been considered as a special guests from Europe.

In the same kind of publications but more detailed there is a special attention of the words of the Deputy Minister Wang Pinnan who have explained: *"There will be 7 exhibition areas for the presentation of companies - for high-tech household products, cars, medical technologies*

*and medicines, food products and more. So far, we have finished attracting participants and I can say that the scale of the exhibition will be larger than before. The exhibition area is more than 300,000 square meters, with more than 3,000 companies from 150 countries registered to participate."*

Companies from the G20, BRICS, SCO and within the area of BRI, as well as the 40 most underdeveloped countries have registered to participate in trade exhibitions. The head of the organizing committee of the exhibition Hong Ping announced that the goods they present will be imported with 95% less duty, and the participation fee will be lower. According to him, the interest of US companies to participate in the exhibition is also great. Some articles pay attention of the fact that last year, about 170 US companies participated in the CIIE and this year they will be more. From that fact can be seen that the Chinese market is quite attractive to foreign companies, including the US. Despite the Washington trade dispute, US companies continue to have a strong interest in the Chinese market. There is also an announce that a Trade and Intellectual Property Protection Center has been set up at this exhibition which shows clearly that China continues to pursue an open door policy and the Shanghai International Expo is an example of this. The Deputy Commerce Minister Wang Pinnan argues also that CIIE demonstrates China's determination to continue reforms and will give impetus to the country's further opening. Another argument of him is that *"The purpose of the exhibition is not only to expand imports, but to improve its structure."* Another outlined purpose is providing an opportunity for the Chinese companies to get acquainted with the modern technologies and ideas. In doing so China drives product innovation, technology and service model marketing, driving businesses to accelerate innovation in the new circle of opening the country to the world.

Some Bulgarian media also covered the words of Wang Pinnan that the international trade EXPO also aims to achieve a balanced development of exports and imports, promote economic restructuring, boost foreign trade, strengthen China's position as a major trade country and make it a

global trading power. Beijing believes it will help build a network of partners and contribute to economic globalization.

Another broadly exposed information, although short one, regarding the so-called Shanghai EXPO as the CIIE is more popular in Bulgaria, is that for the second time, the Shanghai EXPO seeks to strike a balance in China's international trade. Visitors are about to see the latest achievements of high-tech industrial equipment, consumer electronics and appliances, cars, clothing, accessories and consumer goods, food and agriculture, medical technology and healthcare, emerging technologies, outsourcing of services, creative design, culture and education, tourism and logistics services.

Another part of the information in the Bulgarian Media regarding the second CIIE have been related to the words of the Chinese President Xi Jinping at the opening ceremony of the EXPO promising to gradually open up the Chinese investment market. Furthermore, the EXPO presents the enormous Chinese market of 1.4 billion people in an attempt to address criticism that Beijing is wrongfully subsidizing its industry and protecting it from competition. The forum offers a market platform for foreign suppliers of goods - from wine to yachts - but it does not particularly help companies already established in China. Bulgarian media stressed the fact that Xi Jinping again promised to reduce foreign investment restrictions and renewed the proposal, which was first made in June, to speed up work on the Sino-European Investment Agreement. Another strong point of the Chinese president was that world trade barriers should be removed and countries should uphold the basic principles of multilateral trade, while firmly opposing protectionism. To that must be added the suggestion for support of the international cooperation and the remove of the barriers to innovation. There is no single country that can solve the difficulties facing the development of the world economy alone, Xi Jinping said in his speech.

It is definitely not a coincidence that Beijing organized this forum, its first edition last year and the second one this year, with the aim to stimulate the importers in the Chinese market in the contrast of the ongoing Chinese-American trade conflict. At the same time In some Bulgarian articles there are critical comments that the CIIE will hardly help to overcome concerns such as intellectual property protection, obstacles to market access and the lack of uniform rules of action for foreign companies in China.

Also interesting point among the Bulgarian media is the fact that among the participants in the event are the French President Emmanuel Macron, the Greek Prime Minister Kiriakos Mitsotakis and the Serbian Prime Minister Ana Burnabic.

According to the Bulgarian media sources, France hopes to have greater access to these markets for its food products. Another interpretation is that Paris also relies on "commitments for transparency" and progress in the World Trade Organization (WTO) reform negotiations. Macron also called on Europe to develop a clear policy on China's BRI infrastructure megaproject, which will allow Beijing to work for growth internationally, especially in Africa.

As for Bulgaria's participation in the CIIE, the publications about it are even more limited due to the fact that the Bulgarian companies presenting themselves in Shanghai are only 18.

Bulgarian companies present food, beverage and cosmetics samples at the Shanghai Expo as well as at the China International Agricultural Fair in Nanchang. The Center for the Promotion of Agricultural Co-operation between China and the countries of Central and Eastern Europe (CEECSICIE) represents Bulgarian companies at the two economic forums. The Ministry of Agriculture and Rural Affairs of the People's Republic of China provides the Bulgarian companies with free of charge fully furnished and decorated exhibition space. In most of the publications regarding Bulgarian participation in CIIE there is a basic information presenting China as a leading traditional partner for Bulgaria emphasizing that in 2012,



bilateral trade exceeded \$ 1.7 billion, and our exports to PRC increased by 88%. This placed China second after Turkey in Bulgarian export destinations outside the EU. In the period 1996-2012, Chinese investments in Bulgaria amounted to about \$ 110 million.

As It was already pointed out the Bulgarian companies participating in the two business forums are in total 18. They present foods (including sunflower oil), beverages, herbs and teas, cosmetics, products with oil roses and essential oils, fragrances for home, office and car. A Bulgarian honey producer also presents its products. Most Bulgarian exhibitors have already participated in the Third International Tea and Drink Exhibition in Hangzhou and the First Expo China - Central and Eastern Europe in Ningbo, held earlier this year. Just for comparison only, in the first edition of CIIE in 2018 the representatives of 37 Bulgarian companies successfully participated which shows some declining trend of Bulgarian participation.

Something that should be pointed out and is relatively covered by Bulgarian media is that the Deputy Prime Minister for Economic and Demographic Policy Mariana Nikolova made an official visit to China from November 4 to November 7 in order to participate in the second edition of the "China International Imports Exhibition" in Shanghai. She was among the speakers in the first session of the forum and presented the opportunities and advantages for investing in Bulgaria. *"The Bulgarian government's policy in the field of economy and investment is aimed at ensuring that Bulgaria meets the high requirements of potential investors in terms of the investment climate, stability and predictability of the environment,"* Deputy Prime Minister Nikolova pointed out. She stressed that an important indicator of investor confidence in Bulgaria is the tendency of foreign companies to increase their production capacity. During the visit, Deputy Prime Minister Mariana Nikolova has met also with the governor of Jiangxi province.

After the end of the CIIE very few Bulgarian media announced that China's second International Import Fair closed \$ 71.13 billion in deals,

which is an increase of 23% over last year. According to the data cited in the publications the exhibition was attended by 181 countries, regions and international organizations, and the number of participating companies was over 3,800. The six-day event under the motto "A New Era, a Shared Future" drew more than 500,000 buyers from China and abroad.

China has started already planning the next year third edition of the CIIE since more than 230 companies from all over the world have already registered for the Third International Import Exhibition in China, with a total exhibition area exceeding 84,000 square meters. They include more than 80 Fortune Global 500 companies or industry leaders, and their total exhibition space is over 50,000 square meters.

In conclusions we may say that to some extent CIIE, established for the first time last year, has mainly symbolic value since it focuses on buying foreign goods but will hardly address structural issues that fuel attacks on Beijing's trade and economic practices. At the same time for China CIIE is part of a greater drive to bring its economy into the new light and strengthen its role globally. Having in mind the reported results of the CIIE and the impact of it, this is one more step in achieving the above-mentioned goal of China.

# Hungarian Interpretation of the Second CIIE

Csaba Moldicz

## *Summary*

*This briefing analyzes the media coverage of the 2<sup>nd</sup> Chinese International Import Expo (CIIE) in 2019. The Chinese International Import Expo took place in Shanghai between 5 and 10 November 2019. According to the official data, around 71.3 billion USD of intended deals have been registered during the exhibition, which is significantly higher than last year. 3,800 firms participating in the expo have been counted from 181 countries this year.*

We did the same analysis of interpretation last year too and as we will be able to see later last year's summary can be applied to this year as well. We put it this way: "By and large, it can be argued, that the CIIE received positive responses in Hungary, however, it must be also underlined that media coverage was very weak. That is the reason why facts reporting articles prevailed, while comments or analyses were not represented too strongly. At the same time, it is also clear, that the event was rather covered as an important business event, not as a political gathering."

We can clearly conclude this time too that the event was interpreted in Hungary as a business opportunity, not a political summit and that might have been the reason why the coverage of the event was poor and analytic approach in most of the cases was absent from the articles. At the same China-related business news and other news with long-lasting significant results (agreements, establishment of cooperation frameworks, contracts) are covered frequently in the Hungarian media, thus the visit of the

Hungarian Minister for Technology and Innovation to China in November had a much better media coverage than the CIEE.

### **1. The Chinese International Import Expo**

The website of the Hungarian government published one article that is closely related to the 2<sup>nd</sup> Chinese International Import Expo. The text was later re-published by other websites and news agencies and that is why the article is more significant than others. The text refers to the visit Hungarian Minister for Foreign Affairs and Trade in China and his attendance at the Chinese International Import Expo. The minister reminded that the Eastern Opening Policy of Hungary started 9 years ago, when the Hungarian economy was on the brink of collapse. The goal of the government was not only to rescue the economy but to strengthen it. He underlined that the goals of the Hungarian economy were

- full employment – now it is at 3.5 percent;
- to increase growth – GDP growth was 5.2 in 2018, the second-highest one among the EU members;
- to improve export performance – last year was a record year as for export;
- to speed up the inflow of foreign investment – last year was a record year in this aspect too.

It was obvious that he intended to attract more Chinese investors with a detailed description of the country's economic achievement, mainly emphasizing stability and fast economic growth in Hungary. According to the article, the Hungarian foreign minister had a meeting with Ni Yuefeng, the Head of General Administration of Customs. Details of the negotiations were not made public. And that might be the other difference to last year's expo, that business deals between Hungarian and Chinese partners were not mentioned and emphasized in the articles particularly, however, the China

Eastern Airlines is to operate two direct flights to Budapest from January 2020.). The minister underlined the significance of the two lines for tourism. Departure airports are Xian and Chengdu which are two engines of Chinese economic growth, the Hungarian minister emphasized.

After the speech, the representatives of the Hungarian and Chinese firms discussed in the panel talk what opportunities are offered to the middle-sized countries by the One Belt and One Road Initiative in our complex geopolitical environment.

Another speech at this forum was reported by the news portals too. Mr. Hendrich, the CEO of the Hungarian Export Promoting Agency told the media at the Chinese International Import Expo that the participants and visitors of the expo can get in touch with the innovative side of the Hungarian economy. Besides tourism and investment opportunities, the focus was set upon innovative firms, agricultural products, and even cultural events were held for the visitors.

## **2. Other China-related business news from November**

As said before the media coverage was poor since business deals were not announced, and probably due to the same reason, the visit of Mr. Palkovics, the Hungarian Minister for Technology and Innovation was covered by the media more frequently. On the one hand, the following agreements were underlined in the Magyar Nemzet:

- The Ministry for Technology and Innovation signed a cooperation agreement about innovation and technology transfer with Tsinghua University in Beijing, The Hungarian software firm also agreed with the university about the center, which should give place for the technology transfer.

- Budapest Corvinus University also signed an agreement with the Chinese Ctrip firm whose core business is to deliver travel services. The firm is about to set up an office and dual training center at Corvinus University.

- Cooperation between the Záhony Logistics and Industrial Zone Consortium and the Central European Trade and Logistics Zone was set up which allows for further trade opportunities for both countries.

- The Minister underlined that the last barriers in the way of the Budapest-Belgrade railway have been removed, since according to the plan the contract about financing the project can be signed until the end of the year, and construction works can start from early 2020.

- He also pointed out that the agreement about setting up a branch institute of the Shanghai Fudan University will be signed too. The University will be the first Chinese university in Europe.

The Hungarian Minister for Technology and Trade signed a framework agreement with China about vocational training cooperation. According to the agreement, 230 stipends are provided by both sides, including MSC, BSc, Ph.D. training and short-term research grants.

The Magyar Nemzet also published an article in the context of this visit. The Minister for Technology and Innovation opened the Hungarian pavilion at the 12th China Hi-Tech Fair on 17 November 2019, which took place just a few days after the CIIE in Shanghai. Probably one of the reasons why Hungarian media focused more on the exhibition is because Hungary was the guest of honors this time. The article underlined the significance of the following negotiations:

- He had a meeting with the management of the Chinese BYD, which has already established a plant in Hungary after 2017. The

main topic was how to deepen the cooperation in the field of assembly of electric vehicles with Hungary.

- He also met the leaders of the BGI, which is a firm specializing in genomics. The firm is a front-runner in the field of DNA sequencing.

- The minister had negotiations with the mayor of Shenzhen too; the main topic was setting up a practice-oriented teaching and research exchange program involving firms already present in both Hungary and Shenzhen.

As we can see, the CIIE was not focused on too much in the Hungarian media, because announcements about new deals and investments were not made, however, other events – such as the China Hi-Tech Fair – was covered more in Hungary due to the outcomes of the meetings and negotiations.

We also must emphasize that economy-related news from China are more likely to be covered than simple meetings and fairs without long-lasting outcomes. That is probably the reason why the measures taken by the People's Bank of China on Wednesday were focused on by articles already on Thursday. Portfolio.hu – maybe the most influential business news portal in Hungary – published an article, which besides the description of the measures – cutting interest rates, increasing liquidity – put an emphasis on the cautious approach of the Chinese decisions-makers in the efforts to bolster economic growth.

### **3. Summary**

It can be argued that the CIIE did not receive special attention in the Hungarian media, since – as pointed out before – bigger business deals or agreements were absent from the agenda. Though we must add that the

announcement of the two new air routes between Hungary and China was not reflected in the Hungarian media. Only the 444.hu published a short, neutral articles about the announcement.

At the same time, we must point out that other China-related business and political news were covered frequently by the Hungarian news portals and news agencies this month. It is really rare that China-related business news catches the attention without Hungary-related elements, however the stimulus measures of the People's Bank of China belong to these news. From the Hungarian point of view, cooperation in the field of education, research and technology seem to be very important elements of the agenda. In all cases, we can point out that analytic approach was not typical for the articles analyzed in this briefing, but descriptive method prevailed in those articles. The only exemption was that the Shanghai Fudan University's plans to establish a branch in Budapest, since negative comments focused on a – false – analogy between the Fudan University and Central European University.



# **The Second CIIE: A Polish Perspective**

Joanna Ciesielska-Klikowska

## ***Summary***

*On November 5-10, 2019, the China International Import Expo took place. Poland again participated in this global event. Several dozen Polish companies took part in the fair organized in Shanghai. Polish companies represented various sectors of the economy - from agriculture, through cosmetics and medical equipment, to amber jewellery and mining machines. Although Poland wanted to show a wide range of offers, this year much fewer suppliers presented at the fair than during the first edition of the event.*

## **Importance of CIIE**

In the first half of November, for the second time in history, companies from around the world have fought for customers in Shanghai. The event under the name China International Import Expo (CIIE) was organized at the behest of the Chinese President Xi Jinping, meaning, that the rank of the fair reached practically a government event.

Preparations of Polish companies for the fair were once again conducted by the Polish Investment and Trade Agency (Polska Agencja Inwestycji i Handlu, PAIH). The PAIH acting president emphasized that already in the election phase, great efforts were made to select these applications and companies with the biggest sales potential for China - the possibility to offer premium products was a common key. It must be admitted that so far only few Polish companies are present in China, therefore most of them want to find distributors there through trade fairs - participation in the CIIE could be regarded as a unique opportunity to

present Polish, innovative products then.

Exhibitors stressed in conversations that in the Internet age, the importance of trade fairs and personal meetings is growing again, because they help to strengthen personal relationships with contractors. Missions organized by state agency such as PAIH help - as a result - to build a wide range of business partners - so the importance of building *guanxi* is also increasingly noticeable by Polish companies.

Therefore, in the spring, half a year before the fair, the specialists argued and analysts indicated, that nowadays it is the best time to search for trading partners in Asia, in a region that is still quite unknown to Polish companies. The trade fair is consequently an ideal moment to explore the market and the needs of new contractors. Experts also pointed out that participation in importers' trade fairs is attractive for the Chinese side too, since China - in order to avoid losses in the trade war with the United States - must deepen their contacts with the rest of the world. It was underlined moreover, that the trade war may open the door for European companies a bit, meaning that China, in the search for friendly markets, may be more hospitable to European, also Polish, suppliers.

In fact, the participation in CIIE should be one of the key dates in the calendar of Polish companies that want to start exploring Asian markets. It also seems that it should be an important goal for PAIH, an agency that is to promote Polish products abroad. In contacts with China, this is extremely important because the imbalance in Polish-Chinese trade is huge. In recent years, it is around 1:12,5, so the Polish side should look for gates and opportunities to reduce this disproportion. One of the occasions is the participation of Polish firms in trade fairs, promoting Polish products there and expanding the audience. From the very beginning of its involvement in China, PAIH emphasized that the purpose of the missions organized by this agency was to reduce the trade deficit caused by low competitiveness and innovation of Polish products, and also huge competition on the Chinese market. Yet, the former director of PAIH, Tomasz Pisula, indicates that the

trade imbalance in bilateral relations has also non-market reasons: “the Chinese side often place higher demands on Polish goods than those in other EU countries. Therefore, the China International Import Expo is a litmus test, where we can verify China’s promises regarding unblocking imports from Poland”.

### **Participation in this year’s edition**

Despite the undoubted advantages, this year’s edition was not as attractive as the I China International Import Expo. In 2018 over 80 Polish companies were present at the fair, and the Polish stand was the largest of all stands compared to other member states of the European Union. In total, Poland’s offer in 2018 was presented on as much as 1000m<sup>2</sup>. It consisted of 6 industry stands and a national stand. For this reason it was the largest exhibition space since EXPO in Shanghai in 2010.

This year, however, the Polish stand was definitely smaller - a total of 32 companies presented their products. Jewellery, cosmetics, healthy food, medical equipment and heavy machinery producers were present at the fair. Many of them emphasized great atmosphere but also the opportunity that the fair opens - according to the Polish Investment and Trade Agency, cross-border e-commerce in China is growing rapidly and thanks to these many producers may easily enter the Chinese market. The fair was therefore a chance to present the Polish offer in this respect.

Tourist organizations were also present. Visitors to the Polish National Stand could listen to the music composed by Frederic Chopin, obtain information about Poland’s tourist offer, learn about selected products proposed by regional tourists organisations participating in the fair, try Polish beer or take a picture of hostesses in Polish folk costumes.

Nevertheless, as mentioned, this year’s Polish delegation was far away from what was presented last year. Undoubtedly, reducing the number of publishers is a serious mistake - although in the months preceding the

exhibition PAIH promoted the event, yet there was definitely no better coordination. It can be assumed that the new management board of the agency lacked the involvement of previous director Tomasz Pisula, who took with him last year to Shanghai Minister Marek Suski, as well as Deputy Minister of Entrepreneurship and Technology Tadeusz Kościński. Which in practice means, that in addition to the business component, there was also a political pillar and governmental support.

There was no such involvement this year. Perhaps the lack of political will to support this event was the cause for that. Or the changed management board of PAIH, and actually the lack of a director responsible for the promotion of Polish companies abroad, is to blame for this situation.

Perhaps also Polish companies have found that the Chinese market is not lenient for them, competition there is fierce and the quality of products is very important. As one of the experts points out: “the attitude of our entrepreneurs is very important. We sensitize business to the fact that China is not a market in which Polish companies should compete on price. The scale of production is also a challenge. By cooperating and creating a joint sectoral brand, they will be able to provide the volume of goods that will allow them to fight for the Chinese market. Otherwise they will fail”.

The fairs themselves did not arouse interest of the general public. It was not easy to find media reports on this matter - major dailies like “Gazeta Wyborcza” and “Rzeczpospolita” did not report at all, neither did the key news stations TVN24 and Polsat News. If the name of the fair appeared somewhere, it was only in the context of the visit of French President Emmanuel Macron and his talks with Xi Jinping (TVP Info, TVN24, “Rzeczpospolita”). There is no mention of the Polish offer at the fair. Though one can find short information on the websites of tourist organizations and producers exhibiting at the fair (e.g. like Famed Żywiec - the only Polish producer supplying operating tables and hospital beds to China; the company generates almost 1/5 of annual revenues from export sales in China).

Especially striking is the lack of coverage about fairs on the PAIH websites – there is no information about the companies that presented their products and services, no description on activities of the agency during the CIIE. The Export Promotion Portal is also very laconic in its reports - there is only an invitation to participate in the fair on the website. Their portrayal is definitely lacking.

Yet, according to data from the Central Statistical Office for the second quarter of 2019, after rising to a record level of EUR 650 million (increase by EUR 165 million y / y, i.e. 33.9%), China has become the 20<sup>th</sup> most important market for Polish exporters. It is a shame that the opportunity was not taken to promote further companies in China, increase the scale of exports to the PRC and thus compensate trade imbalance in bilateral relations - a goal that Prime Minister Mateusz Morawiecki repeatedly mentioned during his meetings with Chinese political leaders throughout last years.

# **The Second CIIE and Romania's Participation and Achievements**

Oana Cristina Popovici

*Romania organised a larger economic mission on the margin of the second China International Import Expo event at the beginning of November. The officials in the Ministry of Economy, Energy and Business Environment and the representatives of the Romanian companies had the chance to establish business relationships and discuss about potential Chinese investments in Romania, while laying the foundations of further cooperation with Chinese officials. The focus this year was on the promotion of organic food and beverages on the Asian market. In addition, the potential of the bilateral relationship between the two countries is enhanced by the opening of Bank of China's branch in Bucharest in December this year.*

On the occasion of the China International Import Expo, Romania organized a larger economic mission in Shanghai and in the region during 7-14 November. Romania's main objective this year was to promote the export of organic food and beverages in the Asian area. The Romanian economic mission to Shanghai was organized by the Ministry of Economy, Energy and Business Environment (MEEBE) in collaboration with the Association "Food and Intelligent Care with Innovative Natural Products". The decision of promoting these products could be the result of the meeting in August between the Ministry of Agriculture and China's ambassador to Romania. At that moment, Mrs. Jiang Yu pointed out that agriculture is one of the important areas of bilateral cooperation between the two countries, and an enhanced presence of Romanian agro-food products on the Chinese market, at exhibitions and trade fairs, is welcomed.

The agenda of the economic mission included meetings with government officials and representatives of the business community, with Romanian entrepreneurs already active on the Chinese market, as well as the participation in China's largest import fair, China International Import Expo. The Romanian businessmen had the opportunity to know the offer of other competing countries, the import needs of China, the structure and the commercial specificity of the Asian markets.

Romania was represented at the second edition of the China International Import Expo by a delegation of the officials in the National Council of Small and Medium Private Enterprises (NCSMPE), a structure under MEEBE, and by several representatives of the Romanian companies. The event provided the opportunities of establishing business relationships and discussing about potential Chinese investments in Romania, while laying the foundations of further cooperation with Chinese officials.

Several achievements led to the successful outcome of the economic mission.

- Following the participation of the Romanian delegation at the largest importers' exhibition in Shanghai, a partnership agreement with the representatives of the customs-free zone in Henan Province, ZhongDamen, was signed. In this way, through this commercial hub, Romanian products could easier penetrate the Chinese market. The economic mission also included a visit to the Shanghai Innovative Research Centre of Traditional Chinese Medicine, in the view of adapting the Romanian offer to the local specific. The dialogue highlighted the opportunity to start research projects in order to improve and diversify the supply of Romanian products on the Chinese market.
- During the visit of Kaifeng city, the Romanian delegation had the opportunity to present the investment possibilities offered by one of the counties in the Western part of Romania, Arad, the tourist attractions and the traditional gastronomic products. The meeting with

the Deputy Mayor of the city was focused around the promotion of commercial partnerships between Romanian and Chinese companies.

- A visit in the Ningbo region, facilitated by the homologous organization of NCSMPE in China, gave the Romanian team the chance to visit several companies, among which the second largest company in China producing air conditioners, and other enterprises providing energy solutions, transformers, car charging stations, measuring and control equipment. Romanian officials appreciated the Chinese interest for investment in Romania in the Arad county.

- Following the invitation of the CIIE organizers, the Romanian delegation participated in an economic forum in the city of Jiengshou where it presented the export offer in the field of food and organic drinks. The Romanian officials appreciated the interest for Romanian products. A good opportunity for further cooperation was outlined through the possibility of Romania's future participation with a stand dedicated to promoting local products in Jiengshou.

In fact, the interest in promoting the county of Arad debuted earlier this year, in October, when an economic mission in Beijing and in the Henan province, in the Zhengzhou and Kaifeng cities was organized. The economic mission was addressed to the Romanian companies interested in entering the Chinese market, but also those concerned in attracting Chinese investors in various projects in Romania. Areas targeted for exports to China are the products made in Romania, such as food, furniture and cosmetics and care products. In partnership with one of the Chinese businessmen, information sessions on business conditions in China, for both exporters and importer, are to be organized at local level.

In addition, earlier this year, a special interest for food and bio product was shown by a Chinese delegation led by Mrs. Jiang Yu, China's ambassador to Romania, in a meeting with the Romanian Minister of Agriculture. The main topics covered aspects related to the export of agro-



food products to China such as honey, wine, sunflower, beef, the opening of the Chinese market for Romanian products, and identifying solutions for freight transport, strengthening cooperation for technology transfer and Chinese investments in Romania, as well as stimulating trade between the two countries. A cooperation between the two countries in the field of agricultural technology and industry was concretized in May this year, through the inauguration of the Scientific and Technological Park for Agriculture China-Romania, jointly established by the Institute of Environment and Sustainable Development in Agriculture within the Chinese Academy of Agricultural Sciences and the University of Agronomic Sciences and Veterinary Medicine of Bucharest.

On the side of commercial relations, Romania exported to China almost 3,113 tons of agro-food products including wine, milk, fresh or chilled pork, fruits, pastries, bakery and chocolate, worthing EUR 8.17 million, in 2018. However, the imports were larger: 28.019 tonnes of food such as fillets of fish, raw and unprocessed tobacco, prepared or preserved tomatoes, vegetable extracts and vegetable oil, fresh citrus fruits, dried vegetables and pepper, amounting to EUR 47.46 million, came to Romania from China. The problem of high commercial deficit was several times addressed between the official of the two countries. While Chinese companies are increasingly interested in the Romanian market in key areas, such as energy and infrastructure, the products of Romanian companies reach the Chinese market quite hard. Organizing economic missions in China to put Romanian businessmen in direct contact with Chinese it is a good step in this direction, according to specialists. It is expected that the measures taken so far to produce effects in the following years. However, it is generally admitted that supplementary efforts should be made in this direction.

Moreover, China will strengthen its presence in Romania in the banking sector, which is a modality for further enhancing the bilateral relationships between the two countries. The fourth largest bank in the

world, Bank of China, will open a branch in Bucharest in December this year. The announcement was made by the Governor of the National Bank of Romania (NBR), Mugur Isarescu, in a speech on the occasion of the celebration of 70 years of bilateral relations between Romania and the People's Republic of China. At the beginning of March 2019, Governor Isarescu had been in China where he met the management of Bank of China and that of Asian International Infrastructure Bank.

The establishment of the Bank of China's branch in Romania is seen as the natural result of the positive developments between China and Romania. Romania was the third country which recognized, on October 3, 1949, the People's Republic of China and since then, the bilateral relations have undergone a constant development supported by the institutional dialogue and through visits and meetings at high level.

Bank of China notified earlier this year the intention to operate in Romania and registered its branch in Bucharest in October through its subsidiary in Budapest (Bank of China Hungaria Zrt.). The same method was used to open branches in Austria, the Czech Republic and Poland. Bank of China is already connected to businesses in Romania, as it was part of a consortium of banks that financed the operations of Globalworth real estate investor, which owns office spaces rented to the main multinationals present in Romania and is the leader of the office market in both Romania and Poland. It is the first Chinese bank to open a branch in Romania, as all the financial-banking groups acting here have European or American capital. The bank started the recruitment of managers from Romania since this summer. Another large Chinese bank, Agricultural Bank of China, has notified the NBR that it intends to provide direct service in Romania and made the fiscal registration during this autumn, and it is seen as part of the "Belt and Road" strategy of economic expansion in Europe.

# **The Second CIIE: A Serbian Perspective**

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## ***Summary***

*Second China International Import EXPO (CIIP) has been held in Shanghai from November 5<sup>th</sup> until November 10<sup>th</sup>, 2019. In comparison with last year's event, this event was attended by more countries. Those who appeared second time in a row tended to present itself better in order to achieve greater success. Serbia was in a group of these countries.*

Second China International Import EXPO was special being the world's first import-themed national-level exhibition. The Country Exhibition covered an area of around 30,000 square meters in which were 64 countries from five continents, the World Trade Organization, the United Nations Industrial Development Organization and the International Trade Center.

In its opening speech, President Xi Jinping highlighted motto of the EXPO “New Era, Shared Future” speaking of globalization as the unstoppable trend of history comparing it to the rivers: “Like the world’s great rivers - the Yangtze, the Nile, the Amazon and the Danube — they all surge forward in relentless flow, and nothing can stop their mighty movement, not the current of undertows or hidden shoals or rocks beneath the water.”

Shanghai CIIE proves Chinese determination to open further its market, to keep optimizing its opening-up structure, to continue to improve the business environment, to continue to deepen multilateral and bilateral cooperation and to continue to advance Belt and Road cooperation. The fact that China up-to-date has signed 197 documents on Belt and Road

cooperation with 137 countries and 30 international organizations speak for itself. There is no doubt how much not only countries, but international organizations value cooperation with China.

For Republic of Serbia cooperation with People's Republic of China (PRC) is equally important both from economic and political perspective. Presence of Serbian Prime minister, Ms. Ana Brnabić, at the Shanghai EXPO proves that. Ms. Brnabić met with President Xi the day before opening ceremony.

Chinese President said that China is willing to continue deepening political mutual trust and traditional friendship with Serbia, jointly promote the Belt and Road Initiative (BRI), further elevate the bilateral comprehensive strategic partnership and build a closer community of shared interests.

Both China and Serbia should keep up the momentum in high-level exchanges, and firmly support each other's core interests, Xi concluded. Serbian Prime minister said that the friendship between the two countries is as solid as steel and iron, and bilateral ties are at their historical best. She added that Serbia will continue to play an active role in the joint development of the BRI, and support Chinese firms' investment in the country. In that sense, the China International Import Expo has sent a strong signal about promoting economic globalization and trade liberalization to achieve mutually beneficial and win-win outcomes. Ms. Brnabić stated that Serbia will continue its active participation in the expo, and work with China to enhance international cooperation and oppose unilateralism and protectionism.

Likewise, last year, Serbian Agency for Development and Serbian Chamber of Commerce opened a call for participation at second China International Import EXPO-CIIE in Shanghai. This year's call has been more successful than 2018, since 20 companies got a chance to participate in such important event.

The most of Serbian exhibitors were from food industry and they presented their products under the title “The Aroma of Pure Nature”. Among other things, there were quality Serbian wines, dairy products, but also organic aronia products and truffles.

Serbian Minister of Trade, Tourism and Telecommunications, Mr. Rasim Ljajić, who also attended CIIE, emphasized that the Chinese market is of multiple importance for Serbia, but that several conditions must be met, first of all, to ensure quality, competitiveness and continuous placement of goods on the Chinese market.

He stressed that Serbia has significantly increased trade with China compared to last year, so it is now twice as high - \$ 214 million worth of goods were placed in the first nine months, while last year Serbia sold goods for 92 million dollars.

Mr. Ljajić added that if this trend continues, Serbia will approach for the first time figures between \$ 250 million and \$ 300 million. That achievement is directly connected with Serbian attendance of the EXPO and that is the best illustration why fairs of this type are important. Based on that, it is necessary that each businessman and/or company consider this EXPO as an opportunity to bring our products closer to the large but demanding Chinese market, minister Ljajić said.

Participation in similar fairs brings Serbia a step closer to achieving its goal - a constant increase in trade and a reduction in trade deficits, as Serbia imports far more from China than it exports. One should not doubt that Serbia has quality products that it can offer to the Chinese market. The basic problem is continuity in the delivery of goods and that is why it is necessary to provide large quantities, and therefore is a must go to specific types of quality products, which do not have competition in the global market or competition is less.

Along with such way of thinking, in Shanghai have been exhibited some of products that have the opportunity to be sold in the Chinese market with a prospective for increasing selling percent from year to year. There

is same prospective for increasing the quantity of those goods and constant continuity.

As an example, Serbian Minister of Trade cited truffle products, which, he said, probably do not "pass" in Serbia, but a local company that deals with it is becoming a regional brand. Ljajić said that Serbia finally must be recognizable by one of the products. The Czechs campaigned and became known for the beer they export, Italians for wine. There were a lot of Serbian wineries in Shanghai and they were looking for a big deal, because in the last year the export of wine has reached higher figures than before, he added.

He also stated that Serbia exports beech wood to China, which is another export product, but that it would be more profitable to export the finished product in relation to raw material. "That is why we have to concentrate on a few products and rebrand the products we export, to finally be recognizable by one of them, which will then open the door for all other goods", Ljajić concluded. The estimation that about half a million buyers from all over the world will visit this year's fair, opened additional chance for Serbian businessmen.

For President of the Serbian Chamber of Commerce, Mr. Marko Čadež, among the most important assets of this fair is that is gathering people from all over the world. He also remarked that this is a proof of a shift in the Chinese economy from "made in China" to "made for China".

Since Chinese market is huge, there is great chance for each country to participate in that vast economic space. As success of Serbian attendance of the Second CIIE, Mr. Čadež announced that contract worth 60 million euros has been agreed between a large company from Shanghai and a Serbian company for purchase of meat products.

At the margins of the EXPO, the Serbian-Chinese Business Forum was organized aimed to bring together Chinese and Serbian partners to discuss about what they can offer each other and how they can cooperate.

Comparing to the 2018 EXPO where only 6 Serbian companies took a chance to participate, this year's figures are more favorable and give a reason for optimistic perspective. Considering the fact that over 230 world companies has already signed in for the Third EXPO, there will be additional opportunities for Serbian companies to make better results and become worldwide recognizable.

### **Conclusion**

It is very common to hear that Serbs are not great in learning from history and even more common to hear that they have a short memory. Luckily, this year's Shanghai CIIE indicates opposite. Being aware that last year's chance wasn't handled as it should, this year Serbia push harder and encouraged more companies to present themselves at Shanghai Second China International Import EXPO (CIIE).

## **The Second CIIE: A Slovakian Perspective**

Juraj Ondriaš

The second China International Import Expo, or CIIE, which took place in Shanghai on November 5<sup>th</sup>–10<sup>th</sup> was seen by many countries, and Slovakia as well, as a great opportunity to present their businesses and allow them to find partners and contacts to help them access the vast and ever-opening Chinese market. However, Slovakia's presence at the Expo was quite modest – the country did not even have its own pavilion, and of the more than a thousand exhibitors present at the Expo, Slovakia was represented by only two businesses. One was sport aircraft manufacturer Klein Vision, and its founder Štefan Klein, who came to present his prototype of a flying car named “aeromobil” (also marketed as AirCar or Aircar), i.e. an automobile which can transform into a light aircraft. The other was the company Neodual, which produces and sells dietary supplements, among other their product “Zeen kolagen”, which it presented at the Expo.

Such a small presence could indicate a lack of confidence on the part of Slovak businesses, as well as the government, in their ability to enter the Chinese market successfully. There are opinions that with Slovakia being such a small country compared to China, its companies would not be able to rely on the necessary economies of scale to produce enough goods and services, or to produce them cheaply enough, to be competitive on the entire Chinese market. To get around this potential obstacle, there have been ideas about focusing on building relations with a few individual provinces, which would provide a much more manageable market, rather than focus on the market of China as a whole, but these suggestions do not seem to have taken off. These concerns will probably only be alleviated when several Slovak enterprises prove that penetrating the market in China and staying competitive is possible.



Another reason which might be putting off Slovak companies from considering doing business in China could be fears about the state of the business environment in China, such as the risk of intellectual property theft, mandatory partnerships with Chinese companies, or a lack of their own competitiveness due to state favoritism shown to state-owned enterprises. If this were the case, the solution would be to increase awareness among the Slovak business community about the progress made by China in these areas in the past few years.

Of the two Slovak businesses attending, attention in the media was focused solely on the Klein and his flying car. Klein, who was invited to the Expo by potential business partners from China, arrived with an aeromobil prototype which had already undergone flight tests. He was scheduled to meet later in the week with Chinese investors who have already expressed interest in his concept. Mass production of the aeromobil is envisaged to start in three years. Klein admitted he foresaw that it will be difficult to penetrate the Chinese market and compared it to a long-distance run, but he claimed that he did not doubt its potential. In a statement for Slovak media, he declared that *“It’s like the automotive industry ten years ago. At first, the car makers scorned the Chinese market and looked down on it with disrespect, but today they would be in the red numbers without it. The same will be true in the aviation industry”*. The flying car aroused interest not only in Slovak media, but also in Chinese and other foreign outlets, such as Bloomberg.

The official delegation of the Slovak Republic was lead by the Vice-premier for Investments and Informatisation, Richard Raši, due to his portfolio’s focus on innovation (which was the theme of the Slovak delegation) and investment cooperation. The delegation also included the Minister for Transport Arpád Érsek as well as the state secretary (i.e. vice-minister) Dana Meager, who is responsible for coordinating transportation projects within the Belt and Road Initiative. Slovak diplomacy was represented by the state secretary of the Ministry of Foreign and European

Affairs, Lukáš Parížek and economic diplomacy was represented by the state secretary of the Ministry of the Economy Vojtech Ferencz. On Slovakia's participation in the Expo, Ferencz said to the Slovak media that *“The experiences I have with the Chinese are that you sometimes have to come home to them and present yourself, for them to express interest”*. And as explained by Raši, *“the possibilities of the Chinese market are infinite, therefore any trade or contract which is concluded can lead to a local Slovak enterprise becoming a global player”* – this message was presented in the Slovak media as encapsulating the Slovak government's approach to the Expo. As for the aeromobil, Slovakia's star attraction at the Expo, Raši praised it as one of many examples of “unique solutions” offered by Slovakia and its entrepreneurs. Accompanying these government officials were around twenty representatives of innovative Slovak businesses from the spheres of agriculture, IT, security, cybernetics, climate technology, paper manufacturing, the machinery industry, healthcare defense, robotics, aviation and transportation. Raši said that at next year's CIIE, the number of companies actually represented at the Expo could also rise to twenty, from the current two companies. He also expected that Slovakia would have its own pavilion.

However, the Expo was only the first stop in the itinerary of this delegation. During the first day of the Expo, the Slovak delegation had a bilateral meeting with Chinese Vice-Minister for Industry and IT Wang Zhijun. They also attended an economic forum on the topic of “Artificial Intelligence and Innovative Development: Ideas, Technologies and Markets”. Another part of the itinerary was a visit to the Chinese company DHS Sport of Shanghai, to sign a contract on future cooperation according to which the company will sponsor the paralympic team of Slovakia. Raši then met with China's Minister of Science and Technology, Wang Zhigang, to present Slovakia as an innovative country. Among the discussed topics were an exchange of know-how on approaches and methods in the digital economy, artificial intelligence, blockchain technology and the use of

supercomputers in industry and the public sector. After further cultural and academic events in Shanghai, the delegation moved on to Beijing, the second leg of their tour of China.

Coverage of the Expo by official government institutions and the mass media was sparse. Most outlets did not forget to mention that the CIIE was the largest import expo in China, with a thousand participants from over sixty countries. Beyond the numbers, a few, especially the economically focused government institutions and media, emphasized that China, as the largest trading nation and second largest importer, is continuing the opening up of its internal market to the world, with an expected dramatic increase in imports by China in the coming years. The Expo was therefore acknowledged as a unique opportunity for potential exporters to make themselves visible to the Chinese and gain a foothold in this market.

By far the most attention to the Expo was devoted by the office of Vice-premier Raši, which put out six detailed reports on the itinerary of the official delegation as a whole, of which two reports focused solely on the Expo and the others mentioned the Expo to a greater or lesser degree. The Ministry of Foreign Affairs alone of all the ministries did put out a single brief report at the start of the Expo, and another one concerning the follow-up program of the official Slovak delegation. As for other governmental institutions, the Expo was advertized by the Slovak Investment and Trade Development Agency (*Slovenská agentúra pre rozvoj investícií a obchodu*, SARIO), which is a state-funded institution subordinated to the Ministry of the Economy. The role of SARIO is to attract foreign investment and facilitate cooperation between Slovak and foreign businesses and markets, and in this case to administrate the presentation of the Slovak companies at the Expo, with an emphasis on innovative enterprises. As an aside, the Slovak Chinese Joint Business Council (SCJBC) also advertised the Expo. One issue could have been that the advertisements by SARIO and the SCJBC were separate and did not reference one another. This means that

any possible complementary or synergic effects, such as administrative support from SARIO or networking support from the SCJBC, could have been lost. A more cooperative approach between the two organizations might have increased the chances of participation by more Slovak enterprises, and should be an issue to be looked into for future Expos. Also somewhat surprisingly, the Ministry of the Economy itself, which is responsible for foreign trade and investment, had no mention of the Expo on its website.

The same lack of information is true for the Ministry of Agriculture and Rural Development, in spite of the fact that promoting Slovak agricultural products, especially traditional high-quality foodstuffs, is seen as a promising avenue for expanding and increasing Slovakia's exports to China. The export of these agricultural and alimentary products is seen as a way to decrease the high trade deficit that Slovakia has with China. A major step in this direction was the signing of an agreement between the two countries enabling the export of Slovak dairy products to China which took place during the 8<sup>th</sup> summit of the 16+1 Platform of Cooperation between China and then 16 (now 17) countries in Central and Eastern Europe (CEE) in Dubrovnik, Croatia, on April 12<sup>th</sup> of this year. Seven Slovak milk and dairy companies present at the signing ceremony had expressed their desire to attend the CIIE, and the Minister of Agriculture and Rural Development Gabriela Matečná herself stressed the importance of the Expo in this regard, as the necessary next step of advertising Slovak food products after the technical barriers have been eliminated. A similar approach is being discussed for Slovak meat products and their export into China (at least until an outbreak of African swine fever in CEE over the summer led to the halting of pork exports from Slovakia to China). Yet, as mentioned above, only one company from the alimentary sector attended in the end. It would seem that progress on this front is slowing down and has not managed to live up to the ambitious rhetoric about the great potential opportunities opening up to the Slovak food sector in China

expressed at the signing of the agreement in April. The CIIE would have been an ideal venue for these companies to present their products to a wide audience in China, so their absence is something of a missed opportunity for the agricultural and alimentary sector in particular, but also for Slovak export ambitions concerning the Chinese market in general.

Media coverage was similarly limited, covering only the start of the Expo. Most text-based media adapted the text of the press release of the country's official press agency, the Press Agency of the Slovak Republic (*Tlačová agentúra Slovenskej republiky*, TASR). As indicated above, media attention concerning the Expo itself focused almost exclusively on Klein's flying car, sometimes coming across as a rather sensationalist form of coverage. The second Slovak company present, Neodual, barely received a mention in the media, with no outlet focusing on what the company was presenting. Coverage of the Expo in Slovakia was also provided by foreign multinational or transnational companies which have a presence in Slovakia. Notably the South Korean car manufacturer Kia Motors Corporation, which is one of the flagship investors in the Slovak car making industry and a major contributor to Slovakia's position as the number one automobile manufacturing country per capita, advertised a new futuristic car model which was being presented at the Expo, in a top online car magazine. The company also put a release presenting the car on its Slovak-language Facebook page. This avenue of coverage was also utilized by smaller companies, such as the Slovenian light aircraft manufacturer Pipistrel which is also active on the Slovak market, on its Slovak website. This development of companies highlighting their presence at the Expo in their foreign advertising can be seen as a sign that participation at the CIIE is seen by them as a sign of prestige, which can help them in furthering their business opportunities not only in China, but also in their other markets. This would suggest that the CIIE has become a factor in China's soft power in the CEE region.

# **The Second CIIE and Montenegrin Companies' Absence**

Milika Mirkovic

China International Import Expo (CIIE), the Second China International Import Exhibition, was organized in Shanghai from November 5-10 in 2019. For the first year, an event was organized to connect the Chinese market with the rest of the world, which will contribute to economic globalization and increase in trade liberalization. This year's event was attended by a large number of companies from all continents and companies had the opportunity to present their products. Although last year the fair was very successful, this year's fair was attended by a larger number of participants, which shows the positive attitude about the organization of the event. However, Montenegrin companies did not participate to the fair.

An event like CIIE is a great opportunity for all countries and their companies to strengthen their exports to China, but also to connect with other markets, establish new connection and business cooperation, as companies from all parts of the world attend the event. So the fair provides an opportunity for companies to enter the markets, not only the Chinese, but also the markets of other countries. However, Montenegrin companies were absent from this year's fair in Shanghai. The previous fair, CIIE 2018, was attended by the Montenegrin delegation which was consisted of the representatives of the Ministry of Foreign Affairs and the Chamber of Commerce of Montenegro as well as the representatives of the wine company "Plantaze" and the tourist agency "Fly Montenegro". Although it seemed that after the visit of the Montenegrin delegation in 2018, Montenegro would have its representatives at CIIE 2019, nevertheless no company participated in the fair. What are the possible reasons for such a

situation? One of them could be that the Montenegrin industry cannot offer too much to the Chinese market.

First of all, the size of the Montenegrin companies should be taken into account. Namely, Montenegro is small economy with very small percent of big companies<sup>1</sup>. In 2018, there are in total 52 big companies which make 0.2% of the total number of companies. On the other side, small companies represent 98.9% of the total number of companies in 2018. During the previous period, Montenegro went through a transition process, which resulted in the shut down of numerous large enterprises. In addition, economic policy and strategic documents of Montenegro put the development of small and medium-sized companies at the forefront, which are one of the key factors for economic development.

Through this initiative and this platform, China wants to expand imports while reducing trade barriers and fees. This is of great importance for all countries and its companies considering the large Chinese market. As with other countries, this fair can be a very important platform for increasing exports. As Montenegro's export-import ratio is very low (export-import ratio amounted to 15 in 2018) and imports of goods are 6.4 times higher than exports of goods, the placement of domestic products at Chinese market would represent a significant impulse for economic growth. In addition, participation in this fair represents a good opportunity to improve the export-import ratio between Montenegro and China. Specifically, in 2018 total exports of goods from Montenegro to China amounted to 14 million EUR, while imports from China amounted to 256.6 million EUR. Thus, the export of goods is 18.3 times lower than the import of goods from China. However, positive trends can be observed in trade cooperation, with exports of goods to China more than doubled in 2018 compared to 2017 (i.e. 117.2%). High trade deficit between these two countries leaves room for greater involvement of companies from

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<sup>1</sup> Big company is company with more than 250 employees, more than 40 million EUR of turnover and more than 20 million of assets

Montenegro to a great market, which may ultimately contribute to Montenegro's economic growth.

Wine of company “Plantaze” is the only Montenegrin product that can be bought in China. In recent years, the growth of exports of Plantaze’ wines has increased and it is estimated that the turnover is around 2 million EUR annually. These wines have great potential for higher export growth as they are renowned for their quality, as evidenced by numerous awards from various competitions. So, for example, at wine competition in China - China Wine & Spirits Awards all types of Plantaze’ wines presented at the competition won awards. In addition, there are a number of wine producers in Montenegro who are recognized for their quality and have a chance to export products to China. However, one of the limitations of exports of wine to China are high tariffs which affecting the high price of Montenegrin wines in the Chinese market. In that regard, the CIIE fair could have significant role in increasing wine exports to Chinese market. Also, as wine consumption is expected to increase, the presentation of local products at events such as CIIE is of great importance.

In addition to wine, there are other food products that Montenegro can offer to the Chinese market. First of all, they are olives, dairy and meat products, honey and others. However, a significant problem for these small companies and individual manufacturers is their size and inability to placement their products to such a distant market. Participation in fairs, as well as product exports require significant costs for small producers. Company “Plantaze” is one of the largest Montenegrin companies that can afford it. Enterprise size and lack of economic capacity may be the most important factors and causes why Montenegrin companies did not participate in CIIE 2019. Certainly, this should not be a reason to participate in future CIIE events, because China is a large market that can absorb significant amounts of production of Montenegrin companies. One potential output or solution is to join clusters, which already exist in some segments and sectors in Montenegro. Stronger linking businesses and



manufacturers, joint appearance on the market can have huge benefits for all parties. Through this form of cooperation, Montenegrin companies would offer a larger quantity of products at a lower cost compared to the situation that would occur on their own market at any time. This would encourage producers of honey, cheese, olives to increase production, which would contribute to the development of agriculture and greater utilization of resources and potentials in Montenegro. Support for cluster development is not only necessary at the level of Montenegro, but also at the level of the whole region, given the size of the Western Balkan countries and Chinese market. Compared to China, all Balkan countries are small in relation to China. Certainly, any form of cooperation between companies at the regional level would contribute to the greater benefit of the whole region.

In addition to the export of goods, Montenegro has great potential for exporting services, as there has been a recent increase in tourists from China. In 2018, 33.8 thousand of overnight stays were realized, representing 0.5% of the total number of overnight stays. Compared to 2017, the number of tourist arrivals from China increased by 81.8%, while the number of overnight stays increased by 67.5% in 2018. An important issue in this regard is visa liberalization, since any removal of barriers would also contribute to greater flow of people and intensification of tourist activity. One of the very successful company from Montenegro in this area is “Fly Montenegro” which has good cooperation with Chinese companies and thus contributes to bringing Montenegro closer to Chinese tourists

An important role in strengthening the economic relations between Chinese and Montenegrin companies is played by the Chamber of Commerce of Montenegro, which has in the past carried out a series of activities aimed at strengthening economic relations with China. In 2019, Chamber of Commerce organized a seminar for Chinese businessmen in Montenegro in cooperation with the Embassy of the People's Republic of China in Montenegro. Also, in order to strengthen the capacities of small

companies in order to enter the foreign market, Chamber of Commerce provides significant support.

As the plan is to organize CIIE every year, it remains a chance for Montenegro to seize the opportunity that this fair offers. The presence of companies from countries in the region, as well as from across Europe (more than 1000 companies from Europe) is a positive signal that Montenegro can be part of the whole event. As China is the most populous country on the planet, this means that the market is huge and is opening up to all companies from all over the world through this fair. Montenegro has a great opportunity next year, when it will be the main guest at the 2020 China International Import Expo.

# The Second CIIE and Estonia

E-MAP Foundation MTÜ

## 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 trade<sup>1</sup>, does not hide away yet another

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

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 matter<sup>1</sup>. 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 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-Expo<sup>2</sup>.

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”<sup>3</sup>. 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

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<sup>1</sup> ‘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](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)].

<sup>2</sup> ‘China International Import Expo 2019’ in *Enterprise Estonia*. Available from [<https://www.eas.ee/events/china-international-import-expo-2019/>].

<sup>3</sup> ‘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>].

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”<sup>1</sup>. 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 7<sup>th</sup> outside of the EU”<sup>2</sup>. Having reflecting on his experience of visiting China as well as the Shanghai-hosted event, Minister Järvik 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.<sup>3</sup>

It is known that, on 7 November, Minister Järvik, visited *Scandic Foods Asia*<sup>4</sup>, 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 China<sup>5</sup>. One never knows – there is a possibility for some Estonia-made quality products to shine in the Chinese

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<sup>1</sup> ‘Minister: Estonia hoping to see more products allowed on Chinese market’.

<sup>2</sup> ‘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>].

<sup>3</sup> Mart Järvik in ‘Minister Järvik 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>].

<sup>4</sup> ‘Minister Järvik introduces Estonian food in China’.

<sup>5</sup> ‘About us’ in *Scandic Food Asia*. Available from [<http://www.scandicfoodsasia.com/about-us/about-us>].

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"<sup>1</sup>. 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”<sup>2</sup>. 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”<sup>3</sup>.

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

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<sup>1</sup> ‘China International Import Expo 2019’ in *Haage Joogid OÜ*. Available from [<https://haage.ee/en/events/china-international-import-expo-2019/>].

<sup>2</sup> ‘China International Import Expo 2019’.

<sup>3</sup> Xenia Joost in ‘China International Import Expo 2019’.

representatives of the country's political elites, including the President, the Prime Minister, the Speaker of the *Riigikogu*, and many others, while finding 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"<sup>1</sup>. 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"<sup>2</sup>. 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.

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<sup>1</sup> 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>].

<sup>2</sup> Volodymyr Zelensky in Kutti.

# Czech Republic and Its Presence at the Second CIIE

Ladislav Zemánek

## **Summary**

*In the first half of November, the second season of the China International Import Expo took place in Shanghai. The Czech Republic also participated in the event which was launched last year as a part of the Belt and Road Initiative and the opening up policy, complementing the predominantly pro-export oriented China Import and Export Fair which is being held in Guangzhou since 1957 annually. In the analysis, I will research into Czech representatives' stances towards the event and cooperation with China in general, subsequently I will move to the Czech expositions and producers concluding with summarising remarks on the media coverage and reporting.*

This year, the Czech Republic has become the Guest Country of Honour. This status is a result of the Czech partners' efforts to actively participate in mutually advantageous initiatives and develop bilateral cooperation, trade and exchanges. Only 15 countries from all over the world have been granted the status, the Czech Republic, France, Greece and Italy being among them from Europe. On the first CIIE, the Czech delegation was headed by the president Miloš Zeman accompanied by the Czech Chamber of Commerce president and the first Czech Minister of Industry and Trade Vladimír Dlouhý who led the entrepreneurs. This year's delegation has been headed by the Chamber of Deputies chairman Radek Vondráček, business section being led by the Confederation of Industry of the Czech Republic Jaroslav Hanák. In both cases, the Ministry of Industry



and Trade together with the Ministry of Agriculture have been involved in preparation, promotion and realisation of the Czech exposition and stand.

***Positive development in bilateral economic ties***

Radek Vondráček highly appreciated the Guest Country of Honour status which he considered to be a proof of good bilateral relations. In an official Czech information booklet issued on the occasion of the event<sup>1</sup>, the Chamber of Deputies chairman speaks about “admirable Chinese economic boom” stressing the fact that China has become the most significant Czech export market in Asia, whereas the Czech Republic itself is the China’s second most significant trade partner in the CEE region. In addition, Vondráček adopts a positive attitude towards deepening connectivity and cooperation within the BRI framework concluding that trust, dialogue, mutual respect and reliability are the basic prerequisites for high-quality trade and investment relations.

The Ministry of Industry and Trade observed that the areas where Czech exporters had found long-term success were first of all machinery and transportation-related products, accounting for more than 17 per cent of direct exports. Besides that, the Czech Republic exports industrial and consumer goods, primarily automobile components, pumps, switchboards, telephones, electrical circuits, toys, prams and tyres. As China counts among the fastest-growing markets for aviation products, it creates opportunity for Czech companies from a variety of branches, for instance, the construction and reconstruction of airports as well as radar systems, aircraft production or training flight crews. The Czech partners still see potential in the mining and extraction industry as well as the energy industry given that China is the largest consumer of solar energy in the world and is planning to expand its nuclear energy industry. All these areas can become a field of cooperation between the Czechs and Chinese.

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<sup>1</sup> [https://i3.cn.cz/filedefault/1572515440\\_CIIIE\\_10\\_2019\\_w72.pdf](https://i3.cn.cz/filedefault/1572515440_CIIIE_10_2019_w72.pdf) (in English and Chinese)

In the information booklet, the minister of industry and trade Karel Havlíček, who was represented by his deputy minister Martina Tauberová on the CIIE, draws attention to the trade imbalance between the Czech Republic and China which is frequently an object of criticism among politicians, businessmen and media. Havlíček argues that the imbalance is not as high as usually presented due to the re-export via third countries and, moreover, is still lower in comparison with other European countries. He reminds that over the past five years the Czech export to China has increased, reaching an inter-annual rise of 7 per cent in 2018. Yet, improvement of the bilateral trade balance remains to be the main task. It is therefore necessary to support Czech businessmen and companies, including the small and medium-sized enterprises (SMEs), in their expansion into other areas and provinces of China. Not by coincidence, the deputy minister Tauberová perceives the CIIE as an ideal platform for addressing this issue and finding ways for establishing new ties, thus contributing to improvement of mutual trade balance. She also supports the involvement and active participation in the event in view of the fact that in this way the Czech Republic sends a clear message that we are interested in developing and deepening cooperation with Chinese partners.

Similarly, the president of the Confederation of Industry of the Czech Republic Jaroslav Hanák sees a great opportunity and potential in the CIIE. According to his opinion, nonattendance would be a serious mistake. The Confederation is the biggest and most influential organisation of entrepreneurs and employers in the Czech Republic representing more than 11 thousand companies. As such, it makes use of such international events and business missions which are a significant part of the so-called economic diplomacy. This attitude is strongly pushed by both the government and the president Miloš Zeman. The current political representation and business thus complement each other in this regard, creating synergy which can contribute considerably to the development of the Czech export and finding new partners abroad. With regard to the

Confederation's active participation in international fairs, conferences and missions as well as to the support provided by the state agency CzechTrade, the Confederation has not planned to set up a branch in China nowadays. Nevertheless, the leading role played by its president Jaroslav Hanák on the CIIE demonstrated enormous concern for expanding cooperation between Czech and Chinese businesses.

### ***The Country for the Future***

The Czech exposition presented the new official concept of the “Czech Republic: The Country for the Future” which puts emphasis on innovative solutions and unique technologies. By promoting this concept, the government wants the Czech Republic to become a country which will be a symbol of advanced skills and technologies able to succeed in the most challenging global markets including the Chinese one. Therefore, the Innovation Strategy for the years 2019–2030 was elaborated and presented back in February 2019. As the Czech PM Andrej Babiš stated, by combining industrial traditions, research background and entrepreneurial skills, the Czech Republic has an extraordinary chance to break through among the most progressive countries by 2030. Undoubtedly, the CIIE can help the Czech producers to find partners, buyers and clients in China and offer them their products, know-how or prospective joint projects and ventures.

The Czech business delegation was composed of representatives from almost 40 companies. They presented their products and know-how in three different sections – Country Pavilion, Business Pavilion and Traditional Czech Food and Beverage. Their stands covered 376 m<sup>2</sup> in total. Let's enumerate the individual companies.<sup>1</sup> First, the Country Pavilion was

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<sup>1</sup> For more information about participating companies from the Czech Republic see the following links: [https://i3.cn.cz/filedefault/1572677353\\_CIIE\\_10\\_2019\\_A4\\_08-14\\_Country.pdf](https://i3.cn.cz/filedefault/1572677353_CIIE_10_2019_A4_08-14_Country.pdf) (Country Pavilion), [https://i3.cn.cz/filedefault/1572680193\\_modra.pdf](https://i3.cn.cz/filedefault/1572680193_modra.pdf) (Business Pavilion) and [https://i3.cn.cz/filedefault/1572679776\\_cervena.pdf](https://i3.cn.cz/filedefault/1572679776_cervena.pdf) (Traditional Czech Food and Beverage).

occupied by the following enterprises: ATJ Jiří Tesař – Art Glass Engraving, Bomma, HiLASE Centre (operating the world's most powerful laser), Lada Vyvialová (manufacturing clothes from nanomaterials), Meopta, Nafigate Corporation, Petrof (famous piano manufacturer whose brand is one of the most successful on the Chinese market), Preciosa Components, Shark Aero, Šípek Team Bohemia Glass, Škoda Auto (the biggest Czech car producer which sells one third of its global production in China), Tescan, TON (offering a unique technology of wood curving) and TOS Varnsdorf. Second, the Business Pavilion was occupied by Bohemia Jihlava, Bomma, Brokis, Caesar Crystal Bohemiae, Clartés, Crystal Bohemia, Kavalierglass, Petrof, Preciosa Ornela, Preciosa Beauty, Robert Halama Czech Art Crystal, Rückl Crystal, TON and Wranovsky Crystal. Third, Czech food and beverage was promoted by Jan Becher – Karlovarská Becherovka, Bohemia Sekt, Budějovický Budvar, Fromin, Hořické trubičky, Lahofer, Marlenka, Rudolf Jelínek, Spielberg, Trebitsch Old Town Distillery and Winery Ludwig. It follows that the areas covered and presented by the Czech producers were wide being, at the same time, a very representative sample of the current Czech manufacturing. They were stretching from car and aeronautics industries, biotechnology, nanotechnology, optics, lasers, mechanical engineering, glassmaking or design to agriculture, food and beverage production (including beer, wine, spirits and even whisky), education or tourism.

### ***Czech media coverage***

The Czech News Agency (ČTK) informed extensively about the event and the Czech attendance stressing that the Czech expositions and exhibition stands were among the most visited and appreciated by visitors. According to the ČTK, local as well as foreign journalists were interested especially in ultralight aircraft Shark Aero, which has already broken

several world speed records, in live presentation of glass engraving performed by Jiří Tesař by means of a rare engraving machine made in the 19th century and also in thematic exposition dedicated to the 70th anniversary of establishment of the Czechoslovak-Chinese diplomatic relations and prepared by the major Czech glass manufacturer Preciosa. The media coverage was secured largely by the Czech News Agency which reported on the event in a positive and constructive way. They did not omit the fact that the CIIE second season was much more successful in terms of deals made during the expo. Unlike the ČTK, other Czech media were focusing rather on political aspects of the official visit to China, first of all, on Radek Vondráček's meetings and talks with Chinese counterparts, and also on the French president Emanuel Macron's encounter with the president Xi Jinping. These two topics somewhat overshadowed the CIIE as such.

Apart from the active participation in the CIIE, the Czech entrepreneurs took part in the Czech-Chinese business forum in the Alibaba Group headquarters in Hangzhou and networking meetings in Shanghai and visited the China–Singapore Suzhou Industrial Park. The president of the Confederation of Industry of the Czech Republic Jaroslav Hanák observed in this regard that the industrial park could become a Czech businesses base for developing and expanding their activities in China. In any case, the CIIE can serve to this aim as well.

# **The Second CIIE: A Slovenian Perspective**

Helena Motosh

## ***Summary***

*In early November, Slovenian delegation participated in the second China International Import Expo in Shanghai. Confirming an important turn in Chinese economic policy, the second China International Import Expo, opened by President Xi Jinping, focused mostly on products for general consumption and high technologies. After positive experience in 2018, Slovenia again sent a delegation of high-level government officials and several companies. Compared to 2018, this time the event was reported on more extensively in media as well.*

## **Background**

### **2018 participation at China International Import Expo**

Slovenian participation at the first CIIE in Shanghai was twofold, consisting of the government delegation and the representatives of companies. The official delegation appointed by the government consisted of the head of the delegation, the Minister of Economic Development and Technology, Zdravko Počivalšek; and high-level representatives of the Ministry of Economic Development and Technology, Ministry of Foreign Affairs, Ministry of Education, Science and Sport. The government representatives were accompanied by representatives of the Embassy of the Republic of Slovenia in Beijing and the consulate in Shanghai. Due to the simultaneously organized first China-Slovenia Winter Sport Development Forum 2018 (November 3rd to November 8th) the preparation and organisation also included representatives of the Faculty of Sports of the University of Ljubljana, the Ski Association of Slovenia and the Slovenian Olympic Committee. The visit consisted of participation at China

International Import Expo and China-Slovenia Winter Sport Development Forum 2018, while also including a number of related high-level meetings and events. In the most important of the latter, Minister of Economic Development and Technology Zdravko Počivalšek met with the Minister for Commerce of China, Zhong Shan, and the Vice Minister for Commerce Fu Ziyang. Six top-level Slovenian companies – Alpina, Elan, Elan Inventa, Slatnar, Elaphe and Pipistrel – participated in the exposition, in the »High-end Intelligent Equipment« pavilion. Their common slogan was »Slovenia – high tech innovative and winter sport partner«. In general guidelines for the participation, tourism exchange and the winter sports industry were underlined as two priorities for the development of Slovenian export to China, especially in the light of the upcoming 2022 Winter Olympics in Beijing. The importance of Belt and Road and 16+1 initiatives was stressed as important frameworks for the cooperation between the two countries and an opportunity for Slovenia to position itself in the global and local framework. The participation of Slovenia at the first CIIE) was promoted by the government outlets, but not reported extensively in Slovenian media. The repeating theme in the reports was the overall Chinese free trade strategy as a welcome alternative to the US increasingly protectionist policies and the many opportunities the Slovenian export-oriented companies can have in the Chinese market.

### **2019 government delegation and the programme of the visit**

At the background of strengthening economic relations with China, the government position was strongly emphasizing the importance of the 2nd China International Import Expo. The commercial exchange between China and Slovenia has been growing year by year and reached 1.4 billion euros in 2018, which is 12% more than 2017. China is the most important Slovenian trade partner in Asia and 15<sup>th</sup> most important trade partner of Slovenia in the world, taking the lead ahead of USA and Russian Federation.

The emphasis of the government delegation's visit to China during the China International Import Expo was to present the existing conditions and measures for potential investors, to promote Slovenian exports to China and to strengthen the cooperation in tourism.

The official delegation appointed by the government consisted of the head of the delegation, the Minister of Economic Development and Technology, Zdravko Počivalšek; Secretary of State at the Ministry of Economic Development and Technology Aleš Cantarutti; Deputy Director-General for Economic and Public Diplomacy at the Ministry of Foreign Affairs Iztok Grmek; Boris Antolič of the Directorate for Economic and Public Diplomacy at the Ministry of Foreign Affairs; Head of the Minister's Office at the Ministry of Economic Development and Technology Aljaž Žumer and Lana Čivre from the European Affairs and International Cooperation Service at the Ministry of Economic Development and Technology. The official delegation was accompanied by the representatives of the Embassy of the Republic of Slovenia in Beijing and the consulate in Shanghai: Ambassador Alenka Suhadolnik, Head of the Consulate Miloš Prislán, and Tea Pirih, Economic Advisor at the Embassy.

Apart from the visit to the China International Import Expo and the accompanying reception, the delegation also engaged in several high-level meetings. Most important of these was held by the Minister of Economic Development and Technology, Zdravko Počivalšek, with the Vice Minister of Commerce of the People's Republic of China, Wang Bingnan. Minister Počivalšek also met with the Minister for Foreign Trade and Development Cooperation of Netherlands, Sigrid Kaag; Minister of Rural Affairs of the Republic of Estonia, *Mart Järvik*; and with Alia Abbas, Alia S. Abbas, General Director of Economy and Trade, Ministry of Economy of Lebanon. The delegation also visited the Calex company which is an example of successful entry into the Chinese market. Calex has a factory in Xuzhou where it has also received the municipal best investor award for employment practices. It employs 350 workers, a tenth



of the number of employees it has worldwide and makes 20 million euros annual revenue. At the end of the visit the delegation visited Greenland Global Commodity Trade Hub (G-HUB), which combines most of the world exporting countries and multinational companies. The permanent exhibition in the Greenland Global Commodity Trade Hub (G-HUB) also includes Slovenian companies and their products, presenting these to potential Chinese partners.

### **Participating companies**

In the Second China International Import Expo Slovenia was presented with two pavilions. The first, a national pavilion focused on high technology developments and innovations in Slovenia. It included the presentations of eleven companies: Arctur (HPC& cloud solutions), Arhel (electronics and automatization), Instrumentation Technologies (particle acceleration technology), Istenič (wine), KF Finance (finance, real estate and asset management), Mare Santo (wine), Mikropis Holding (digital business solutions), Pipistrel (light aircrafts), Steklarna Hrastnik (glass), Unior (tools and machinery) and a startup ZkotZ. The second, “winter” pavilion focused on the high technological solutions in winter sports, especially ski-jumps, cross country skiing and alpine skiing. It presented the following companies Alpina (sports shoes), Arctur (see above), Andraž (clothing), Artrebel9 (visual communications), Elan (sports equipment), Sandi Murovec (ski training), Slatnar (ski jumping equipment), Sherpa (clothing) in ZkotZ (see above), while it also included the presentations of Ski Association of Slovenia and the Slovenian Olympic Committee.

The organization was mostly in the cooperation between the SPIRIT Slovenia (Public Agency for Entrepreneurship, Internationalization, Foreign Investments and Technology) and the Slovenian Consulate in Shanghai. The director of the SPIRIT agency especially stressed the importance of the Slovenian presentation at the Shanghai Import Expo as a

means of presenting Slovenia as a green and innovative destination and business partner, while, in addition, opening these themes for the 2020 World Expo in Dubai.

### **Media coverage**

Compared to 2018, when the participation was much smaller, consisting only of 6 companies, this year 18 companies were presented in two pavilions of the China International Import Expo. The media coverage was comparatively more extensive as well. In 2018, the event and the Slovenian participation were covered mostly by government outlets, while this year all the main media outlets provided reports on the event and on the participation of both Slovenian government delegation and the presented companies. Compared to 2018 when the comments were mostly on the decision of China to shift the focus towards import as well, this year the main focus of the reports was the Slovenian participation at the event and the potential opportunities it provides for the Slovenian companies that participated. Most of the reports also mentioned the potential of this economic exchange in the light of the coming Winter Olympics in Beijing in 2022.

### **Conclusions**

With the exchange between China and Slovenia, the participation at the Shanghai China International Import Expo also strengthened considerably between 2018 and 2019. The companies represented were mostly high technology and sport equipment, while the framework of the presentation was provided by the new strategy of the SPIRIT agency, namely, the “Green. Creative. Smart.” strategy. The coverage in Slovenian media was comparably more extensive as well with the stress on the potential opportunities this event provides for Slovenian export-oriented economy.

