



Weekly Briefing

**Czech Republic economy briefing:
The 4th CIIE: Czech Participation and Context
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The 4th CIIE: Czech Participation and Context

Summary

Shanghai hosted the 4th China International Import Expo at the beginning of November. This year has been affected by the global pandemic, nevertheless, the organisers have succeeded in organising the event in a hybrid form. Leading companies from the Czech Republic also took part in the fair trade. However, the 4th CIIE was not covered by the Czech media whatsoever. It is at least partially connected with certain political changes in our country and a temporary strengthening of the actors critical of the bilateral strategic partnership, established in 2016.

Introduction

The 4th CIIE in Shanghai played host to up 3 thousand companies from 127 countries from all over the world. The exhibitions were situated on 366 thousand square meters. This year, more than 400 new products, technologies or services were presented for the first time.¹ The trade exhibition covered six areas starting from food industry, agriculture, car industry, smart technologies, IT, consumer goods, health care products, and ending with services of different kinds. In the fair trade did participate more than 80 per cent of companies categorised in the Fortune Global 500 that consists of the top 500 corporations as measured by revenue.

The Czech participants

All in all, 58 countries and also 3 international organisations attended the event that was held also online. Even though the digitalisation process is underway and irreversible, bringing immense opportunities and being one of the keystones of progress, it seems that many actors from different social strata and different countries and regions have not adjusted to new megatrends and circumstances yet. Perhaps, it is one of the reasons why online events can be underestimated. It is also the example of the 4th CIIE which went unnoticed in the Czech Republic, being outshined by other events, despite the fact that many leading Czech companies from different fields took part in the trade fair. For instance, Budweiser Budvar is the fourth

¹ *Infographic: 4th CIIE: Innovative, green and open* (2021, November 10), globaltimes.cn. Retrieved November 10, 2021, from <https://www.globaltimes.cn/page/202111/1238651.shtml>.

largest beer producer in our country and the second largest exporter of beer abroad. Interestingly, the brewery remains to be a state-owned enterprise. Being founded in 1864, Petřof is the leading piano manufacturer in Europe that exports to more than 60 countries all over the world. Preciosa is one of the most famous Czech manufacturers of glass and luxury jewellery that has 14 regional offices throughout the world and sells its products in 148 countries. Ravak, in turn, specialises in bathroom equipment while Tescoma focuses on kitchenware. Both companies have gained several awards. TON is a furniture manufacturer that use the unique technology of wood bending since 1861. These are only some examples of the Czech companies participating in the 4th CIIE.

Unlike the previous years, the CIIE was not analysed in any way. Similarly, there were no official statements made by the state departments, ministries (Ministry of Industry and Trade), agencies (Czech Trade) or organisations representing businesses (Czech Chamber of Commerce, Confederation of Industry of the Czech Republic or Association of Small and Medium-Sized Enterprises and Crafts). Interestingly, the CIIE was not mentioned even in the calendars of events prepared and updated by different institutions, both state and private. Only one of the commentators observed that the 4th CIIE was ignored by the Czech media and no single article was dedicated to this important international trade fair.² Besides, the Czech News Agency published an adopted official article that was presented as a „promotional material“.³

A retrospective view

There is a clear difference in comparison with the last years, especially the first ones in 2018 and 2019. High-level official delegations paid a visit to the trade fair including President Miloš Zeman, chairman of the Chamber of Deputies Radek Vondráček, ministries of industry and trade as well as agriculture, and last but not least representatives of businesses from the Czech Chamber of Commerce or the Confederation of Industry of the Czech Republic. Special booklets were issued by the Czech authorities, the highest constitutional representatives spoke about the „admirable Chinese economic boom“ or the need for deepening cooperation and connectivity within the Belt and Road Initiative. On the 2nd CIIE in 2019, moreover, the Czech

² Kotrba, Š., *Čína je ochotna spolupracovat při budování otevřené světové ekonomiky* (2021, November 09), [parlamentnilisty.cz](https://www.parlamentnilisty.cz/arena/nazory-a-petice/Stepan-Kotrba-Cina-je-ochotna-spolupracovat-pri-budovani-otevrene-svetove-ekonomiky-682949). Retrieved November 10, 2021, from <https://www.parlamentnilisty.cz/arena/nazory-a-petice/Stepan-Kotrba-Cina-je-ochotna-spolupracovat-pri-budovani-otevrene-svetove-ekonomiky-682949>.

³ *Čínský mezinárodní veletrh dovozu (CIIE) 2021: Spousta dobrých příležitostí pro obnovu po pandemii* (2021, November 05), [ceskenoviny.cz](https://www.ceskenoviny.cz/pr/zpravy/cinsky-mezinarodni-veletrh-dovozu-ciie-2021-spousta-dobrych-prilezitosti-pro-obnovu-po-pandemii/2113551). Retrieved November 10, 2021, from <https://www.ceskenoviny.cz/pr/zpravy/cinsky-mezinarodni-veletrh-dovozu-ciie-2021-spousta-dobrych-prilezitosti-pro-obnovu-po-pandemii/2113551>.

Republic was a Guest Country of Honour.⁴ Generally, the active participation accompanied by strong political support was the continuation of the developing bilateral relations that were given a new impetus by the strategic partnership concluded by Presidents Miloš Zeman and Xi Jinping in 2016. In the joint statement, both sides agreed on the aim to build a long-term, healthy and stable relationship, reaffirming the One China policy.⁵ Given the fact that Shanghai and the adjacent Zhejiang province with its cities of Ningbo and Yiwu play an important role in the Belt and Road Initiative, its transport corridors and trade exchanges, the Czech political support for the CIIE project was natural. The first two years of the trade fair was also covered by the national media, and journalists and commentators paid attention to different aspects of the event as well as its political or economic contexts.

In 2020, the situation changed significantly. Undoubtedly, it was partially caused by the unexpected outburst of the global pandemic that has affected mutual economic and also political ties. The media coverage was minimal with the exception of some official press releases issued by the state bodies. The Ministry of Industry and Trade openly supported the Czech entrepreneurs to take an active part in the 3rd CIIE despite the challenging circumstances.⁶ This comparative perspective shows that the political support for this important international event as well as media coverage has been increasingly declining, thus the public is not informed in a sufficient way. Especially this year's disregard is worth noticing.

Focus on the political context

This turn is connected with broader and deeper political changes in the Czech Republic, particularly perceptible over the last months. Some political and quasi-political actors have started to spread a narrative about the so-called „Chinese virus“ that was allegedly misused by the Chinese Communist Party for political expansion and the strengthening of hegemony abroad. Such a narrative was a substantial part of Donald Trump's discourse about a clash between the „free world“ and „tyranny“ that was adopted by Joe Biden and subsequently reformulated as a clash between „democracies“ and „autocracies“. This confrontational, black-

⁴ Zemánek, L., *Successful presence on the 2nd CIIE: What did the Czechs offer in Shanghai?* (2019, December 19), china-cee.eu. Retrieved November 10, 2021, from <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/>.

⁵ *Společné prohlášení o navázání strategického partnerství mezi Českou republikou a Čínskou lidovou republikou* (2016, March 29), hrad.cz. Retrieved November 10, 2021, from <https://www.hrad.cz/cs/pro-media/tiskove-zpravy/aktualni-tiskove-zpravy/spolecne-prohlaseni-o-navazani-strategickeho-partnerstvi-mezi-ceskou-republikou-a-cinskou-lidovou-republikou-1-12559>.

⁶ Zemánek, L., *Despite the Epidemic: The Czech Republic's Presence at the 3rd CIIE* (2020, December 02), china-cee.eu. Retrieved November 10, 2021, from <https://china-cee.eu/2020/12/02/czech-republic-external-relations-briefing-despite-the-epidemic-the-czech-republics-presence-at-the-3rd-ciie/>.

and-white perspective is a discursive dimension of escalating competition between the US as a declining major power and rising China. It was imported to the Czech Republic where was embraced by some pressure groups and political actors to undermine the Chinese-Czech strategic partnership. This narrative also penetrated the Ministry of Foreign Affairs, an internal analysis of which reproduces the thesis that China will make use of the pandemic crisis to undermine the unity of the European Union and gain dominance over the US.⁷

The position of the proponents of confrontation has become stronger as a result of the parliamentary election held in October. The ruling coalition composed of the Prime Minister's ANO movement and Social Democratic Party and supported by the Communist Party lost, the last two parties even gaining any mandates whatsoever. The analysis of foreign policy programmes of the subjects that will participate in the new government shows that a tougher position towards China accompanied by an emphasis on Euro-Atlantic partnership and support for NATO is to be expected in line with the narrative mentioned above.⁸ Moreover, some subjects openly favour an establishment of political relations with Taipei and cast doubt on the official foreign policy of the Czech Republic, an inseparable part of which is adherence to the One China policy. These tendencies are amplified by the Senate that has been in conflict with the Government and President Miloš Zeman frequently. The chairman of the upper chamber belongs to those who address the Taiwan question, how demonstrated by his formal visit to Taipei last year.⁹ Last but not least, the political climate in the Czech Republic is influenced by Miloš Zeman's illness that has weakened his position.

Mainstream media reflect these attempts to change the position towards China. Whereas journalists ignored the 4th CIIE in Shanghai, they extensively covered the activities of the Taipei's delegation to Prague and Czech-Taiwan investment and trade forum in October, or a visit carried out by eight deputies of the European Parliament initiated by one of the Czech MEPs from the Pirate Party in November.

⁷ Čína lhala. Přehodnoťme k ní vztah, říkají experti ministerstva zahraničí (2020, April 21), idnes.cz. Retrieved November 11, 2021, from https://www.idnes.cz/zpravy/domaci/cina-analyza-propaganda-petricek-rusko-kdu-csl-vysetrovani.A200421_132330_domaci_zaz.

⁸ Zemánek, L., *One Month before the Election: Recent Development & Foreign Policy Agenda* (2021, September 15), china-cee.eu. Retrieved November 11, 2021, from <https://china-cee.eu/2021/09/15/czech-republic-political-briefing-one-month-before-the-election-recent-development-foreign-policy-agenda/>.

⁹ Zemánek, L., *The Senate Chairman's "Taiwan Adventure": A Negligible Episode* (2020, November 16), china-cee.eu. Retrieved November 11, 2021, from <https://china-cee.eu/2020/11/16/czech-republic-external-relations-briefing-the-senate-chairmans-taiwan-adventure-a-negligible-episode/>.

Conclusion

The 4th CIIE has contributed to further promotion of the Czech companies, products and know-how, as well as to mutual exchange. The businesses from the Czech Republic have much to offer to China's market, therefore, each such event stimulates cooperation and contributes to deepening ties. Czech companies appreciate China's opening-up and support win-win pragmatic cooperation free of ideological bias and political pressures. As Feng Zhongping has stressed recently, the relationship between China and the EU is of utter significance for both sides and the global community as such.¹⁰ The Czech Republic as a member of both the EU and the 16+1 can play an important role in the future development. Similarly, the China International Import Expo is one of the tools that contribute to mutually beneficial cooperation.

¹⁰ *Zoom Lecture news: China-Europe Relations: Opportunities and Challenges* (2021, November 12), china-cee.eu. Retrieved November 12, 2021, from <https://china-cee.eu/2021/11/12/zoom-lecture-news-china-europe-relations-opportunities-and-challenges/>.