



CHINA-CEE INSTITUTE

**CEE COUNTRIES
AND THE 2020 CHINA
INTERNATIONAL IMPORT
EXPO IN SHANGHAI**

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CEE Countries and the 2020 China International Import Expo in Shanghai

Chief Editor: Dr. Chen Xin

CHINA-CEE INSTITUTE

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Preface

The China-CEE Institute has the honour to present the third book on CEE countries participating in the China International Import Expo (hereinafter referred to as the “CIIE”) in 2020. At the Belt and Road International Forum held in May 2017, Chinese President Xi Jinping announced that China was to hold China International Import Expo starting from 2018. By the end of 2020, China successfully held the CIIE in Shanghai three times. Comparing with the China Import and Export Fair in Guangzhou (Canton Fair), which was held annually 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.

From November 4 to 10, 2020, the 3rd CIIE was successfully held in Shanghai. President Xi Jinping delivered a keynote speech at the opening ceremony via video. The 3rd CIIE is an international economic and trade event organized by China in 2020 with the largest scale, the largest number of participating countries, and the combination of online and offline methods. According to statistics, 2020 exhibition attracted enterprises from 124 countries (regions) to participate, with a total exhibition area of nearly 360,000 square meters, a total of 411 items of new products, new technologies and new services were displayed, of which 73 items were world premieres.

This book is a collection of reports by our associate researchers from CEE countries. The reports are parts of the Weekly Briefings, a core product by the China-CEE Institute. The 4th issue of weekly briefings in November 2020 focuses on analysing business delegation to the expo as well as media coverage in their own countries. Due to the coronavirus pandemic and its containment measures, a few countries were unable to attend the 3rd CIIE.

The views in the book are represented by the individual authors instead of the China-CEE Institute.

The China-CEE Institute, registered as a non-profit limited company in Budapest, Hungary, was established by the Chinese Academy of Social Sciences (CASS) in April 2017. The China-CEE Institute builds ties and strengthens partnerships with academic institutions and think tanks in Hungary, Central and Eastern European countries, as well as other parts of Europe. The China-CEE Institute aims to encourage scholars and researchers to carry out joint research and field studies, to organize seminars and lecture series, to hold some training programs for younger students, and to publish academic results, etc.

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

Albania

Third China International Import Expo (CIIE): An Albanian Perspective

Marsela Mousabelliu

Amidst the global pandemic of COVID-19, marked by uncertainties for the near future and disquieting rise in new cases all around the world, business must go on! Shanghai has proven for the last three decades that it can be driving force for world trade and finances, and in 2020, when new impetus is needed more than ever for the wheels of international trade to start rolling, Shanghai impresses again. Immense efforts for smooth coordination and welcoming of guest in the Third CIIE are a beacon of hope that international business transactions are resuming, and the first steps to a post-pandemic world are being taken.

This exhibition is being held shortly after the proclamation of the 14th Five Year Plan. With one of its core ideas the “dual circulation economy”, a concept that has two equally strong components: "internal circulation," which refers to domestic economic activities, and "external circulation," which relates to China's economic links with the outside world, Chinese internal market now becomes more inviting, and of course more accessible.

Shanghai – the host

Shanghai has become the center of the trading world in just a few decades, while retaining those Asian features that make the city both cosmopolitan and traditional. On the evening of November 4, 2020 Pudong was lit with ceremonial lights and covered by those figures reserved specifically for friends - and the friends in this case were foreign businesses exhibiting their

products, services and innovations of relevant companies at the China CIIE. For the third year in a row, Shanghai hosts countless delegations not only from the world of entrepreneurship, but also from the representations of governments of many countries and international organizations.

We are open for business! This is the primary message addressed to friends who are representatives of more than 2000 companies and organizations. The Shanghai CIIE aims to make the China market a market for the world, different from all and accessible to all. The aim is to spread a spirit of cooperation, to become a platform for mutual benefit between the participating countries and to promote the revitalization and sustainable development of the global economy. An event like this helps improve trade and stimulate economic recovery for any state and company that has decided to be part of this Expo. The fair is in Shanghai, but belongs to the world. It seems that China is trying to inject more security into international markets, in a period of anxiety and change. Tesla, Audi, NBA, Carrefour, General Electric, Swarovski, Michelin, Ford, Panasonic, but also, honey from Colombia, robots from USA, milk from New Zealand, cheese from Switzerland, leather and marble from Italy; essentially, from diamonds to at the grocery store everything is in the showcase.

Albania and the third CIIE

In 2020, there is no reporting of any Albanian business in Shanghai, the only presence was that of Deputy Minister of Agriculture and her participation in the CIIE online opening ceremony. She expressed via Twitter her belief in the continuation of cooperation with China for inspection and quarantine procedures, for products such as: milk, cheese, honey, etc.¹ As for many other important events taking place in China, the

¹ Ermira Gjerci Twitter account. Available at:
<https://twitter.com/ErmiraGjeci1/status/1324324387886108673>

CIIE has not received an appropriate portrayal in Albania. This can be mainly attributed to the almost non-existent presence of Albanians in Shanghai (whether business or political) and the continuation of the same pattern of non-reporting of events of interest to China over the years. Lack of information is in fact not more important than opportunity given to the business environment to showcase their products and gain access to a market desired by any serious company. However, business transactions are not the only benefit of this Fair, the mutual knowledge of the representative companies of each country deepens the common knowledge on markets, innovations, projects for the future and undoubtedly facilitates communication between different cultures.

CIIE as seen from an Albanian enterprise

For the purpose of this briefing and in order to have a better understanding of what CIIE means for Albanian enterprises, we interviewed the General Manger of Morava Sh.A. Perhaps the only company persistent and determined enough to enter the Chinese market with their commodities, via this special event and not only.

Producing high quality honey is a family business for Morava expanding in three generations. Officially the company was established in 1990, with a modest count of 30 beehives, without much of material base and without any modern facilities for storage or packaging. However with a great desire and commitment to realize a dream, the one of being be among the most famous names of beekeeping in Albanian lands and beyond – says Mr. Skermo. As years went by, so went investments in their business and now they count for more than 400 beehives and Morava is the only collector of Albanian honey in the country that has modern packaging cycle and production lines. As of date, the capacity reaches approximately 30-40 tons per month, however, depending on customer and market demand this capacity can be increased accordingly, and more than 30% of their

production volume is exported from the US to Singapore, from UK to Switzerland and so on.

Why this product? – Albania’s comparative advantage.

The concept of comparative advantage is rooted in economics and refers to a *superior feature* of a nation or a specific industry. In this case for the Albanian company, their product has great potential in terms of quality honey and their “superior feature” is linked to the land’s geographical position, the Mediterranean climate having approximately 265 days of sunshine a year, and an infinity of flowers coming from different areas of the country, for which the Albanian flora is notorious about.

An Albanian company in the Chinese market.

Morava’s management has sought to chase the opportunity of being present in the Chinese markets for almost a decade. CIIE was not the first exhibition in mainland China they participated in, indeed Mr. Skermo states that he took the possibility of selling his products in China as business, as well as personal challenge. He explains that he was made aware of the existence of CIIE by the Chinese Embassy in Albania, via a presentation at the premises of the same for Albanian companies, and Morava immediately decided to participate. The main motivations for attending the CIIE was the opportunity to present a high quality product and proper marketing style, dignified presentation of the product “Made in Albania” at important high levels of international trade, competing with other producers coming from highly developed countries of the world – this was seen a stepping stone to a higher value level for their business and their brand. In 2020, the overall global pandemic has distorted many plans, and so happened for Morava and their intentions to sell their honey in China, however for them the most important obstacle seems to be certification and quarantine procedures for the export of honey, which need a bilateral agreement between countries.

The consumption capacities of a country like China are extremely alluring for any serious company worldwide that desires to expand. For the Albanian company under analysis, participating in the exhibition exceeded their predictions and expectations. Being able to meet and discuss potential deals with Chinese counterparts who were extremely interested in purchasing Albanian honey, and expressed immediate interest in receiving the products at a monthly interval in significant quantities, made Morava believe that China is their market of the future. Mr. Skermo is convinced and expresses that he and his company will insist and work hard so their honey will be in Chinese shops and households soon. In addition, he believes that events such as the CIIE in Shanghai are the crucial to explore new markets and potential customer base.

In his own words: *“It has been the most beautiful experience we have ever had with presentations at fairs. With all the participation we have had in many countries around the world, this CIIE is the most magnificent both in terms of presentation capacity and the influx of Chinese companies interested in the products on display. The highest level of interest we have encountered so far. The fact is that this fair broke our predictions and expectations. There we met with the most serious Chinese companies in the category, who were ready to cooperate. If one company has the opportunity and the capacity, CIIE is the place to be.”*¹

Conclusions

In Albanian business circles, when China is the topic of conversation it is mainly seen as a country from where to purchase products, not to sell. Many people wonder what can there be sold to a country that produces everything? – Well, as our case study reveals, when there’s a will, there’s

¹ One-on-one interview with General Manager of Morava Sh.A. Mr. Eugen Skermo, conducted on November 14th, 2020.

a way! Morava Sh.A. has sought the potential of the Chinese market years ago, and now they are using opportunities such as the CIIE to display and promote their product in a market of 1.4 billion people. It is events like CIIE that makes business easier and more accessible for all in an international scale.

Croatia

The Third China International Import Expo and the Position of Croatia

Valentino Petrović

Summary

China International Import Expo was held earlier this month for a third year in a row despite the global pandemic of COVID-19. As it appears, the results of the expo are successful with many deals being reached and some of the participants already securing their spot for the next year. The expo showcases China's intention to open up for global markets and to introduce new ways of doing business in a time of global economic stagnation. Croatia still has to find its way to position itself in European markets since the country's economy was hit severely by the economic turmoil, however, as far as cooperation with China is concerned, everything seems to go ahead as scheduled.

Introduction

This year's third annual China International Import Expo was held successfully despite the global health uncertainties that emerged due to the COVID-19 pandemic and the world markets being shaken as the global economic crisis is on the rise. Even though some would expect a sharp decline of interest among foreign companies to participate in the Chinese market, the data available is showing that the numbers have remained the same as with the last year's expo or even on the rise. The official data from the China International Import Expo web sources showcases a 2.1 percent

year-on-year increase in the value of tentative deals reached for one-year purchases of goods and services. Thus, the overall value of intended deals for upcoming year stands at \$72.6 billion, a number which reflects the rising interest of foreign companies to invest in new businesses and to find new partners in order to be recognized at world's markets with their products, technologies and services. The expo took up approximately 360 000 square meters of exhibition space which is, in comparison with last year's edition, an increase of 30 000 square meters, while the number of guests, professional visitors or businessmen estimated around 400 000. According to Sun Chenghai, deputy director-general of the CIIE Bureau, there was at least 411 new products presented at the expo, with the Medical Equipment and Healthcare Products represented a majority of them.

Xi Jinping Opening Remarks

In his keynote speech at the opening ceremony, Chinese President Xi Jinping said that significant progress has been made since the last year with regards to opening of Chinese economy and market to foreign investments. He emphasized that the “items on the national negative list for foreign investment have been cut from 40 to 33. The number of pilot free trade zones has increased from 18 to 21 (...) Good progress has been registered in concluding high-standard free trade agreements, developing demonstration zones for creative promotion of import trade, protecting intellectual property rights, and advancing high-quality Belt and Road cooperation”. Furthermore, Xi Jinping added that China, being the organizer of the expo, has made extraordinary efforts in controlling the coronavirus and enabling the world's economy to recover as quickly as it is possible. He supported his argumentation with numbers according to which China has participated in assisting the international community by providing help to more than 150 countries and seven international organizations. Moreover, China has exported over 179 billion masks, 1.73

billion protective suits and 543 million testing kits. Xi Jinping argued that China aims to cooperate and promote openness in business markets in several ways: by nurturing new pacesetters of opening up, by pursuing creative ways to grow foreign trade, by improving its business environment, and lastly, by pursuing deeper bilateral, multilateral and regional cooperation.

Chinese Manufacturing Sector Continues to Grow

Indeed, as it was recorded by President Xi Jinping, Chinese economy has continued its recovery, especially in manufacturing sector which showed some positive signals in the last quarter of 2020. According to Caixin/Markit manufacturing purchasing managers' index (PMI), Chinese manufacturing sector rose from 53.0 in September to 53.6 in October, thus, disregarding some predictions that expected a decline to 52.8. Also, it is worth noting that Caixin/Markit PMI “focuses more on small, private firms unlike the official index whose respondents come mostly from larger, state-owned firms”. The values of PMI are explained as follows: if the PMI is above 50, that means that manufacturing sector is rapidly expanding, while the values below 50 indicate that the activity in manufacturing sector is on a decline. Whang Zhe, senior economist at Caixin Insight Group said that “manufacturing supply and demand (in China) improved (...) Enterprises were very willing to increase inventories. Prices tended to be stable. Business operations improved and entrepreneurs were confident”. As for Chinese overall economic activity, The International Monetary Fund projected growth of 1.9 per cent this year, while, at the same time, it is showing positive signals for 2021, when the growth is expected to reach 8.2 per cent. In this environment, the events such as Chinese International Import Expo are very well welcomed by Chinese authorities, as well as foreign companies and investors who are willing to showcase their

products, technologies and services in order to reinforce and intensify their economic activity with partners for around the world.

The Position of Croatia

Last year, Croatia participated in the expo through the presentation of “Croatia Day” exhibit, when the Croatian Chamber of Commerce (HGK) and Croatian National Tourism Board (HTZ) presented the country’s economy and tourism with the goal of establishing new partnerships and opening of new markets for Croatian businesses. Luka Burilović, president of HGK, commented that Chinese markets “are no longer reserved for only the most courageous and that the door to the Chinese market is open for the entire world”. Burilović also said that Croatian exports to China increased by 25% and that now is the time to create a sustainable political framework for both countries to participate in joint projects that should result in even more concrete results. This year, however, HTZ presented its tourism offer on the online China-Central Eastern European Countries Expo and International Consumer Goods Fair organized with the agenda of strengthening of investments and trade exchange between China and 17 Central and Eastern European countries. Kristijan Staničić, a director of HTZ, underlined that Croatia wants to maintain its presence on Chinese market and communication with Chinese partners even though he does not expect many visitors and guests from China this year due to COVID-19 circumstances. Nevertheless, the director of HTZ Representation in China commented that both countries share the same agenda when it comes to cooperation and that Chinese representatives have not lost their interest for Croatia. Croatia also had its participants in Virtual Fair for the European and Chinese Tourism Industry which was organized to strengthen the cooperation between Chinese buyers and European tour operators. Along with HTZ, from Croatian side there were Zagreb Tourism Board and

Dubrovnik Tourism Board, as well as Amathus Travel and DT Croatia from the city of Dubrovnik.

Conclusion

There have been many speculations in Croatia about the role of China in Croatian businesses and the overall relation between the two countries. Prime Minister Andrej Plenković recently welcomed the 17+1 Initiative by saying that China has developed and introduced a multilateral communication mechanism with European countries that would not be possible on a bilateral level. He also said that it was a step forward for both Croatia and other European countries in terms of political and economic cooperation with China. However, some members of the opposition in the Croatian Parliament are vocal opponents of such situation development and have criticized the Government for tightening the relations with China. With the new American administration on the way, it is yet to be seen how Croatia will balance its position between two economic forces.

Czech Republic

Despite the Epidemic:

The Czech Republic's Presence at the 3rd CIIE

Ladislav Zemánek

Summary: The Czech exporters took part in the third China International Import Expo held in Shanghai in the first half of November. In connection with multiple restrictions introduced in response to the coronavirus global epidemic, the traditional national section designated for the presentation of our country was not opened. In spite of the well-known unfavourable circumstances, the Czech Republic managed to contribute to successful carrying out of the event. In this briefing, I will analyse the ways of our country's participation, taking account of cooperation between state and private sector or position of the state authorities in this regard, reflections in the Czech Republic, concluding with an overview of the Czech exporters present at the exhibition.

In the 2019 season, the Czech Republic's position was specific as it became the Guest Country of Honour as a result of the improving bilateral relationship.¹ In the past, the official delegation was headed by the highest constitutional representatives, either the President or the Chairman of the Chamber of Deputies, who were accompanied by representatives of

¹ I analysed the last year's exhibition in a separate briefing: <https://china-cee.eu/2019/12/19/czech-republic-external-relations-briefing-successful-presence-on-the-2nd-ciie-what-did-the-czechs-offer-in-shanghai/>.

businesses. Similarly, the exhibition was covered and observed by media and discussed in the public space. Yet, the opposite has been true this year. There has been no attention paid to the event in media with the exception of several official press releases made by the state bodies, no polemics, statements or political clashes. This season has gone virtually unnoticed.

Supporting participation at the CIIE

The format of this year's CIIE was specific owing to obstacles and challenges posed by the disease. As a result, representatives of the participating companies from the Czech Republic were attending via online sessions, not personally. In Shanghai, there were only long-standing representatives of our country who worked in China. It thus demonstrated a possibility, effectiveness and potential of cooperation between national state authorities and private subjects when both sectors might collaborate together to pursue common interests and propagate a positive image of our country all around the world. Not only the Government but also – and especially – the Ministry of Industry and Trade have assisted the Czech entrepreneurs in the active, beneficial participation in the CIIE, which is a suitable platform for building ties, trust and mutual projects between Czech and Chinese subjects. It is commendable that the state authorities are aware of this potential and motivate businesses to take part in the exhibition, irrespective of the present anti-Chinese tendencies among some political forces as well as NGOs.

The Ministry of Industry and Trade supported the Czech companies' participation every year which was welcomed by businessmen as the expenses needed are not low just as the preparation processes are time-consuming and demanding from the administrative point of view, all the more that the China International Import Expo is the world's first import-themed national-level expo and also the largest trade fair in the world. The importance of the CIIE has deepened as a consequence of the current global

crisis, related disruption of supply chains, international trade and cooperation together with the impossibility of classical ways of making contacts. In addition, ambitious and dynamic Czech enterprises see great opportunities offered by China's market, understanding China's internal shift, opening up and growing domestic consumption. Thanks to the pragmatic thinking typical of trade, dogmatism, ideological blindness and overlooking of the global processes of multipolarisation, multilateralisation and democratisation of the global order are weak among Czech businessmen in comparison with politicians, activists or academia. The Czech businessmen's pragmatism thus can mingle with the pragmatic policy of the Communist Party of China, contributing to finding a common language and laying the firm foundations of mutual trust and understanding, which is so difficult at the political level at this moment.

In a search for Chinese partners

The Czech exporters' openness to cooperation with Chinese partners was demonstrated by their participation in the CIIE. This year, 30 companies altogether attended the event.¹ Deliberating about the main topic of the national exposition, our country opted for glass manufacture, a branch ranking among the best in the world and well regarded in China itself. Even though the Czech political leadership, as well as representatives of the national business, would prefer to concentrate more on the high-tech

¹ The list of the companies participating at the exhibition is following: Aleš Zvěřina – glasscutter and designer; Ateliér Jiří Tesař; Bohemia Jihlava; Bomma; Caesar Crystal Bohemiae; Cerva Bohemia; Crystal Bohemia; Crystalex; Czevitrum; Eegermann; G&B Beads; Clartés Bohemia; Granát Turnov; Halama – Czech Art Crystal; Pačinek; Kavalier; Kooh-i-noor Hardtmuth; Ladislav Ševčík – Bohemia Crystal; Luxury Gold; Preciosa; Preciosa Ornela; Rückl; Senyr Bijoux; Ton; Miracle Glass Studio; Wranovsky; Royal Spa Wafers; Budějovický Budvar; Fromin; Lahofer Winery.

industries, experiences up to now have shown that the right time is still to come in this regard. As the Minister of Industry and Trade and Deputy Prime Minister Karel Havlíček put it, it is desirable to support the innovative and progressive design of the traditional Czech products and branches in the short-term perspective. Representatives of the Ministry have emphasised that they have been searching for new tools supporting the export of the digital technologies, however, both glass and design industries belong to those which have been affected very seriously by the coronavirus crisis and, at the same time, can hardly be supported through online communication. China is one of the leading markets in terms of demand for and popularity of the traditional as well as modern Czech glass products. The demand can be observed in the case of the Chinese design showrooms, hotel chains and – last but not least – end customers.

Glass articles were highly appreciated in the last two years' exhibitions. Repeated presentation of this branch at the CIIE has already strengthened cooperation with the Chinese distributors of glass and design products, contributing to an extension of their portfolios with other Czech brands and branches. According to the Director of Regional Center of the Czech Trade agency in Shanghai, who managed the organisational team of the Czech exposition at the third CIIE, it is crucial to find reliable local partners in the Chinese market to succeed in such a different environment. Approximately a half of the companies participating this year were at the exhibition thanks to the contacts from the previous years which reveals the great potential and benefit of this event for spreading cooperation, know-how and the best practices. The high level of mutual collaboration between the Czech and Chinese partners has been demonstrated by the fact that the presentation could have been carried out fully-fledged regardless of the physical absence of the Czech side.

The country for the future

As indicated above, the main emphasis at the third China International Import Expo was put on glassmaking and design. Owing to the mastery and quality of the Czech craftsmanship, glass has become one of our country's best ambassadors, spreading the good name of the Czech Republic all over the world. The present day's state of the glassmaking stems from a deep-rooted tradition, intertwining with modern progressive trends and innovations. Besides, the glassmaking is a branch where the mass production, manufacturing and technological development merge with an individual, unique attitude, art and talent. The Czech glassmaking and design thus embody and represent a symbiosis of the mass on the one hand and the peculiar, individual, unique on the other. As such, it belongs to the flagships and symbols of the official vision „Czech Republic: The Country For The Future“, formulated by the present Government headed by the Prime Minister Andrej Babiš.¹

This vision is based on an assumption, according to which the Czech Republic can become one of the twenty most advanced economies worldwide. Such progress is inseparable from strong support of innovations of manifold kinds, being accompanied by the awareness that the goal is not the never-ending economic growth and increased financial flows but the sustainable, inclusive growth, strengthening equity. A substantial part of the official Czech Republic's vision is also the added value, without which the economy is inevitably doomed to dependency and stagnation. The strategic concept was elaborated under the supervision of the Minister of Industry and Trade Karel Havlíček who had formed a team of representatives of the private sector, scientists as well as key persons from the state administration and agencies. Eventually, the team defined nine strategic, mutually interrelated pillars decisive for achieving the ambition to appear in the lead of the European innovators. According to the PM

¹ For greater detail see the official website of the strategy at <https://www.countryforfuture.com/en/>.

Andrej Babiš, it is „the most daring innovation strategy of the recent years“, combining industrial traditions, research and entrepreneurial skills with the aim to make the Czech Republic a symbol of knowledge, advanced technologies and a host of the world’s leading scientific capacities. This vision was promoted at the CIIE as well, such events being a place where the concrete results can be presented to the foreign partners, thus involving them in our country’s modernisation and development.

Estonia

The CIIE 2020, tentative deals, and ... Estonia

E-MAP Foundation MTÜ

When the Third China International Import Expo (CIIE) reported on those record-breaking tentative deals (worth nearly USD 73 billion)¹ that were concluded in the framework of the event, a logical question immediately popped up on how effective Estonia's participation in the Expo was. The whole point of this particular extravaganza of political economy is as follows: the world's most populous country, while comfortably enjoying the global leadership in exporting goods (with a bit more than 13 per cent of global export)², would like to import more as well. It is not a common line among all of the world's strategic narratives, but, directly and indirectly, the Estonian economy was 'welcomed' to the CIIE to exhibit what it is capable of producing.

A project manager was assigned at *Enterprise Estonia* (EAS), a national export-oriented agency, to generate interest among local manufacturers and service providers. Due to the pandemic-associated difficulties and uncertainties, EAS was not asking for any fee for participation in the CIIE 2020, while offering a range of favourable state-sponsored solutions to those companies, which were expressing their desire to visit Shanghai in

¹ 'Third CIIE concludes with tentative deals worth \$72.62 bln' in *CGTN*, 10 November 2020. Available from [<https://news.cgtn.com/news/2020-11-10/Third-CIIE-concludes-with-tentative-deals-worth-72-62-bln-ViYFnPosjC/index.html>].

² 'Is China the World's Top Trader?' in *Center for Strategic and International Studies*. Available from [<https://chinapower.csis.org/trade-partner/>].

November. For example, as reported, EAS was to cover the costs of participation in the CIIE, the rental of billboard spaces, the design and construction of the stand, as well as the production of the exhibitors' joint catalogue and postage of those to China¹. How many businesses responded to such a generous call to get closer to an opportunity to sell more to a market of 1.4 billion people? As reported, five companies expressed their desire to participate in the joint stand of CIIE, and they are as follows: *AS Balsnack International Holding (IH)*, *Saku Õlletehase AS*, *Nostam OÜ*, *Peenjoogivabrik Nudist OÜ*, and *Softrend Group OÜ*². Considering this nearly total lack of interest expressed by Estonian businesses (it can be also associated with a lack of ability, on the EAS' side, to generate such an interest), let us have a closer look at the profiles of the participants, which represented Estonia in Shanghai.

Balsnack IH claims to be “the only company in Estonia producing potato chips”, tracing its history back to 1983, when a chips-making factory commenced its activity in Ääsmäe³ (a locality that is about 30km from Tallinn). Product range wise, the company has a number of trademarks, – Vigur, Piraat, and Vahvel, – and in addition to the main line of the potato chips, it also produces salty and sweet popcorn products, corn sticks with cheese, trips bacon chips and salty flavoured tortilla chips, fried bread snacks with garlic, cheese and onion or bacon flavours, and a product made of natural pork rinds – Ossi krõps – that is rich in proteins⁴. ***Saku Õlletehase AS*** is major player in the Baltic region's beer market, and it has

¹ ‘China International Import Expo 2020’ in *EAS*. Available from [<https://www.eas.ee/events/china-international-import-expo-2020/>].

² ‘China International Import Expo 2020’.

³ ‘Balsnack International Holding’. Available from [<http://www.balsnack.ee/en/>].

⁴ ‘Balsnack International Holding’.

already ‘reached’ China via *Carlsberg Group*. In 2019, Saku claimed that it “became the biggest brewer in the Estonian beer market in 1950s and has retained that position to this day, being neck and neck with its biggest competitor”¹. The company has an impressive range of beverages – beers, ciders, long drinks as well as non-alcoholic items – and exports its products to about 30 countries annually. *Peenjoogivabrik Nudist OÜ* is, how they describe themselves, “a new-age winery that does not dig traditions and despises prejudice”, representing “a new era of sparkling fruit wines” and “only using natural and unprocessed raw materials, skimping with sugar and staying away from concentrates and additives”². As a relatively unknown company, it is in constant search for a decent level of investment, having already had a couple of investment rounds (in 2017 and 2019) and being co-owned by about 350 investors³. The company’s aim is “to become the leading sparkling fruit wine producer in Central and Northern Europe”, and, most definitely, its trip to China was planned in association with the idea to discover different business horizons and dramatically boost its exporting line. *Softrend Group OÜ* represents what Estonia can offer as a furniture-maker. Located in Vääna, a village that is about 20km from Tallinn, this company is a family business that employs 35 furniture-makers who produce Estonian design-inspired handcrafted furniture⁴. It claims that it already exports 70 per cent of the production, which is an impressive figure by all means, and it explains the company’s choice made in the context of participating in CIIE. Finally, *Nostam OÜ*, a company that was registered in 2017 and involved in agent type of work in the sale of a

¹ ‘Saku Brewery Export Portfolio’. Available from [https://www.saku.ee/media/30096/saku-export-2019.pdf].

² ‘New-age winery’. Available from [https://nudistdrink.com/pages/about-us].

³ ‘Become our shareholder’. Available from [https://nudistdrink.com/pages/ownawinery].

⁴ ‘About the company’. Available from [https://softrend.ee/ettevotest/].

variety of goods as well as business consultancy¹, allegedly made a difference in Shanghai through concluding a few deals on selling Estonian quality honey to Chinese consumers. How was it possible to find out about that? From the country's mainstream media? In a way, yes, but indirectly, via an ambassadorial article coming from the Chinese Embassy in Tallinn. On 30 November, Ambassador Li Chao published his material in *Äripäev*, stating that

[i]n November, five Estonian enterprises overcame the difficulties of the epidemic and participated in the 3rd [...] CIIE in Shanghai, showcased Estonian specialty food, alcohol and household products to Chinese consumers. Among them, honey enterprises signed commercial contracts with Chinese partners.²

This particular media source is well-respected in the country among business elites and those politicians who are responsible for crunching the numbers. Therefore, the Ambassador's reminders about the Chinese market where the middle-class is represented by 400 million people as well as the country's well-calculated expectations to see the total import figure exceeding USD 22 trillion in the next ten years³ were likely to be heard by the right people in Estonian business circles. In spite of the facts that China is this world's economic engine and Estonia is just a small economy, selling

¹ 'Nostam OÜ' in *Infopank*. Available from [https://infopank.ee/ettevote/315749/nostam-ou].

² Li Chao as cited in 'Hiina suursaadik Eestis: Hiina kiiresti taastuva majanduse võimaluste jagamine', *Äripäev*, 30 November 2020. Available from [https://www.aripaev.ee/sisuturundus/2020/11/30/hiina-suursaadik-eestis-hiina-kiiresti-taastuva-majanduse-voimaluste-jagamine]. See also [http://ee.china-embassy.org/eng/dssghd/t1837709.htm].

³ Li Chao.

only some honey at a global event portrays a total failure of many Estonian businesses as well as EAS (indirectly – the Government) in the process of pushing the country’s case as an exporter. The news segment of the official web-portal of the Ministry of Economic Affairs and Communication had literally nothing about the CIIE and Estonia’s performance in Shanghai¹. The Expo, where neighbouring Latvia and many other smaller countries had their own pavilions, showed that Estonia is gradually losing a high number of business opportunities when it can effectively offer the country’s truly unique technologies and start-ups-driven know-hows, services, and goods to the Asia-Pacific region.

Last year, during the previous event, the Estonian Ministry of Rural Affairs were glad to note that the humongous Chinese market was opening up, offering Estonian companies to export more². This time, there was no ministerial statement published, and the representation of Estonia at the 3 CIIE was dramatically poor. As reported, trade between the countries was at EUR 720 million in 2019, but Estonia’s export to China fell by 15 per cent in 2018 and by 7 per cent in 2019³. Clearly, there is a ‘homework’ that is required to be completed by the two sides before the next CIIE will be opened in 2021 – the registration is already on, and the dates are to be the same⁴. Let it be a good sign of some sort of certainly that may decide to come back to our international system.

¹ ‘News’ in *Majandus- ja Kommunikatsiooniministeerium*. Available from [<https://www.mkm.ee/et/uudised>].

² ‘Ministry: Chinese market successfully opened for Estonian food’ in *ERR*, 10 November 2020. Available from [<https://news.err.ee/1001467/ministry-chinese-market-successfully-opened-for-estonian-food>].

³ ‘China’ in *Välisministeerium*. Available from [<https://vm.ee/en/countries/china?display=relations>].

⁴ See more via [<https://www.ciie.org/zbh/en/>].

Greece

Greece and the 2020 CIIE

George N. Tzogopoulos

***Summary:** One year after the 2019 CIIE, where Greece was a guest country of honor and Prime Minister Kyriakos Mitsotakis met President Xi Jinping, Greek companies were also present in the third Shanghai exhibition. Athens and Beijing are looking for ways to elevate their economic relations which are multidimensional. In a period during which China has already placed the COVID-19 pandemic under control and Greece is striving for recovery, new opportunities can perhaps emerge. This analysis focuses on Sino-Greek economic relations – with emphasis on trade – and explores the interest shown by Greek companies in the 2020 CIIE.*

According to Hellenic Statistical Authority 2019 data, Greece's trade volume in goods with other countries was €89,321 billion in 2019. The total value of exports amounted to €33,800 billion – compared to €33,417 billion in 2018 – presenting a 1.0 percent increase. And the total amount of imports reached €55,521 billion – compared to €54,119 billion in 2018 – showing a 2.6 percent increase. Greece's exports to China were worth of €4,061 billion and imports from China €902 million. Greek goods exported to China include petroleum products, cotton, medicine, marble, waste, metal ores, machines, paper and paperboard. And imports from China encompass computers, mobile devices, toys, lighting systems, clay sheets, clothes and other plastic stuff. In 2019, China was the fifth country of origin for Greek

imports after Germany, Italy, Iraq and Russia. But it is not placed in the top-ten of destinations for Greek exports.

In the context of Sino-Greek economic relations, the shipping sector is critical. A 2020 study conducted by the Piraeus Chamber of Commerce and Industry exhibits that – in 2019 – Greek ship-owners placed orders worth of \$2,3 billion to Chinese shipyards for the construction of 56 ships. In a recent remarkable case, Aegean Shipping Management entered into an agreement with COSCO Shipping Heavy Industry Co shipyard, to construct two high specification Aframax (114K dwt tons) tanker vessels. The two ordered new buildings would be the ninth and tenth consecutive new-building order from Aegean Shipping to COSCO in the last four years.

¹ As far as residence permits in Greece were concerned, 4.714 Chinese investors benefited by the Golden Visa Program from 2014 until 2019.

There is a joint interest of Greece and China to further strengthen economic ties. Greece's export to China, for example, are continuously increasing despite their comparatively low value. Against this backdrop the CIIE attracts the attention of Greek companies. The 2020 Shanghai exhibition was certainly different due to the COVID-19 pandemic but this new reality did not limit the appetite of Greece. Executive Director of Enterprise Greece Betty Alexandropoulou, for instance, said that the exhibition was 'an important showcase for Greek exporters to show what they have to offer the Chinese market.'² Chinese authorities, from their part, had already started to promote CIIE 2020 to Greece before the outbreak of the pandemic. In that regard, a delegation from the CIIE Bureau and the

¹ Aegean Shipping website, 'New Buildings', available at: https://www.aegean-shipping.com/vessel_category/new-buildings/, 30 September 2020.

² *China Daily* website, 'Greece's Participation in CIIE to Further Boost Trade Relations with China', available at: <https://www.chinadaily.com.cn/a/202010/28/WS5f99212ea31024ad0ba81a2d.html>, 28 October 2020,

National Exhibition Convention Center visited Athens on 9 December 2019.¹

In an article published in *Shanghai Daily* Consul General Vassileios Koniakos wrote that the 2020 CIIE demonstrated China's 'instrumental role in promoting international trade' give the country a headstart in the global recovery. Additionally, he focused on sectors where Greece sees a strong interest from investors such as energy, tourism, property development, privatizations, technology, logistics and infrastructure. He also concentrated on Greece's digitalization as well as on the strong life science sector considering it as having 'great potential for cooperation between the two countries.' In a recent interview Chinese Ambassador to Greece Zhang Qiyue identified opportunities for better cooperation through the Belt and Road Project and the China-CEEC 17+1. In several virtual business fora, she said, the number of Chinese participants was remarkable.²

Enterprise Greece financed the organization of pavilions (120m²) in the agri-food section of CIIE 2000. Hellas House, Hellenic Agora, Pavlidis Estate Vineyards, Premium Foods and Kozani saffron producers were among the represented companies. Exhibited products were Kozani saffron, olive oil, olives, cereal bars, biscuits, wine, Megara pistachio, vinegar, cosmetics as well as tourism services. A possibility to enjoy Greek gastronomy was given to visitors on a daily basis and special food was prepared with Greek olive oil. Helleo, another Greek company that produces soaps, presented its own products separately from the pavilion

¹ Shanghai Municipality Commission of Commerce, 'CIIE 2020: Further Exchanges between China and Greece', available at: https://en.sww.sh.gov.cn/2019-12/19/c_423565.htm, 19 December 2019.

² Interview of Ambassador Zhang Qiyue with Greece Investor Guide, available at: <https://www.greeceinvestorguide.com/insights/interviews/bolstering-a-comprehensive-and-strategic-partnership/>, 11 September 2020.

financed by Enterprise Greece. Six different soaps were exhibited on the official website of CIIE.¹

On 9 November 2020, Enterprise Greece, the Greek Consulate in Shanghai and Hellas House organized a special event to promote Greek wines. Consul General of Greece in Shanghai, Vassilios Koniakos, gave the welcoming remarks and stressed that this was the first event of that type aiming at giving the opportunity to participants from the greater area to taste Greek wines. Wine taster, Zhao Fengyi, presented then selected Greek wines, made references to their history as well as to special geographical and geological conditions of cultivation of the vineries and explained how they could be combined with differenced dishes. Following the talk of Zhao Fengyi participants tasted wines already available in the Chinese market and others which could be introduced in the medium term.

The Piraeus Port Authority also was present at the 2020 CIIE. Its booth provides visitors with information about port activities. However, the company's executives could not be physically present in Shanghai because of the pandemic. They organized an online presentation instead. During the virtual meeting representatives from the Piraeus Port Authority spoke about the progress of the company and answered questions from the audience about latest developments on investments, the pandemic handling, corporate social responsibility policy and other issues.² The Piraeus port saw an increase of 17.8 percent in container terminal revenues and of 21.8 percent in ship repair ones in the first half of 2020. The company managed thus to counterbalance – up to some extent – the

¹ See: <https://www.ciie.org/ciie/f/exhibits-show/exhibitor/b371ee9a303f45d99a153478b0c89bea/list>, 2020.

² Piraeus Port Authority website, 'A Cloud Attendance of PPA S.A. at the China International Import Expo (CIIE)', available at: <http://www.olp.gr/en/press-releases/item/5518-a-digital-presentation-of-ppa-sa-at-the-china-international-import-expo-ciie>, 6 November 2020.

reduction of revenues from cruise ships and coastal shipping. The overall turnover decrease by 5.8 percent during this period.¹

A few weeks after the 2020 CIIE, from 7 until 11 December 2020, the Greek National Tourism Organization took part in a social media campaign held by Sina Weibo. By posting photos and videos from Greek islands and relevant to gastronomy, the Organization sought to motivate Chinese netizens to explore more about Greece. The so-called twin sisters also participated in Greek videos to increase their impact. The general campaign was launched under the motto: ‘The world is so big, I want to see it!’ and its hashtag gathered over 210 million views and 211,000 reposts.²

Conclusion

The 2020 CIIE was an opportunity for Greek companies to present their products and possibly access the Chinese market. Greek exports to China are continuously rising but their value remains relatively low. Greek imports from China also increased in 2019. Athens and Beijing are interested in further boosting trade but their economic partnership is also synthesized around investments. The investment of COSCO in the Piraeus port is the flagship project. Despite the COVID-19 pandemic, the third Shanghai exhibition reiterated the Sino-Greek emphasis on strengthening economic collaboration.

¹ *Ekathimerini* website, ‘Pandemic Blow Softer on Piraeus Port Authority’, available at:

<https://www.ekathimerini.com/259949/article/ekathimerini/business/pandemic-blow-softer-on-piraeus-port-authority>, 7 December 2020.

² Greek Travel Pages website, ‘GNTO Promotes Greece on Chinese Social Media’, available at: <https://news.gtp.gr/2020/12/22/gnto-promotes-greece-on-chinese-social-media/>, 22 December 2020.

Hungary

Hungarian-Chinese Trade Relations in Light of the 3rd China International Import Expo

Csaba Moldicz

Summary: In the recent years, the weekly briefings of the China- CEE Institute have always dealt with the topic of the Chinese International Import Expo (CIIE), which has been annually held in Shanghai since 2018. This briefing first addresses the global relevance of the CIIE, then the latest trends in Hungarian and Chinese trade and the media coverage of the event. As we understand it, the attention to the CIIE was scant due to the absence of Hungarian politicians and businesspeople at the event, however data on bilateral trade show the resilience and the growing relevance of this trade relation.

1. Global relevance of the CIIE

This year's event was in no way any less important than the exhibitions in 2019 and 2018, but the Covid 19 pandemic cast a shadow over the international event which usually attracts a large number of foreign visitors and businesspeople. The CIIE was not only relevant because of the collapse of international trade, but China was also able to show its commitment to further opening up to the world and globalization. In addition to the CIIE, the signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement with fourteen other Asian countries as well as further efforts to conclude the China-Japan-Korea Free Trade Agreement and the China EU Investment Agreement demonstrate China's global commitment as well. Looking at these efforts, we can clearly see China's consistency of keeping

up with the ideas that Chinese President Xin Jinping has already voiced to the media; "Our aim is to turn the China market into a market for the world, a market shared by all, and a market accessible to all ...". At this stage, it is not clear to external observers (based on European interpretations of the term) how the efforts to open up relate to the concept of "dual circulation". The concept of dual circulation was launched by Xin Jinping in early 2020, but the details have not yet been publicized. European analysts tend to say that it stands for a new protectionism and an inward-looking model of economic development, but it would be simplistic to say so. The aim of dual circulation seems to be to strengthen China's autonomy in strategically important areas such as food production, the semiconductor industry and energy production. As we understand it, its aim is to rebalance the engines of economic growth, which is not a new idea in China. The need to redesign the strategy of economic development arose after Global Financial Crisis in 2009. The idea of creating more strategic independence is not Chinese either, as other countries have reacted similarly to the disruption of global supply chains in the wake of Covid-19.

2. Chinese and Hungarian trade more resilient than global trade?

While according to the World Trade Organization, world trade is expected to shrink by about 9 percent in 2020, the trade volumes of Hungary and China have increased between January and August (2020), which shows the strong resilience of bilateral relations. Hungarian news portals reported that trade growth was robust in the first nine months of the year. During this period, Hungarian exports to China increased by 21.9 percent compared to the same period of the previous year, while imports from China grew even more strongly, the increase being 30.6 percent. In order to show the contrast with trade trends in general, it must be added that the export performance of the Hungarian economy as a whole shrank by 2.9 percent and imports fell by 2.5 percent in the nine months of 2020

compared to the same period in 2019. China's share of Hungary's trade with Asian countries in these months is 43 percent, which is rather significant.

But it must also be added that overall Asian relations have developed favorably in the first nine months of 2019. Exports to the region increased by 18.4 percent, while imports from the region grew by 20.2 percent according to figures from Hungarian Central Statistical Office. According to the data from Hungarian Export Promotion Agency's, most of this growth came from exports of machinery and transport vehicles. The good news also has a slightly more negative interpretation. Since machinery and transport vehicles are mainly manufactured by multinational companies based in Hungary, the growth is more likely to be due to the success of multinational companies in Hungary than to Hungarian companies. The Agency also published the export performance of its offices in the given countries and compared it with the data on total exports.¹ The data illustrate the changes in the first half of the year compared to the corresponding period in 2019 in various sectors. Total exports fell by 11.5 percent in the first six months, while exports to China rose by 7.4 percent. In the "food, beverages and tobacco" category, Hungarian exports to China increased by 22.9 percent, while the overall growth of exports in this category was a moderate 4.5 percent. The biggest difference between China and total exports can be found in the category "machinery and transport vehicles". Total exports of these goods collapsed and shrank by 22.8 percent, while exports of these products to China increased by 11.1 percent. In the category "processed goods", Chinese exports also performed better, total exports fell by 2.3 percent and the China relation increased by 3.8 percent.²

¹ The Agency runs with six offices all around the world. (Belgrade, Istanbul, Moscow, Shanghai, Tokyo, and Toronto.)

² The export of raw materials and energy sources fell in total exports and China exports as well.

Table 1. Trade balance with China in the region (Billion, \$)				
	Trade balance with China in 2010	Trade balance with China in 2018	Overall balance in 2010	Overall balance in 2018
Czech Republic	-14,1	-23.5	6.4	17.6
Hungary	-4.6	-4.0	7.3	6.6
Poland	-14.8	-28.4	-17.0	-5.8
Slovakia	-2.7	-3.9	-0.4	0.5
Source: World Bank WITS database				

Of course, the figures in this respect are lower than those for European trade, but the trends illustrate the growth potential in this context. At the same time, the past history of trade between China and Hungary bodes well, as Hungary was the only country in the Visegrad Four to slightly reduce its trade deficit with China in the period between 2010 and 2018. It would be oversimplifying to establish a direct correlation between the deterioration of trade with China and turnarounds in China policy (see Poland and Czech Republic), but the deterioration in the balance must have been one of the key elements.

3. The coverage of the China International Import Expo (2020) in the Hungarian media

In other words, the commitment to open up the Chinese economy is extremely important, and the China International Import Expo is one of the

significant opportunities where China can send a clear signal of opening up for business.¹ The total value of tentative deals was 72 Billion \$ in 2020, which represents moderate growth (2.1 percent) compared to 2019, but nevertheless, the current circumstances have been shaped by the first and second wave of the global pandemic and were not favorable for the exhibition.

Due to travel restrictions around the world, the Hungarian presence at the event was more moderate but innovative. This year, the Hungarian Export Promotion Agency and the Consulate General of Hungary Shanghai jointly organized the Hungarian exhibition stand. The Hungarian exhibition "InnoHungary" focused on innovation, tourism and sports diplomacy. While the event took place in Shanghai, an online streaming event was held in Hungary. During these four days, visitors to the exhibition stand were able to visit historical Hungarian cities, famous wine regions of the country and view the work of seven Hungarian companies. The Hungarian exhibition stall was visited by 150,000 people and the online streaming was followed by 100,000 people. Data on tentative business deals are not yet known, but it would not be surprising if these data were lower than last year. As Hungarian politicians and businessmen were unable to attend the event, the Hungarian media generally did not cover the exhibition, only a few short reports were published on China International Import Expo (2020), and none of them covered the event in a broader geopolitical context.

4. Summary

As we stressed above, the China International Import Expo, its relative success and other Chinese diplomatic efforts (Regional Comprehensive

¹ Besides that, the cutting of the negative list for foreign investment or the increase of pilot free trade zones from 18 to 21 are equally important.

Economic Partnership Agreement, negotiations on China-Japan-Korea Free Trade Agreement and the China EU Investment Agreement) seem to send a clear signal to the world that the country is open for business, but these messages do not always reach the audience as the poor media coverage of the exhibition has shown us. Nevertheless, we can point out that the positive developments in bilateral trade relations have been adequately covered by the Hungarian media. The main reason for the increased awareness is the fact that the disruption and transformation of global supply chains in the wake of the global pandemic is a hot topic everywhere and the resilience of Chinese and Hungarian trade trends is a part of the overall picture.

Latvia

Latvian participation in the 3rd China International Import Expo and Latvian response to it

Nina Linde

Introduction

The 3rd China International Import Exhibition (CIIE) took place from 5 to 10 November 2020 in Shanghai. CIIE provides a platform for companies to display their products, popularize their brands, and find more business partners in the world's second-largest economy. It is a significant move for the Chinese government to hold CIIE to give firm support to trade liberalization and economic globalization and actively open the Chinese market to the world. It facilitates countries and regions all over the world to strengthen economic cooperation and trade, and to promote global trade and world economic growth in order to make the world economy more open¹. As the journalists of the Chinese news agency observed during the interviews, a large part of the exhibitors has already become "loyal fans" of this import exhibition. It was reported that more than 70% of the world's top 500 companies and industry leaders are re-participating in the exhibition, and nearly 100 exhibitors have already signed contracts to participate in the exhibition over the next three years².

Several Latvian companies have shown great interest in the China International Import Expo and have brought newest products and services

¹ <https://www.cantonfair.net/event/558-china-international-import-expo>

² [Facebook of Embassy of the People Republic of China in Latvia](#)

to the 3rd China International Import Expo in line with China's pursuit of high-quality development. Mostly they are those with already established cooperation with China.

Latvian participation at the 3rd CIIE 2020 and look back at the 2nd CIIE 2019

This year at 3rd China International Import Expo (CIIE 2020) Latvia was represented by Latvia Import Pavilion open for public and two companies' industrial displays, accessed by potential cooperation partners and clients. The establishment of the pavilion aims to boost relationships between China and Latvia and strengthen their economic and trade cooperation and exchanges, and it responds to China's Belt & Road Initiative, said the Embassy of the Republic of Latvia in China.

It was the second time Latvia took part in Chinese exhibition. For the first time Latvia was represented in the 2nd China International Import Expo in 2019 with the National Pavilion showcasing trade, tourism and transport cooperation opportunities. Transportation of goods via Latvia is known to be effective, efficient and economical. Therefore, last year Latvian transport enterprises at CIIE offered to consider the transportation of the dry-bulk, liquid, chemicals, agricultural, food and frozen goods via Latvia¹.

This year focus of Latvia was on export of high-level innovation products (such as mineral paint and high-performance glass) and healthy and ecological high-quality Latvian products to Chinese market.

¹ <https://www.transport.lv/en/par-mums/starptautiskas-izstades/shanghai/>

Presence at the Greenland Global Commodity Trading Hub & Latvian Import Pavilion

On 31st October Latvia joined Greenland Global Commodity Trading Hub in Exhibition & Trading Service Platform for the China International Import Expo, and opened Latvian Import Pavilion here¹. This is a place for public visitors since main Expo was only open to professional visitors this year. The Pavilion displays various specialty products from Latvia, such as oatmeal, chips, coffee, honey beer, cheese, biscuits, health products, facial care products, jewelry, bicycles, handbags and toys.

On the 5th November a special opening ceremony was organized for the new Latvian Pavilion, in which Ambassador of Latvia in China H. E. Ms. Maija Manika and Assistant President of Greenland Holding Group and General Manager of G-Hub Group James Xue gave opening speeches and wished the best of luck to companies who wish to enter or expand in Chinese market.

Apart from food and skincare products also stylish upcycled Zigi bags were presented in the pavilion and more specialized products like Lightguide optical fiber cables, RILAK paint, Groglass anti-reflective glass, which have already gained a remarkable reputation in China. Last two companies had their own display at the International Import Expo itself.

Latvian product pavilion is open to public and will function for all Latvian product manufacturers or Latvian product importers as an all-year-round showroom. The pavilion brings “healthy, green and high-quality Latvian products to China”².

¹ <https://www.beltandroad.news/2020/11/07/latvia-pavilion-at-ciie/>

² <https://www.beltandroad.news/2020/11/07/latvia-pavilion-at-ciie/>

Two Latvian industrial company displays in the CIIE 2020

Two industrial companies from Latvia had their own displays at the 3rd China International Import Expo: Groglass and RILAK. The **Latvian company Groglass** has participated in exhibition for the first time. Groglass is a Latvian company, one of the world's leading developers and manufacturers of anti-reflective high-performance low-gloss glass for various industries: high-end electronic and static displays, picture framing, museum showcases, architecture and other applications¹. It brought to the exposition its most competitive product - "invisible glass", which is used in many museums and art galleries, such as the Louvre Museum in Paris, the Palace Museum, the National Museum and the Suzhou Museum in China, and other major museums. Representatives of the company said the Chinese market is an important strategic market of great importance for the Groglass, and the third China International Import Expo can provide good opportunities for the company. The company already has long standing cooperation with Chinese partners in exports of anti-reflective glass, and has plans to expand it in future.

The second Latvian company which was representing country in the 3rd China International Import Exhibition is the **Riga Varnish and Paint Factory (RILAK)**. The RILAK is one of the largest paints and varnish producers in the Baltic States with more than a hundred years of history and experience².

Industrial cooperation strengthened between Latvia and China during CIIE 2020

On November 4, the opening day of the 3rd China International Import Exhibition, Latvia also has reached important agreement for its industry.

¹ <https://www.groglass.com/about/>

² <https://www.rilak.lv/en/site/about/company>

According to news of the Embassy of the Republic of Latvia in the People's Republic of China, representatives of the Riga Varnish and Paint Factory (RILAK) and the Suzhou Golden Mantis Architectural Decoration Co. Ltd., one of the market leaders in the commercial space renovation business, signed a strategic cooperation agreement. H.E. Maija Manika, Ambassador of Latvia to China and Deputy Mayor of Suzhou Jan Dzipin witnessed the signing of the agreement¹. Both companies think that this new cooperation will be mutually beneficial and will further strengthen bilateral relations between Latvia and China. According to the agreement, China's largest tool manufacturing company the Suzhou Golden Mantis Architectural Decoration Co., Ltd will recommend Latvia's high-quality Rilakdekor mineral paint to its customers. Deputy Mayor of Suzhou Jan Gippin said the signing of a strategic cooperation agreement between the two companies is an important part of expanding and deepening economic and trade cooperation between two cities, and hopes that the 3rd China International Import Expo will be an opportunity for both cities to further deepen cooperation and mutual benefit.

Perception of Latvian participation in the CIIE 2020 in national media and public space

As of to date, limited information in Latvian language regarding the participation of Latvian companies is available at national media. On November 17, one of the biggest Latvian national daily newspaper “Diena” (The Day) has published in its paper version Latvian translation of Xi Jinping address at the opening ceremony of CIIE. Mainly information related to Latvian representation in China International Import Expo was

¹<https://www.mfa.gov.lv/en/china/current-events/66944-latvian-companies-participate-in-china-international-import-expo-2020-ciie-2020-in-shanghai>

found at website of Ministry of Foreign Affairs of Latvia and page of Embassy of China in Latvia.

Participation of Latvia was highly positively assessed by public officials and participants of the exhibition themselves. For example, in 2019 a Latvian bath and body-care brand STENDERS, who has participated in the 2nd China International Import Expo, saw its sales rise by 25 percent after the exhibition. One of the key growth drivers came from a partnership reached with energy and chemical giant Sinopec Corp, which decided to sell the brand's signature bath bubble balls at thousands of its gas stations. It is expected that participation of Latvia in CIIE each year will bring growth opportunities for national companies and stimulate national economy.

Conclusion

In past 30 years there has been a steady growth in bilateral trade and cultural exchanges between Latvia and China. Though key export from Latvia are commercial products like wood, peat and frozen blueberries, Chinese consumers are increasingly interested also in skin care and food products from Latvia. Most commonly found Latvian food and beverages are healthy breakfast cereals, fish cans, alcoholic beverages and baby food. Latvia recently has also started exporting beef to China. One of the most famous cosmetic brands from Latvia is STENDERS, that has over 140 stores in China, but Latvia sees great potential in many brands to become as successful in China.

At the 3rd China International Import Expo Latvia shared both its usual import products presented in Latvian Import Pavilion in Greenland Global Commodity Trading Hub, and innovation industrial products such as "invisible glass" by Latvian company Groglass and mineral paint by the Riga Varnish and Paint Factory (RILAK). It is expected that future

participation in the CIIE exhibition will bring new opportunities for Latvian business and industry.

Lithuania

Lithuania Continues to Look for Openings in the Chinese Market

Linus Eriksonas

After two consecutive years of active participation in one of the largest trade exhibitions globally, the China Investment Import Expo (CIIE) which takes place in Shanghai every November since 2018, this year Lithuania's interest in participating in this event remained barely noticed. The 2020 CIIE organized at the time of the second wave of COVID-19 did not generate sufficient interest as also reflected in the lack of media coverage.

Below is a brief outline looking at the recent export promotion pursued by from the Lithuanian side in China, looking at the main barriers that kept the extent of the bilateral trade relations at the current modest level.

The first CIIE was convened under China's continuation of the proactive import policy, opening up the Chinese market towards foreign goods (in November 2017, the government decreased tariffs on 187 consumer products). This policy echoed the needs of Lithuania, which explored a possibility to improve its trade deficit and promote the export of added-value goods and services to the third countries. The Lithuanian government and the business community alike shown initial interest to boost exports to China; these efforts closely followed the national export strategy. In November 2015, China was included in the list of the priority export markets as one of the prospective future markets for export in Lithuania's roadmap for export promotion for the period 2014-2020. In 2018 during the visit of China's Minister of Agriculture in Lithuania, Lithuania's Prime

Minister enthusiastically declared that “China is one of Lithuania’s priority export markets for food.”

The expectations ran high. The first China International Import Expo organised on 5-10 November, 2018 in Shanghai attracted much attention from Lithuania at the governmental and the business level. Lithuania’s President Dalia Grybauskaitė, who was at that time at the end of her second turn in office, visited China on this occasion and attended a dinner for heads of states hosted by President Xi Jinping. It was her second visit to China since 2010. Lithuania’s President was given a prominent role in the ceremonial activities organized at the CIIE. The President launched one of the three main exhibition forums on trade and investment and delivered a keynote speech at a special event dedicated to the financial technology (FinTech) industry which was one of the emerging technology sectors in Lithuania and elsewhere. In her talk, President Grybauskaitė highlighted the importance of multilateral trade and China’s openness to European investments. A press release from the President stated that “the world’s largest exporter China is taking concrete action to open its market to foreign-made goods. It offers new opportunities for Lithuanian exports and businesses, too”.

The Minister of Innovation and the Economy Virginijus Sinkevičius, who is now the European Commissioner for Environment, Oceans and Fisheries, took an active part in the promotion of Lithuanian exports at the CIIE. He even agreed, as reported by the organisers, “to do a casual and fund video interview, promoting the bond between the two countries in the most accessible way – WeChat.” In the interview, Minister Sinkevičius talked about his passion for basketball and the Chinese food that he was planning to taste once in Shanghai.

In 2018 eighteen Lithuanian companies displayed their products at two different pavilions at the CIIE, which was widely reported by the media. In one pavilion the visitors were offered to taste Lithuanian bread, dairy

products and other food products typically associated with the traditional cuisine in Lithuania. In another pavilion, the Lithuanian companies exhibited the articles of textile, clothing, furniture, and interior design. One of the participating companies reported that the company received exceptional attention from the hosts. Following the participation, the crew from China's national television visited the company in Lithuania and interviewed the Chairman of the Board for the television report covering the company and its products.

In 2019 Lithuania repeatedly took an interest in further exploration of the Chinese market at the CIIE. 16 Lithuanian companies participated in the 2019 CIIE. The press release put out by the export promotion agency Enterprise Lithuania ran the bold title: "Lithuanian exporters conquer the Chinese market by participating at the exhibition China International Import Expo 2019". The director of the agency noted that there are high expectations and demands in connection with this event, but consistency and relationship building is essential and requires much work to do. "Therefore, one visit to this country is not enough to establish a business relationship. On the other hand, China is taking active steps to promote activity country's trade with the rest of the world, and this exhibition is one of the main means of promoting the country's import and export, with a great deal of attention paid on and many resources devoted to it", - stated the agency's head.

Last year Enterprise Lithuania reported that in 2018 China was the 25th largest export market for Lithuanian goods. Exports to this country accounted for 0.7% (EUR 189 million) of Lithuania's total exports of goods. In the same year China was the 12th largest import market of Lithuania with the imports accounting for 2.8% (EUR 855 million) of Lithuania 's total imports of goods.

Despite the high expectations and the efforts made by the Lithuanian side, the bilateral economic relations did not see a significant change. The

foreign direct investments (FDI) from China to Lithuania has remained on a similar level since 2018. In the second quarter of this year, the net FDI from China amounted to 5,97 million EUR. In the same quarter two years ago, this figure stood at 5,87 million EUR, which is ca. 0,4 per cent of the total FDI. The net FDI, which includes lasting economic-financial relations and interests between a foreign, non-resident direct investor and a subject of direct investment in the country, in Lithuania in the second quarter was 18500 million EUR.

According to the calculations by Enterprise Lithuania (based on the data from the national statistical office and the central bank) presented in a report in April this year, China was only the 22nd largest market for Lithuania's goods in 2019 (the improvement registered by 0,9 per cent only), while in terms of the export of services China is on the 27th place among the export markets for Lithuania. The report indicated that the most prospective categories of export articles are textiles, clothing, food products and electronics and optics.

When considering the meagre figures for the bilateral Sino-Lithuanian trade, two sets of explanations can help to clarify the situation. The first one is related to the difficulties of organizing the marketing efforts and logistics by Lithuanian companies on a large scale to capture a more substantial part of a particular market segment in the consumer market in China. There is little if no understanding among the Lithuanian producers about the need to adapt the brands of their products to the Chinese consumers. That requires to re-engineer the products anew, and the Lithuanian products offered to China are either commodities or low-added value consumer products. Neither categories are suitable for re-branding as they are the intermediary products except for food products that are sensitive to the consumption patterns that are highly specific in this respect. Concerning the marketing efforts and the logistics, the exporters indicated their reluctance to dedicate larger marketing budgets without the certainty

of success and the possibility of covering the losses related to the market trials. The EU competition laws do not allow the governments to subsidize their producers; hence, the only help the government can provide in this respect is through the indirect support measures such as helping with the arrangement of the participation in trade shows.

The theory of international trade can provide the second set of explanations for difficulties of boosting the Sino-Lithuanian bilateral trade. The New Trade Theory, as described by Paul Krugman, suggests that a critical factor in determining international patterns of trade are the substantial economies of scale and network effects that can occur in key industries. The exchange in goods between the different locations can accelerate if there are agglomerations of production of the specialized goods in those locations or individual countries. According to Krugman, a self-sustaining concentration of production in space can occur if economies of scale are large, transport costs low, and enough product is mobile. Due to the predominantly energy-intensive economy, Lithuania has not agglomerated the specialized products that it could make accessible to the third countries at a lower cost and a required volume.

The only agglomeration of the highly specialized high added-value economic activities that can be observed in Lithuania takes place in the FinTech sector. However, it provides more opportunities for investment rather than export. Lithuania has been exploring the possibilities of attracting international investments in the Fintech sector, and Chinese companies have been indeed relatively active. Last year, as reported by the central bank, the companies from China came in second in Lithuania in terms of the number of e-money licenses issued, overtaken only by the UK companies. The increasing activities in the FinTech shows that the trade flows accelerate easier where there are highly specialized matching services between two countries: in this case, Lithuania offers the hub of the regulated FinTech with access to the euro market, while Chinese

companies provide the customer base for the use of the licensed FinTech services operating out of Vilnius.

The Chairman of Lithuania's central bank was quoted on the record saying that there are differences between Lithuania and China, "especially in understanding personal data, but they are very natural because we have different traditions, different systems, different governments".

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Montenegro

Montenegro and the 3rd CIIE

Milika Mirkovic

China International Import Expo (CIIE) was organized in Shanghai in early November this year. Although the pandemic caused many events to be postponed, CIIE was organized and gathered a large number of exhibitors from different countries from around the world which had the opportunity to present their products. However, Montenegrin companies did not participate to this fair. However, Montenegrin producers presented their products on the Chinese market through participation in the China Yiwu Imported Commodities Fair, which was organized right after the CIIE.

Montenegrin companies were absent from this year's CIIE

In order to strengthen economic cooperation and establish business relations with companies from all over the world, China organized CIIE for the third time. This year's CIIE was organized from November 5-10 in Shanghai. The gathering of a large number of companies in one place this year was not prevented by the pandemic, which caused many events to be postponed for some future period. However, CIIE has been included both online and offline exhibitions from various fields, such as food and agricultural products, medical and healthcare products, trade, automobile industries, IT and others.

Although after last year's fair, the participation of Montenegro as an honorary guest at CIIE 2020 was announced, the participation of Montenegro and Montenegrin companies was absent. Montenegrin companies did not participate in last year's CIIE either. Potential reasons

can be explained by the small capacity and low market power of Montenegrin producers, but also by the strong impact of the pandemic on the Montenegrin economy, as a result of which many companies face difficulties in doing business. Namely, in the structure of companies, micro and small companies have the largest share (98.9%¹), so participation in fairs on another continent can be a financially very demanding endeavor. Therefore, joint appearance is one of the important strategies in this case, as well as association of companies entering a foreign market. Such an example can be seen in appearances at other fairs. In addition to the above, one of the significant problems of companies this year is the economic crisis caused by the pandemic. In the previous period economic activity of Montenegro recorded negative growth rates in all sectors. Liquidity problems and a lower level of economic activity represent a significant burden in the company's operations, so the appearance at the fair was postponed for the next year. On the other side, postponement may have a positive effect so that companies can better prepare for the next year event.

Fifteen Montenegrin companies present products at “China Yiwu Imported Commodities Fair”

Although Montenegrin producers did not participate in this year's CIIE, Montenegrin companies still presented some of their products to the Chinese market. Namely, fifteen companies from Montenegro presented products at the "China Yiwu Imported Commodities Fair" which was organized in Yiwu in Zhejiang province in China from 13 to 26 November 2020, after the closure of CIIE. The fair was founded eight years ago and is an important platform for presenting consumer goods to the Chinese market.

¹ Source of data: MONSTAT, 2019

This year, the products were exhibited by companies from 78 countries and regions from around the world, of which about half of the countries were "Belt and Road" countries. Such as CIIE and other trade fairs, this event represents a significant platform for all companies to present their products and to connect with companies from China and other parts of the world.

Montenegrin producers presented various domestic food products and beverages. First of all, producers from Montenegro presented dairy products (different types of cheese), cured meat products, pasta and chocolate products, honey, coffee, water, beer and wine, as well as cosmetic products made from olive oil.

Participation in this fair is of great importance for Montenegrin producers, especially in the period when the pandemic has strong impact on the economy. Establishing cooperation with Chinese partners would contribute to the opening of new market opportunities and the placement of products on new markets.

How important is participation in CIIE for Montenegrin producers?

One of the goals of the CIIE is to strengthen China's relations with the rest of the world. As Chinese President Xi Jinping said at the opening ceremony that “aim is to turn the China market into a market for the world, a market shared by all, and a market accessible to all”¹ indicates China's openness to companies from all over the world. Precisely, one of the advantages of CIIE is the establishment of business cooperation between Chinese companies and companies from all over the world. In that case, connecting companies with the Chinese market can bring significant benefits for both the company and the economy as a whole.

¹ <http://english.ipraction.gov.cn/article/tn/202011/327611.html>

Cooperation with partners from China can contribute to the growth of exports of goods and improve the trade balance of Montenegro, which would be of great importance given that import of goods is 6.3 times higher than export of goods. Participation in import fairs would contribute to the presentation of Montenegrin products and connecting Montenegrin companies with Chinese partners, which has the potential to contribute to increase exports to the Chinese market. Encouraging exports would further have a multiplier effect on economic growth.

The Chinese market is a large market made up of a population of 1.4 billion people out of which almost a third are middle-income people, making the country a huge market with the greatest potential¹. Such a market can absorb significant production of Montenegrin companies, so it represents a significant potential for the development of domestic companies. Data on foreign trade between Montenegro and China indicate the potential for improving the foreign trade balance between the two countries. Over the past two years, foreign trade cooperation with China has increased, although Montenegro has a deficit in foreign trade cooperation with it. On the one side, export of goods to China increased, while on the other side imports from China decreased. However, the decrease in imports was smaller than the increase in exports (exports of goods in 2019 increased by 24.3% compared to 2018, while import of goods decreased by 13.6% in the same comparative period). The share of exports to China in total exports in 2019 was 4.2% or 0.7 percentage points higher than in 2018, while on the other hand the share of import of goods to China in total imports of goods in 2019 was 8.5% or 1.5 percentage points less than in the previous year. Although the ratio between exports and imports from China has improved in the previous period, imports from China are still at a significantly higher level compared to exports to China (in the first ten months of 2020, imports of goods were 9.3 times higher than exports, while this indicator in 2019

¹ <http://me.chineseembassy.org/mon/zgxw/t1829987.htm>

was at the level of 12.7)¹. During the previous year, Montenegro exported the most aluminium ores and concentrates, but also beverages and instruments and apparatus for physical or chemical analysis, while imports from China are significantly diversified.

In addition to intensifying foreign trade cooperation, stronger links between Montenegro and China would have positive effects on Montenegrin tourism. In the last two years, the number of tourists from China who have visited Montenegro has increased 1.7 times. In the total number of foreign tourist arrivals, tourists from China accounted for 2.1% in 2018, while that percentage in 2019 was at the level of 3.0%. Also, the number foreign tourists' overnight stays increased in both absolute and relative terms (tourists from China realized 0.7% of the total number of foreign tourist overnights stays)². Therefore, the establishment of a stronger relationship would contribute to the intensification of activities in the tourism industry and in defining a new forms of tourist offer.

As mentioned above, one of the significant limitations in increasing exports is the small size of companies that do not have enough capacity to cope with the foreign market. However, joint market presence of companies would be one of the ways to overcome this problem. In that case, the costs of distribution and in general the costs of entering a foreign market such as China, would be lower per unit of production.

Intensifying trade cooperation would also contribute to strengthening and improving relations between Montenegro and China. Although relations between the two countries are now at a very high level, establishing a connection between Montenegrin and Chinese companies would help strengthen those relations at an even higher level.

¹ Source of data: MONSTAT, 2018-2019

² Ibid.

The last two years Montenegrin companies did not participate in CIIE. However, as CIIE will be organized in the coming years, there is a possibility for Montenegrin companies to present their products and establish cooperation with Chinese companies. The benefits of companies, but also of entire economy, could be multiple. The presentation of the products at the next CIIE at the same time implies a great chance to increase exports and improve the foreign trade balance, taking into account the size and openness of the Chinese market.

Republic of North Macedonia

Macedonian Companies Miss the Opportunities Presented at the Third CIIE

Gjorgjioska M.Adela

The third China International Import Expo (CIIE) took place against the backdrop of the Covid 19 pandemic, which posed a challenging question to economies worldwide: How can the global economy recover from this unprecedented blow? During his keynote speech at the event's opening ceremony China's President Xi Jinping emphasized China's answer to that question to lie in the "upholding the principles of mutually beneficial cooperation and mutual opening up".¹ Moreover, President Xi stressed that "the CIIE is now an international public good for the world to share, acting as a major platform for international procurement, investment promotion, cultural exchange and cooperation". The Macedonian economy seems to have missed out on this important message and the opportunities presented by the CIIE, as the country failed to send an official delegation to the Expo, and no Macedonian company was officially reported to have attended the CIIE. This is in spite of the great interest of Macedonian business to export their products to China. In order to discern the reasons for this, it is necessary to examine the broader institutional and media setting in which Macedonian companies are embedded.

¹<https://news.cgtn.com/news/2020-11-04/CIIE-2020-China-offers-solutions-to-pandemic-hit-global-economy-V9gIvvNlxC/index.html>

A quick examination of the Macedonian media sphere reveals a disappointingly low coverage of the CIIE. A search of “CIIE” and related terms in the media aggregator *time.mk* for the period 01.01.2020 until 01.12.2020, returns only two news items. The first news-item was published by the Macedonian Chambers of Commerce on the 3rd of March 2020 under the title: “Invitation to the economic fair „China International Import Expo 2020 in Shanghai”.¹ It informs companies about the opportunity to participate at the „China International Import Expo 2020“, taking place from 5-10 november 2020 in Shanghai. The second news item is from the 5th of November 2020, published under the title “While the world fights the pandemic, China organizes the biggest import fair in the world”.² However, beyond general information on the event, the article doesn’t include any information about the Expo’s relevance for the Macedonian companies, or any analysis about the reasons behind their absence from the event. Therefore, it can be concluded that the media landscape, similar to the previous years, has lacked original content and analysis on the CIIE, thus indicating that the business opportunities in China remain in a media blindspot, reflected both in terms of the quantity and quality of coverage.

The situation is not much different on the institutional level. None of the relevant Ministries (of economy, finance, or foreign affairs) or Agencies (Invest in North Macedonia) have published any reports or any information about the CIIE. What is more, it is not even clear which institution or government agency is responsible for coordinating the participation at events such as the CIIE. For the purpose of this article, an interview was conducted with a company director from the food industry interested in participating at the CIIE in 2020. The company was unable to identify the institution responsible for coordinating and assisting the national and

¹ <https://cutt.ly/ehYznjf>

² <https://cutt.ly/VhUoq3N>

company participation at the Expo. They reportedly contacted all of the following institutions without success: the Department of Economic Diplomacy at the Ministry of Foreign Affairs, the Department of Trade at the Ministry of Economy, the Economic Chamber of Macedonia. Finally, following this confusing journey across the bureaucratic labyrinth, they received information that the institution responsible for the CIIE was ‘Invest in North Macedonia’, an official Government investment and export promotion agency responsible for attracting foreign investments and supporting the export promotion.¹ However, by the time the company obtained this information, the deadline for applying for participation at the CIIE had already passed. In any case, their experience suggests that one of the reasons why Macedonian companies fail to participate at the CIIE lies not in their lack of interest, but in the absence of clarity regarding the process of applying, combined with the absence of information about the institutional focal points relevant to this event. In view of this, it is apparent that the broader lack of coordination and planning by the institutions and agencies responsible for managing economic affairs and diplomacy, also influences the ability of Macedonian companies to utilize the opportunities presented by the CIIE.

Macedonian businesses and the opportunities for exporting to PR China

The experience of the company outlined above indicates a large gap between on the one hand the interest of a private business to export to China, and on the other hand the support mechanisms and guidance that is available to them to utilize existing opportunities. In order to examine whether this gap is perceived by the broader business community in the

¹ <https://investnorthmacedonia.gov.mk/about/>

country, the next section evaluates the perceptions held by Macedonian businesses with regards to the export opportunities in China.

The latest empirical data available on the topic is presented as part of a study titled: “The Business Dimensions of the Belt and Road Initiative: A case study of the Macedonian companies”, published in May 2020 with the support of the Chinese Institute of International Studies.¹ Although it does not include information on the sample size of Macedonian companies which participated in the research, it nonetheless presents valuable insight into the perceptions held by the business sector towards Chinese business opportunities. 59,5% of the companies which responded to the questionnaire think that Macedonian-Chinese cooperation has a great space for improvement. Only 16,7% of the respondents consider it to be satisfactory. 38,1% of companies have reported an interest in exporting their products to the Chinese market. For the majority of companies (57,1%), access to information represents the biggest challenge. The second biggest reported challenge is the absence of institutional support (38,1%). Language and cultural barriers have been reported as challenges by 28,6% of the companies, a feeling which is especially prevalent amongst medium and small enterprises. Issues of trust and risks of fraud are considered to be a problem by 19% of the respondents. Moreover, half of the companies are not familiar with the Belt and Road Initiative and 45% are not familiar with the 17+1 Framework for Cooperation between China and CEEC, however almost all companies report an interest to learn more about both. Finally, all companies report trade and investment barriers such as tariffs, bureaucracy, intransparency and complex regulations, as well as the different standardisation of products as further complicating the

¹http://estima.mk/static/c2.2a1.15_xgfv9t3kenqscsdmit8/s1/files/rte/documents/NORTH_MACEDONIA_IN_THE_BELT_AND_ROAD_INITIATIVE_-_MKD.pdf

cooperation.¹ Over a third of the respondents (38%) reported to have already established some form of cooperation with Chinese partners. Most of the companies, which have established some channels of cooperation come from the trade and the metal industry. According to the sectors, the distribution is as follows: 67% of companies from metallurgy and metal industry have established some form of cooperation with Chinese partners. That percentage is 64% in trade, 50% in the construction and architecture, 33% in agriculture and food industry, 25% in IT and communications and 25% in other sectors. Three sectors have no established forms of cooperation: transport and logistics, tourism, banking and insurance. In addition to insights into the perceptions held by private businesses, this research also includes relevant information about the current status of trade relations and the potential for future cooperation between N.Macedonia and PR China. In 2019, China was the third destination for exports for North Macedonia, after the EU and Serbia. If we take the member-states of the EU as separate units, then China is the 9th export destination for North Macedonia and 5th based on the quantity of exports. The structure of exports includes: marble, travertine and other types of limestone, metal products, wine, electrical conductors and automobile parts.

In view of the above, we can conclude that the absence of Macedonian companies from the China International Import Expo in 2020 (as well as 2019 and 2018) does not stem from their lack of interest in exporting to China. Instead the predominant reasons for this can be located in the absence of institutional support mechanisms for Macedonian businesses, as well as the lack of adequate information on the opportunities as well as the channels of access to the Chinese markets. In the absence of any institutional or media changes it is to be expected that the Macedonian

¹http://estima.mk/static/c2.2a1.15_xgfv9t3kenqscsdmit8/s1/files/rte/documents/NORTH_MACEDONIA_IN_THE_BELT_AND_ROAD_INITIATIVE_-_MKD.pdf

companies will remain underrepresented at future CIIE Expos. Many opportunities for improvements remain especially in the following areas: media and public relations campaigns targeting the business sector specifically and the broader public more generally aimed at increasing the knowledge available about business opportunities in China; targeted information, networking and training events for the business community; the establishment of specific support mechanisms and channels of communication, as part of a proactive approach and collaboration with institutions such as the Chambers of Commerce, Invest in North Macedonia, or within newly established platforms for cooperation and communication. The steps that will or will not be taken will determine the extent by which the full potential of mutually beneficial cooperation will be utilized at a time when all opportunities for recovery need to be considered and matched with appropriate actions.

Poland

Poland's Participation in the 3rd China International Import Expo

Joanna Ciesielska-Klikowska

Summary: On November 5-10, 2020, the largest import fair took place in China. As in the previous two years, also this time the participation of companies from Poland was coordinated by the Polish Investment and Trade Agency (Polska Agencja Inwestycji i Handlu, PAIH). Last year, 36 Polish companies took part in the fair. During this year's edition 14 companies promoted their food and cosmetic products. During last year's China International Import Expo, three sales contracts and three cooperation agreements were signed between Polish and Chinese companies. This time two of the companies managed to sign a cooperation agreement with local partners. However, PAIH hopes that after the presentation at the fair, more Polish entrepreneurs will cooperate with Chinese firms, supplying Chinese consumers with their products.

Participation of Polish companies in CIIE

In this year's edition of the CIIE fair, approx. 2.600 companies from all over the world were promoting their products and services. Polish Investment and Trade Agency encouraged Polish companies already in spring to participate in the fair in order to present the companies and their products at joint industry stands in the cosmetics and food sectors. It was pointed out that despite the pandemic, the Agency will mediate in business contacts and help prepare for promotion at the fair, regardless of its final

formula. PAIH representatives emphasized that each of the interested Polish companies from the cosmetics, cleaning and food sectors will have the opportunity to hold dedicated meetings with potential Chinese business partners. PAIH also promised that its experts would prepare sector reports for Polish companies and select potential contractors. The cost of participation in the event was estimated at PLN 9,000 gross (EUR 2,050), and interested companies could report their willingness to participate in the fair using the registration form on the PAIH website by 17 July 2020. Andrzej Juchniewicz, head of the PAIH foreign trade office in Shanghai, said that the event should be treated as a platform for the development of cooperation with the Chinese side. Some of Polish brands, such as Ziaja (cosmetic producer), Mlekovita (dairy producer) or Łomża (beer producer), are already very well recognized in the PRC. On the other hand, brands that are not yet present may treat the fair as the first step in entering the Chinese market and learning about the local realities. He emphasized that “it is all about checking the product, introducing possible changes and adapting to the requirements and needs of the Chinese, and of course finding an importer”.

Ultimately, 14 Polish companies decided to promote themselves during CIIE. The following cosmetic companies were presented at the Polish stand: Miraculum, Coloris, Verona, Ziaja, Phenome, Yasumi, Salvane, Jelp, Nature Queen, La Vie Skin. And in the case of food sector, they included: Van Pur, Vici Polska and Browar Za Miastem. Two Polish companies have signed cooperation agreements with local partners. Vici Polska and Wuhan Asia-Europe International Trade & Commerce Co. Ltd. signed a strategic intent agreement worth app. EUR 14.87 million. Value of the second intent agreement - between Van Pur and Greenland Global Commodity Trading Hub Group - is EUR 11.2 million. Both these agreements are a continuation of the cooperation established during the previous editions of the China International Import Expo.

PAIH organized two industry pavilions for Polish business (this year the organizers of the fair resigned from the national pavilions). It was a cosmetics pavilion and a food pavilion (100 m² each). Eventually, due to coronavirus regulations, none of the Polish entrepreneurs decided to come to China and undergo a fourteen-day quarantine, but since half of Polish exhibitors have their distributors in China, they took care of the promotion at the fair. These companies that are not located in China yet and do not have local distributors, benefited from the help of the PAIH team. Juchniewicz explained that “also translators and hostesses who have been trained by Polish producers to promote their products during these fairs helped to run Polish stands” and “kept in touch with Polish entrepreneurs”.

The international fair was held in the traditional formula, although with the full sanitary regime. In total, there were about half a million visitors, although for epidemiological reasons their number was limited to 80,000 people a day, and everyone was required to pass a coronavirus test and wear a protective mask. The representatives of the Polish Investment and Trade Agency emphasized after the event that despite the pandemic - that was practically contained in China in the spring - the organisation of the fair “ended with a success”, although this year “for obvious reasons, it was enriched with a strong component of online meetings”.

In Poland, industry portals appreciated that regardless of the ongoing pandemic the organizers of the fair did not give up its traditional formula, but introduced many changes in trends and methods of communication. It was underlined, that the companies were mostly represented by Chinese partners or distributors and a large part of the trade talks took place online. Key Opinion Leaders and Key Opinion Consumers (KOL, KOC) were invited to promote brands as well. The stands of leading trademarks with the participation of KOL attracted crowds of visitors. In the Polish media releases, it was pointed out that the cosmetics industry in China is driven by purchases made mainly by young people, the vast majority of whom are active users of online channels. Therefore, building marketing plans based

on cooperation with KOL and KOC is currently one of the most effective methods of brand promotion on this market. It was also emphasized that Polish producers, planning involvement in the Chinese market, should first of all consider the distribution of their products through online channels. It was pointed out, that there is a great niche for VR / AR companies, therefore this is an opportunity for Polish companies that would like to go beyond the already traditional sphere of food and cosmetics, which constitute the backbone of Polish exports.

Comment on Polish participation in the fair

Poland is an important trade partner of China in Central and Eastern Europe and a junction country for the Belt and Road Initiative. At the same time, it should be remembered that there is a huge imbalance in trade between Poland and China. In recent years, it is around 1:12.5, so the Polish side should look for gates and opportunities to reduce this disproportion. Therefore, the promotion of trade cooperation with the PRC should constitute an important component of the Polish economic development strategy. An element of this strategy is the active participation in, *inter alia*, the CIIE fair. As an official coordinator, the Polish Investment and Trade Agency helped organize an exhibition of 14 companies in this year's edition of the event. Some of these brands participated in the Shanghai fair for the third time, knowing that thanks to this event it is possible to successfully find business partners and quickly develop on the Chinese market. It is surprising, however, that with the relatively low cost of participation, so few companies decided to participate in it - last year 36 Polish companies promoted themselves on the Chinese market during the meeting in Shanghai, this time only 14. This slight interest can of course be explained by the current pandemic. Actually, Poles cannot enter China, and the Chinese cannot travel to Europe. Yet, it is the online cooperation

channels and the opportunity to present the products during trade fairs that are the only opportunities to look for business partners at this time.

The CIIE fairs themselves did not arouse much interest in the general public. It was not easy to find media reports on this matter - major daily newspapers “Gazeta Wyborcza” or “Dziennik. Gazeta Prawna” have not published any thematic article, and no mention could be found on the TV news channels TVN24, TVP Info and Polsat News. Valuable information could actually be found on the Internet pages of the “Rzeczpospolita” newspaper and in online industry portals. An interesting conversation about this year’s edition of the fair (with a representative of PAIH foreign trade office in Chengdu) took place on the niche television channel “Republika”.

Unfortunately, also the website of the Polish Trade and Investment Agency itself contains only a brief note about the fair and Polish participation in it, indicating that two food companies have signed cooperation agreements, which is to prove the growing interest of Chinese buyers in Polish UHT milk. The note is supplemented with seven photos.

All in all, one can learn much more about the fair from press articles (mainly in “Rzeczpospolita”) and specific industry websites, than from the PAIH webpage. It is a pity, because PAIH is responsible for promoting Polish products abroad and facilitating business contacts. Indeed, the Agency has been struggling with a serious crisis for months and is waiting for far-reaching reforms in its operation. However, it seems that these organizational matters should not matter to entrepreneurs, and the Agency should make every effort to ensure that Polish producers - appreciated in Poland and in the European Union - have the chance to expand into distant and attractive foreign markets.

Serbia

Serbian Companies at the Third China International Import EXPO

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***Summary:** Regardless to the COVID-19 pandemic, from November 5th until November 10th, the Third China International Import EXPO – CIIE was held in Shanghai. Being an event that provides great opportunity for presenting products and services at the world's largest market, many entrepreneurs and companies attended the EXPO. Some Serbian companies also took a part. As previous years, their presentations were organized by the Development Agency of Serbia and the Chamber of Commerce of Serbia, two bodies that has very important role in supporting Serbian economic development.*

CIIE in the year of pandemic

In spite of being the first country faced to the coronavirus outbreak, thanks to restrictive measures, China managed to recover from this plague in a relatively short period and to focus its attention on eliminating the negative macroeconomic consequences caused by the pandemic. Chinese Government, in cooperation with Chinese International Export-Import Bureau, decided to organize, as scheduled, Third International Import EXPO in order to stimulate consumption and thus boost the economy.

As expected, this EXPO was different than previous two; it was adjusted to, so called, new normality demands. CIIE organizers have established an extensive set of plans and preparations to ensure the health of attendees coming from around the world, dedicating an entire 10,000-square-foot subdivision to public health, as well as products and services designed to combat the crown virus pandemic.

In order to decrease possibility of the health risk due to the spread of the Covid-19 virus, there were not so many people as previous two years.

Traditionally, Chinese President, Mr. Xi Jinping opened the EXPO with an online addressing to the exhibition participants. President Xi emphasized that China, as the host of the exhibition, shows a sincere desire to share its market opportunities with the world and to contribute to the global economic recovery. He also stated that there are estimations that the total value of imports to China will reach 22 trillion dollars in the next decade. Those estimations will become real values knowing that China, since May this year, starts to implement “double circulation” pattern of economic development with double circulation, where domestic development is the core one, but domestic and international development are mutually supportive.

Serbia at CIIE

Traditional ties of both strategic partnership and friendship between Serbia and China were confirmed again by inviting Serbian President, Mr. Aleksandar Vučić, to address the participants during the opening ceremony. Addressing via video link, President Vučić said that Serbia has the honour of participating for three years in a row at CIIE, the world's top platform for the promotion of economy and trade established by the country with the best economic performance in the world with the aim to be beneficial for all world countries. Vučić said that Serbia is proud of its

friendship with China and expressed gratitude to President Xi Jinping for helping Serbia in the most difficult moments.

“We are proud of the fact that we are the best friend of the People's Republic of China in Europe, but we are also happy about the fact that we have a great and sincere friend in China,” said Serbian President, adding that Serbia has not big territory, but has a great heart and the friendship with the People's Republic of China in it.

Mr. Vučić said that he is happy that Serbia is exhibiting at the Shanghai EXPO for the third year in a row, and is participating in the promotion of the best in the world economy. He also expressed gratitude to the President of the People's Republic of China Xi Jinping for using his authority to help Serbia in the most difficult moments and encouraging its investors to invest in Serbia. Among successful examples are investments of HBIS GROUP from Hebei in Smederevo Steel Company, Zi Jin in Bor Mining and Melting Company and Shandong Ling Long Tires that currently are building the factory.

Serbian President expressed special gratitude to President Xi for the exceptional work of Chinese companies working on the development of infrastructure in Serbia, started with the railway to Budapest, to numerous highways and regional roads.

Vučić also said that he is grateful for the huge support during the Covid-19 pandemic this spring, in March and April particularly, “when there was little or no help at all from any side, our Chinese friends were there and we will never forget that.” He expressed regret that, due to the health situation, the representatives of Serbia could not attend the opening of the EXPO, but he expressed his belief that cooperation and sincere friendship would deepen in the years to come and that world will get back to normal life.

No matter to the pandemic, Serbia and China recorded a 30% increase in their trade. According to the available data, the export of goods from Serbia to China and the import of goods from China to Serbia in the period from

January to September 2019 was about 22.6 and 186.7 billion RSD, while in the same period of the current year values of 27.2 and 242.0 billion RSD. One may have assumption that the pandemic had an impact on the volume of trade between Serbia and China, and that under normal circumstances this difference would be more significant. The truth is that among Serbian companies there is growing interest in cooperation with Chinese partners and there are more and more Serbian companies interested in participating at the Chinese market.

At Third Shanghai EXPO, an outstanding platform on which Serbian companies can present its economic potential and to position themselves on the Chinese market, Serbia participated with 12 companies dealing in production and processing of food: Van Drunen Farms Europa d.o.o., Banatsko Krađorđevo (production and processing of fruit); Mlekara Šabac a.d., Šabac (production of dairy products-cheese spreads, fruit yogurts, cheese); ITN Group d.o.o., Zemun (frozen fruit); BMN Malinas d.o.o., Požega (frozen fruit); Damar Confit d.o.o. Belgrade (fresh truffles and truffle products); Fruškogorski Vinogradi d.o.o., Banoštor (wine production); Rubin a.d., Kruševac (production of wine and alcoholic beverages); Frikom, Belgrade (production of ice cream, frozen fruits and vegetables); Nova Sloga d.o.o., Trstenik (production of mineral and carbonated water); Simex Original d.o.o., Subotica (production of brandy and alcoholic beverages); Winery Čoka Plus d.o.o., Subotica (wine production); Aronija Vita d.o.o., Krnješevci (production of chokeberry juice and tea).

Maja Badjin Georgijevic, director of corporate communications of “Dairy (Mlekara) Šabac” stated that her company is grateful to the Development Agency of Serbia and the Serbian Chamber of Commerce for the opportunity to present itself as the only dairy from Serbia to potential Chinese partners. With 60 per cent of dairy products placed in 13 markets from Russia, through Europe to America, this dairy is the leading exporter of dairy products, and has set the goal to present their high quality products

to consumers in China. Visitors to the fair in Shanghai had opportunity to get know the brands of “Dairy Šabac”, such as “Sirko”, “A la Kajmak”, “Mediterraneo cheese” and others that are made from the highest quality domestic milk with the application of world standards in food production.

An example of successful participation in Shanghai EXPO is also the story of ITN GROUP. According to its Sales Director, Ms. Mirjana Nikolić, thanks to the previous EXPO, ITN GROUP has created excellent contact network that led the company to exporting over 10,000 tons of deep-frozen fruit annually. According to her, fairs are places for making and developing business contacts, as well as creating new ideas and following world trends.

It is important to share this and similar experiences with other companies in order to encourage them to decide to enter into the single country’s biggest market in the world and to become an active player of the win-win strategy.

Conclusion

Knowing that China International Import Expo (CIIE) is a platform that provides foreign companies with the possibility to expand their business in China, platform that provides strong support for trade liberalization and economic globalization, while actively opening the Chinese market to the world, it is easy to understand the rising interest of world-wide companies for this manifestation. Although some Serbian companies are informed about CIIE, still there are lot of them that are uninformed. In that sense, it is the task of Serbian bodies, firstly the Serbian Development Agency and the Chamber of Commerce of Serbia to play more active role in appraising Serbian companies about the CIIE and its huge potential.

Slovenia

Slovenia's Absence at the 3rd China International Expo in Shanghai Remains Officially Unexplained

Tina Čok

***Summary:** Despite the constraints that the Covid-19 pandemic imposes on such events, China has once again proven to be an excellent host for globally important economic and trade events. The 3rd China International Expo in Shanghai has attracted a large number of companies from around the world and positioned itself even more strongly as a strategic event for international trade. Slovenia, which was apparently successful in previous editions of the CIIE, has completely withdrawn from the Expo this year, and the reasons for this absence remain unclear.*

International response to the 2020 China International Import Expo

China International Import Expo - CIIE, which took place for the third time this year, is developing into a very important economic event, as the huge Chinese market promises great opportunities.

Although this year's Expo was certainly marked by the Covid-19 pandemic, China wants to use this event to continue the liberalization of its trade and domestic market and the integration of the flows of the world economy. This year, the CIIE has attracted a large number of companies from all over the world. The exhibition area has increased by almost 30,000 square meters, and a public health and epidemic prevention zone has been added.

The opening ceremony took place on 4 November at 8 pm local time, 1 pm in Slovenia. The event, which took place at the National Exhibition and Convention Center in Shanghai, was attended by participants from all over the world, who were connected via video conference.

Officials from the State and Municipal Council of Shanghai, the Ministry of Commerce and other ministries, provinces and municipalities representing Hong Kong, Macao and Taiwan were present at the conference center. With them were foreign diplomats, representatives of international organizations and foreign companies in China. The ceremony began with the opening speech of President Xi Jinping, followed by greetings from foreign authorities.

After the success of the first two editions, and despite the complex historical moment that all countries are facing due to the Covid-19 pandemic, China wanted to reaffirm the 2020 appointment with China International Import Expo as a sign of the resumption of activity and consumption in China, in the hope of getting out of the serious global health emergency as soon as possible.

Among the political leaders of the neighboring states of Slovenia, participating at this year's event, Serbian President Aleksandar Vučić, Spanish Prime Minister Pedro Sanchez and Hungarian Prime Minister Viktor Orban.

Slovenia's trade with China and Slovenia's positioning in the CIIE in the past

Although China is a less important partner for Slovenian exports than for imports, in 2019 Slovenia exported EUR 265.3 million or 3.0% of total Slovenian exports to non-EU countries to China. China was thus Slovenia's seventh most important trading partner among non-EU countries in terms of Slovenian exports. The Covid-19 epidemic had no major negative

impact on Slovenia's exports to China. In the first eight months of 2020, Slovenian exports were 3.5% higher than in the same period of 2019. Among the products exported in this period, the most important products in terms of value were parts for rotary electrical machines, oak wood and parts and accessories of bodies.

At the 1st and 2nd International Import Expo in Shanghai Slovenia presented itself above all as a green country of high technologies, innovative products and services. In addition, it offered itself as a special Chinese partner in the preparations for the 2022 Winter Olympics in Beijing and the further development of winter sports in China. At the 2019 event, some Slovenian technological achievements were presented, and in view of the upcoming Winter Olympic Games in Beijing in 2022, it also highlighted Slovenian knowledge and Slovenian companies in the winter sports industry.

Setting up a business in China, which many Slovenian companies want, requires both visibility and the acquisition of a suitable business partner. Usually they appear together with decision-makers at such events as the CIIE.

Last year's presentation of Slovenia at the CIIE event focused on offering high-tech solutions in the field of winter sports, electric ultra-light aviation industry and automation of production processes. The presentation of 18 Slovenian companies and organizations took place in the Slovenian "winter" and "national" pavilions as part of the Expo, as well as with a permanent exhibition at the Shanghai Modern Business Center. The importance given to the 2nd China International Import Expo by the Slovenian government was clearly demonstrated by the number of official representatives Slovenia sent to Shanghai. The official delegation, appointed by the government consisted of the head of the delegation, the Minister of Economic Development and Technology, Secretary of State at the Ministry of Economic Development and Technology, Deputy Director-General for Economic and Public Diplomacy at the Ministry of Foreign

Affairs and many other officials from various sectors at the Ministry of Economic Development and Technology. The official delegation was accompanied also by the representatives of the Embassy of the Republic of Slovenia in Beijing and the consulate in Shanghai.

Why the sudden absence of Slovenia at the 2020 CIIE?

After Slovenia's much-vaunted success at last year's CIIE event, which the participating Slovenian government institutions wanted to draw attention to, it is difficult to explain our country's absence at this year's event, even if taking into account the Covid-19 situation. During the preparation of the present report, the author was not able to obtain satisfactory information about the total or almost total absence of Slovenian companies in Shanghai. I have not received any reply to the e-mails sent to institutions in Slovenia and abroad that are usually involved in the organization of such events. Equally scarce was the information online. Apart from an invitation from the Chamber of Commerce and Industry of Slovenia to Slovenian companies to register and present their products published on-line, there was no news about the Slovenian participation at this year's China International Import Expo.

In its invitation, the Chamber of Commerce and Industry of Slovenia announced that the products of Slovenian companies, which were to be identified by the Chinese organizers as interesting for the Chinese market, would be sent to Budapest and from there to China by groupage consignment. At the group stand organized by the Hungarian-Chinese company CECZ from Budapest, companies from Bosnia and Herzegovina, Hungary, Romania, Slovakia, Serbia and Ukraine were to be presented in addition to Slovenian companies.

In the invitation, the Chamber of Commerce and Industry also announced that business talks will be held in Shanghai between interested Chinese importers, traders, agents on the one hand and selected European suppliers

on the other. After the event, the European suppliers will be informed additionally about the possible interest from the Chinese side. CECZ promised concrete contacts from dealers or importers on the Chinese side.

An informant, who wishes to remain anonymous, explained that after a very poor performance last year, Slovenia was not even invited to this year's CIIE. Instead, it shared the pavilion, set up by the Greenland corporation with other countries at a dislocated venue. In fact, Slovenia is not mentioned on the official CIIE website, no Slovenian products or companies in the participating countries are listed, and there is only a photo of the boot on which Slovenia was supposedly presented at the Expo.

Conclusions

China is already one of Slovenia's most important partners on the import side of trade and is becoming increasingly important as an export partner. The value of Slovenian imports from China has been steadily increasing since 2000, and in 2019 China was the eighth largest of all countries from which Slovenia imported and the second most important trading partner of Slovenia among non-EU countries (after Switzerland). In 2019 Slovenia exported EUR 265.3 million, or 3.0% of total Slovenian exports to non-EU countries, to China. This made China Slovenia's seventh most important trading partner among non-EU countries in terms of Slovenian exports.

Despite this year's officially unexplained absence at such an important event as the CIIE, Slovenian companies are still very interested in exporting to the Chinese market. Official policy will therefore have to adapt to this export trend and give more attention to the Asian giant, but like any large administrative apparatus it turns its wheels too slowly.

Slovakia

Slovakia's Participation at the 2020 China International Import Expo

Juraj Ondriaš

Even though the Slovak Republic had already made its debut at the previous China International Import Expo in Shanghai in 2019, with a more ambitious presence planned for this year, the 2020 CIIE, which took place on November 5th–10th passed practically without notice in Slovakia. Just as in the previous year, the country did not have its own pavilion, and was represented by only two companies at the Expo – the decorative glassware company RONA and the producer of automatic fire suppression technology Proteng. To put this into a regional perspective with the rest of the Central and Eastern European (CEE) members of the 17+1 Platform, all other neighboring countries of Slovakia that are part of the Visegrád group (i.e. the Czech Republic, Hungary and Poland), as well as other, smaller, countries of the CEE region, such as Slovenia, Croatia or Latvia, had their own pavilion at the Expo. This underachieving situation was in spite of the predictions made at last year's Expo that in 2020, Slovakia will be represented by around 20 companies and that it will have its own pavilion.

Correspondingly with the failure to upgrade Slovakia's presence at the Expo, the coverage of the CIIE was even more lacking than last year. Unlike the previous year, when several media outlets reported at least on the start of the Expo, this year the media ignored it completely. Several reasons for this lack of media coverage could be posited. First of all, the low priority given to the Expo by the government and the failure to upgrade

the country's presence at the Expo made the event less newsworthy compared to the previous year, which had the advantage that it was Slovakia's debut year. But another reason for not reporting on the 2020 Expo can be suspected – there was no attractive product being showcased that could capture people's imagination, compared to the Aeromobil flying car presented at last year's Expo. Since last year's media coverage was heavily focused on the flying car, the absence of such a star attraction among the Slovak enterprises this year could be the most probable explanation for the sharp decrease in media interest compared to 2019.

As for official government sources, coverage was also much sparser than in 2019. A major reason for this is that in contrast to the previous year, when Slovakia sent a rather large delegation to the CIIE (and other associated events) headed by then Deputy Prime Minister for Investments and Informatization Richard Raši,¹ of this year there was no such sizable Slovak presence at the Expo. Correspondingly, the Ministry of Investment Regional Development and Informatization, the successor portfolio to the office held by Raši, did not have any mention of the Expo on its website.

For its part, the Ministry of Foreign Affairs devoted a single brief report about the actual event itself on its website on November 11th, therefore only after the Expo already concluded. The report limited itself to mentioning the occurrence of the Expo, the names of the two Slovak companies present and a few basic statistics (such as stating that 1 264 companies from 93 countries were present, signing contracts worth 72.62 billion US dollars, etc.).² However, the website of the ministry did mention Slovak

¹ <https://www.vicpremier.gov.sk/aktuality/podpredseda-vlady/vicpremier-rasi-odletel-na-pracovnu-navstevu-do-ciny-caka-ho-bohaty-program/index.html>

² https://www.mzv.sk/aktuality/detail/-/asset_publisher/Iw1ppvnScIPx/content/najvacsia-importna-vystava-v-cine-ciie-2020?p_p_auth=thOPTzrh&_101_INSTANCE_Iw1ppvnScIPx_redirect=%2Faktuality%2Fvsetky_spravy%3Fstrana%3D2

participation at two other events linked to the Expo. One of these was presented as a success of Slovak cultural diplomacy, namely the opening of the international art exhibition “Our Home: The Belt and Road Nations Art Exhibition” at the China Art Museum in Shanghai. Two artists from Slovakia, Ondrej and Milina Zimko were among the 141 artists from 69 countries that were featured at the exhibition.¹ The second event took place in an online format between 11 Slovak and 20 Chinese enterprises, which engaged in bilateral discussions on future business cooperation. This event was organized by the city administration of Ningbo, the General Consulate of the Slovak Republic in Shanghai and the Slovak Investment and Trade Development Agency (Slovenská agentúra pre rozvoj investícií a obchodu, SARIO).² It can be seen as being more important than the Expo itself for the purpose of presentation of Slovak businesses and mutual networking. Added to these reports, the ministry, as well as the websites of the embassy of the Slovak Republic in China and the Slovak General Consulate in Shanghai, also published a document on the recommended trade fairs and expos taking place in Shanghai throughout the year, with the CIIE featured among them. However, the Slovak embassy had no further reports on the Expo.

Concerning the (lack of) coverage of the CIIE by other relevant ministries, the Ministry of Agriculture and Rural Development outright stated on its website devoted to the promotion of various global expos and trade fairs

¹ https://www.mzv.sk/aktuality/vsetky_spravvy/-/asset_publisher/Rp2fPY0svzsu/content/slovenska-umelecka-tvorba-sucastou-medzinarodnej-vystavy-umenia-v-sanghaji?p_p_auth=avVgeWQk&_101_INSTANCE_Rp2fPY0svzsu_redirect=%2Faktuality%2Fprehlad_aktuality

² https://www.mzv.sk/aktuality/vsetky_spravvy/-/asset_publisher/Rp2fPY0svzsu/content/slovenske-obchodne-forum-v-sanghaji?p_p_auth=RYvw1YLI&_101_INSTANCE_Rp2fPY0svzsu_redirect=%2Faktuality

that the CIIE had been withdrawn from its calendar of upcoming events, “because attendance by Slovak companies was not expected”.¹ And just as the previous year, the Ministry of the Economy, responsible for foreign trade and investment, had no mention of the Expo.

The COVID-19 pandemic is given as the main reason for the lack of fulfilment of the ambitious plans of the previous government on this year’s Expo attendance, as well as the absence of coverage of the event. Naturally, the need of the government to focus on the coronavirus pandemic and rescue the Slovak economy from the crisis resulting in lockdowns, stay-at-home orders, and mandated closures of non-essential businesses took away a lot of the resources and attention that may have otherwise gone into promoting the Expo and supporting a more robust Slovak presence at the event. This explanation is even more relevant on the part of the private sector, as companies had to husband their resources and in many cases were more preoccupied with survival rather than attending trade fairs and expos. Furthermore, the complicated situation with regard to international travel, as well as the condition to quarantine for 14 days by the Expo attendees, would have also been a reason to dampen any enthusiasm of Slovak entrepreneurs for attending the CIIE. Something similar can be said for the media – with much of their attention focused squarely on the pandemic and then on issues of more direct concern for the country (notably the debate on the adoption of the Multiannual Financial Framework of the EU), it is small wonder that the CIIE was low on their list of priorities. But once again, another reason for the lack of enthusiasm and official coverage may be suggested, which is the change of government in Slovakia following the parliamentary elections in February of this year. The new center-right coalition has been vocal in affirming its pro-Atlanticist and pro-EU orientation, and has been markedly critical of alternative centers of power

¹ <https://www.mpsr.sk/aktualne/kalendar-veltrhov-a-vystav-2020-dodatok/15744/>

such as China or Russia, from the point of view of compliance with Western political and economic values. By contrast, the previous government had actively declared its ambition to develop economic relations with in all directions or points of the compass, especially new and emerging powers. China had been an important target in this policy, as evidenced by the strong delegation at the 2019 Expo. While there is no reason to believe the new government would be averse to the stronger development of purely economic relations with China, its political leaning might have prevented it from placing as much emphasis on relations with China in general, and on the CIIE in particular, which would have resulted in the diminished official coverage and support of the Expo. That in turn could have led to a stagnation in the interest in attending the Expo on the part of the private sector and in a lack of media interest in the event.

It must be said, however, that the Expo seemed better advertised towards certain enterprises and relevant sectors of the economy than last year. Registration for the Expo was offered on the portals of several organizations, notably the aforementioned SARIO,¹ which is a state-funded agency subordinated to the Ministry of the Economy, as well as Slovak Chinese Joint Business Council (SCJBC),² and the Slovak Chamber of Commerce and Industry (Slovenská obchodná a potravinárska komora, SOPK),³ The event was also promoted on the websites of the Food Chamber of Slovakia (Potravinárska komora Slovenska, PKS), which comprises businesses in the alimentary and beverage industry,⁴ and the Automotive Industry Association of the Slovak Republic (Zväz

¹ <https://www.sario.sk/sk/registracia-cina-china-ceec-online-expo>

² <http://scjbc.eu/events/779>

³ <http://web.sopk.sk/view.php?cisloclanku=2020041401>

⁴ <http://www.potravinari.sk/page7523sk.html>

automobilového priemyslu, ZAP).¹ In the previous year, only SARIO² and the SCJBC³ advertized the Expo among these organizations. In the case of PKS, its interest in promoting the Expo may be explained by the hopes of Slovak dairy producers of expanding their access to the Chinese food market after a dairy certification agreement was concluded between Slovakia and China. This agreement, enabling the export of Slovak dairy products to China, was signed at the summit of the 17+1 Platform in Dubrovnik, Croatia, on April 12th, 2019. Seven Slovak milk and dairy enterprises at the signing ceremony had expressed their desire to attend the 2019 CIIE.⁴ That did not happen, though evidently PKS took note of this interest by advertizing the Expo this year. Furthermore, the Minister of Agriculture and Rural Development at the time, Gabriela Matečná, stressed the importance of the Expo as the next step of advertising Slovak food products.⁵ On the part of ZAP, the association might have been encouraged by the presentation of the Aeromobil at the 2019 Expo, as well as the growing importance of China as a market for automobiles manufactured in Slovakia. In any case, the advertizing efforts by PKS and ZAP did not have the desired effect, since no company from the food or automotive sector attended the 2020 Expo. It does, however, signal that awareness of the Expo and the opportunities it may present to interested companies and certain sectors of the Slovak economy is growing, and that some small steps have been taken in expanding the promotion of the Expo by these more

¹ <https://www.zapsr.sk/the-3rd-china-international-import-expo-enterprise-business-exhibition/>

² <https://www.sario.sk/sk/projekty-podujatia/podnikatelska-misia-na-china-international-import-expo>

³ <http://scjbc.eu/events/751>

⁴ <https://www.noviny.sk/slovensko/431259-slovenske-mliecne-vyrobky-by-sa-mohli-dostat-na-cinsky-trh-do-dvoch-mesiakov>

⁵ <https://www.etrend.sk/ekonomika/slovenske-mlieko-sa-bude-vyvazat-do-ciny.html>

specialized organizations. This is small but visible progress that can be built on in preparation for future Expos.

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