



INSTITUTE OF WORLD ECONOMICS
Centre for Economic and Regional Studies
Hungarian Academy of Sciences

BELT&ROAD IMPLICATIONS FOR CEE

Ágnes Szunomár, Ph.D.



Relations between China and CEE

- CEE for China means:
 - ▣ new frontiers for export expansion;
 - ▣ (one of the) strategic entry points for Europe;
 - ▣ dynamic, largely developed, less saturated economies;
 - ▣ cheap but qualified labour;
 - ▣ less political expectation and economic complaints.

- China for CEE means:
 - ▣ new opportunities for investment, trade, diversification,...

China-CEE trade 2016

Country	Total export		Total import		Total trade	
	USD MN	% share	USD MN	% share	USD MN	% share
Total	44016	100	14890	100	58907	100
Poland	15247	34,6	2531	17	17778	30,2
Czech Republic	8055	18,3	2947	19,8	11002	18,7
Hungary	5425	12,3	3463	23,3	8887	15,1
Slovakia	2868	6,5	2407	16,2	5275	9
Romania	3474	7,9	1441	9,7	4916	8,3
Slovenia	2293	5,2	436	2,9	2729	4,6
Bulgaria	1065	2,4	584	3,9	1649	2,8
Lithuania	1300	3	163	1,1	1463	2,5
Latvia	1079	2,5	132	0,9	1211	2,1
Croatia	1028	2,3	161	1,1	1190	2
Estonia	967	2,2	211	1,4	1179	2
Albania	518	1,2	130	0,9	647	1,1
Serbia	434	1	162	1,1	596	1
Montenegro	109	0,2	33	0,2	142	0,2
Macedonia	90	0,2	45	0,3	135	0,2
Bosnia & Herzegovina	64	0,1	44	0,3	108	0,2

List of key Chinese projects in CEE

country	infrastructural projects under negotiation or implementation (construction, reconstruction or acquisition)	other important projects
Albania	motorways: 'Arber' (connecting Albanian Ionian Sea to the Bulgarian Black Sea) and 'Blue Corridor' (Adriatic-Ionian); industrial park in Durres; international airport in Tirana	Banker's Petroleum (acq. by Geo-Jade Petroleum)
Bosnia and Hercegovina	Stanari TPP, Banovici TPP, Tuzla CPP, Banja Luka-Split motorway (potential)	
Bulgaria	Motorways (potential): Varna-Burgas motorway, Ruse-Svilengrad motorway; investment in Kozloduy (potential)	Great Wall Motors
Croatia	Banja Luka-Split motorway (potential)	
Czechia	Temelín and Dukovany NPPs (potential), football stadium Eden (acq. and reconstruction); Hodonin logistic centre (potential)	ZDAS.a.s (acq. by China Energy Company Limited); Changhong Europe Electric
Estonia	China-Europe freight train network (potential)	
Hungary	Belgrade-Budapest high-speed railway	Huawei's European Supply Centre, Lenovo, BYD; ZTE Network Cooperation Centre; BorshodChem (acq. by Wanhua)
Latvia	Yiwu-Riga 'Trans-Eurasian' railway connection; construction of Rail Baltica (potential), investment in airBaltic (potential)	
Lithuania	development of the Xinjiang-Europe railway connection (potential); Kaunas CHPP (potential)	Huawei Computer Network College
Macedonia	Railway modernisation – Corridor X; two stretches on the motorways linking Kicevo-Ohrid and Miladinovci-Stip	
Montenegro	Section of the European Motorway corridor XI (to Serbia); Renewal of the country's ship fleet; Investment in various energy projects /HPP, TPP (potential); Blue Corridor motorway project (potential)	
Poland	Chengdu-Europe Express Rail; Jaworzno CPP	Huawei Regional Centre; HSW and ZZN (acq. by Guangxi Liugong Group; Haier-Fagor cooperation
Romania	Rovinari TPP, Mintia-Deva TPP, Tarnita-Lapustesti HPP, Cernavoda NPP; Dej, Setra and Clue PVPP	Huawei Global Service Centre
Serbia	Danube bridge in Belgrade; Belgrade-Budapest high-speed railway; 350MW unit at Kostolac TPP; Sections of the European motorway XI (to Montenegro), 3 industrial parks	
Slovakia	Liaoning-Slovakia freight train service	CSR Corporation; CASIC Hiwing Aviation General Equipment ; Chery Sales and Service Centre

One Belt, One Road

- Chongqing-Duisburg (2011, Chongqing-Xinjiang-Europe International Fright Train)
- Wuhan-Prague (2012, Wuhan-Xinjiang-Europe International Fright Train)
- Chengdu-Lodz (2013, Chengdu-Europe Express)
- Zhengzhou-Hamburg (2013, Zhengzhou-Xinjiang-Europe Fright Train)
- Zhejiang-Madrid (2014, Yiwu-Xinjiang-Europe Train)

- Tianjin-Minsk (2016)
- Yiwu-London (2017)
- Xian-Budapest (2017)

Land-sea express route

between Piraeus and Budapest, via Skopje and Belgrade



Source: People's Daily Online

Cooperation in the context of OBOR

- For China it grants:
 - ▣ new business opportunities;
 - ▣ political and economic influence;
 - ▣ alternative transport routes;
 - ▣ the possibility to work off its overcapacities;
 - ▣ references for future projects.

Cooperation in the context of OBOR

- 16+1 as a part of OBOR
 - ▣ ensures its durability
 - ▣ grants more opportunities for CEE
 - examples: Budapest-Belgrade, Pupin Bridge, power plant,...

- For the CEE it can ensure
 - ▣ infrastructural development (but: EU structural funds)
 - ▣ transit fees (but: loan repayments)
 - ▣ ...?
 - support infrastructure...

Cooperation in the context of OBOR

- What motivates CEE countries then?
 - ▣ Disappointment
 - CEE-EU tensions
 - populism
 - ▣ Political instead of economic interests?
 - ▣ Impact on CEE-EU relation?
 - ▣ Impact on China-EU relation?



Thank you for your attention!

szunomar.agnes@krtk.mta.hu