



REPUBLIC OF SLOVENIA  
**MINISTRY OF FOREIGN AFFAIRS**  
DIRECTORATE FOR ECONOMIC DIPLOMACY



**Report on the**

**2<sup>nd</sup> High Level Symposium of Think Tanks**

**of the**

**People's Republic of China**

**and**

**Central and Eastern European Countries**

Bled, Slovenia, 2 and 3 September 2014

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## SHORT SUMMARY

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More than 200 representatives of think tanks, former politicians, government officials and business people from 16 Central and Eastern European countries (CEE) and China met at Bled. The symposium was organized in the form of 4 sessions, with panel discussions and space for networking, and exchange of ideas. Individual sessions focused on (1) CEE and China as important engine for EU-China cooperation, (2) Silk road economic belt and maritime road Initiatives, (3) Strategic orientations in 16+1 economic cooperation, (4) Cultural and people-to-people exchanges.

Foreign Ministry State Secretary **Igor Senčar** said at the meeting, which features representatives of institutes, governments and business from 17 countries in a 16+1 format, that Slovenia had positive experience with China when it comes to foreign direct investment. China has for instance made a successful investment in the production of electric buses in Maribor, while cooperation between Slovenian and Chinese high-tech companies is also producing results. "Initiatives from the private sector should be particularly encouraged, since they usually have better chances of succeeding," added Senčar, who also pointed to tourism as an opportunity for cooperation in the future.

Deputy Foreign Minister **Wang Chao** stressed China had backed the development of countries in Central and Eastern Europe with investments. He pointed to investments in European infrastructure in the field of energy and transport. Trade between China and the region amounted to US\$ 28.8bn in the first half of 2014, while the projection for the end of the year is US\$ 60bn, Wang announced. Slovenian-Chinese trade reached US\$ 2.1bn last year. Among the most important future project China wishes to participate in, Wang singled out the Budapest-Belgrade motorway. Slovenian companies are making forays into China with technological knowledge among other things, while China is helping with investments in Slovenia, said Wang, who is noticing an increase in cooperation and trust between China and the EU

Former Chinese Ambassador to Germany **Mei Zhaorong**, who feels Slovenian companies mostly have opportunities in the China's eastern provinces, moreover highlighted Chinese know-how in the field of high-speed rail and nuclear power.

"Symposium is an important event that can be seen as a significant next step in the growing cooperation of the so called 16+1 countries", pointed out in her welcome address **Prof. Danica Purg**, Dean of IEDC-Bled School of Management.

Cooperation between European Union and China is taking a good direction, but there is still a long way to go. Especially, there seem to be broad prospects for future development and cooperation with CEE region", maintained in his welcome address **Liu Guchang**, Chairman of China Foundation for International Studies (CFIS) and former Vice Foreign Minister of the People's Republic of China. »China has already marked some steps in investing and in trade promotion in Serbia; and in tourism cooperation in Prague, for example. I sincerely believe that this symposium can make a new beginning in CEE and China cooperation. I hope that we can have deep discussions, that our thoughts can guide our actions", concluded Lui Guchang. Key note speakers, **Dr. Danilo Türk**, former President of the Republic of Slovenia, and Tang Jiaxuan, Former State Councilor for People's Republic of China, agreed that effective work is needed for cooperation between EU and China to be really successful and of high value. Potentials remain big. "Infrastructure is important but

cooperation should not be limited only to roads and railways but should focus also on people-to-people contact, on culture and tourism. Let's use our geographical position, our natural splendors, our culture. Let's be ambitious." concluded Dr. Türk.

## **OPENING CEREMONY**

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### Opening speech by State Secretary at the MFA of SLOVENIA Mr Igor Senčar

Excellencies,

Distinguished Guests,

Ladies and Gentlemen!

It is my great pleasure to warmly welcome you all here in Bled at the 2<sup>nd</sup> High Level Symposium of Think Tanks of the People's Republic of China and Central and Eastern European Countries.

First allow me to speak about this Symposium and then briefly about Slovenia's experience related to the strengthening of relations in particular with China.

This Symposium represents a follow-up after the Summit of the Prime Minister's meeting in Bucharest last November and an important step to advance cooperation in line with the guidelines and outcomes of the first High Level meeting of Think tanks in Beijing last December.

The key aim of this Meeting is to further boost and deepen the Cooperation between China and CEE Countries and in the same vein we're very pleased that more than fifty representatives of think-tanks, former politicians, government officials and businesspeople arrived to Bled to discuss with Slovene and Chinese counterparts how to further develop bilateral cooperation in different fields.

China and CEE Countries have advantages in different areas respectively; they can complement each other in many fields such as the economy, education, environment protection, culture and so on. I propose that our cooperation is based on consensus and mutual benefits. We are confident in exploring progressively and constructively new cooperation measures and methods.

In the next phase, both sides (China-CEEC) should build up Cooperation in order to reinforce and underpin China-Europe Cooperation. Both sides have complementary advantages and enjoy great prospects for cooperation. And I believe that Think Tanks of China and CEE Countries can contribute with their wisdom and will actively offer advice, valuable ideas and suggestions in this regard.

It is important also to highlight the importance of this Symposium, taking into account that Cooperation between China and CEE Countries is in line with the interests of all parties and hoping that participant Countries will enhance academic communication and exchanges in order to provide more intellectual support for our cooperation.

Slovenia welcomes the enhancement of relations in all areas in these economically very challenging times, our mission to seek opportunities for the strengthening of Cooperation is all the more important.

We should also not forget the differences between us, and respect them. As an example EU Member States should take special care to respect the EU Acquis, and the distribution of competences and responsibilities. We firmly believe that our Cooperation will be successful if we can use the advantages of informal meetings, and informal forms of cooperation. Nevertheless our common wish to enhance economic relations will not be achieved without Cooperation within institutional frameworks.

So far, Slovenia's experience has been positive. China has successfully invested in the production of electric airport buses, and the cooperation between Slovenian and Chinese high-tech producers is another positive example. And our government supported both projects.

We believe that initiatives from the private sector should be given particular attention, as they are usually the most likely to succeed.

Slovenia is striving to attract as many direct foreign investments as possible. Our advantages are best described with the 'four Qs': quality of labour force, quality of life, quality connections with markets in the region and quality infrastructure. Investors who invested in Slovenia in the past appreciate that it has the right mix of qualities and are happy to remain and seize every new opportunity to expand their business.

Other aspects of cooperation are equally important. Slovenia devotes a great deal of attention to culture, education and science, as we believe that knowledge will be essential in finding a way out of the economic crisis.

In tourism, there is a positive trend in the increasing number of travellers from China to Slovenia and vice versa. We welcome Chinese activities that promote Central and Eastern European countries as attractive destinations. Slovenia has already participated together with other countries in the region at a tourism fair in Beijing and succeeded in persuading a large number of Chinese tourists to visit.

By respecting diversity, fulfilling the wishes of our people and satisfying the needs of the economy, we will achieve the desired Win-Win Cooperation and Development.

## Keynote speech former President of the Republic of Slovenia Dr Danilo Türk

Distinguished participants,

Honorable guests,

I feel honored to have been invited to this important gathering of think tanks from sixteen central European countries and from China.

The place and time of our gathering is deeply symbolic. We meet in Slovenia, a country which connects various European regions and cultural traditions. Connectivity is one of our main objectives and cherished values.

Moreover, we meet at the time when our global connectivity and interdependence are not only recognized as facts, but above all, as a matter for thinking about our common future.

Interdependence today requires both - reflection as well as practical work. And it all has to start with the understanding of the historical depth of our connections. The notion of the Silk Road conveys this message, the message of ages of communications and of the historic roots of our interdependence.

In addition, there are many other historic examples, some of them long overlooked. This year we commemorate the centennial anniversary of the beginning of World War I, a cataclysmic and deeply tragic experience which has marked the tragic nature of history for the entire 20<sup>th</sup> century. Here, in Europe the commemorations are felt deeply and sincerely. We, the Europeans, are again becoming aware of many of the painful experiences of that terrible war, some of them long neglected or forgotten. The fate of a hundred forty thousands of Chinese laborers who were sent to France and England to help in the war effort - many of whom died during the war because of overwork and difficult labor conditions - has been, until recently, unrecognized and largely unknown. This year we all recognize their sacrifice. This shows that the world today is better aware of its shared history than was the case before.

Our shared history and our shared future, this is the realization which ought to guide Europe and China today in an effort to improve the world.

The last two and a half decades, the period that we in Europe describe as the “post cold war era” has been marked by profound changes in Europe and with the breathtaking development in China. This development has opened new opportunities for global cooperation and calls for careful consideration of all the problems that impede global development.

Let me mention just a few.

Cooperation to find technological and economic solutions of the problems resulting from global warming must be strengthened. A common effort of the key global players - such as the EU and China is essential for the much needed success.

The current discussions in the UN devoted to the Millennium Development Goals post 2015 should be used for the formulation of the objectives and targets that will guide policy makers towards a more coherent and sustainable path of global development in the coming decades.

The United Nations Organization and its programs, funds and agencies must be strengthened and made better capable to assist in the global development effort.

The United Nations Security Council should improve its effectiveness in dealing with the variety of challenges to international peace and security in the world. In this context is necessary to emphasize the special role and responsibility of the five permanent members of the Security Council. Only their collective work can guarantee a more peaceful and secure world. Their strategic understanding and cooperation is essential for the future.

These are some of the main issues of the world today. It is important to keep in mind the “big picture” while discussing more specific projects of cooperation. The European Union and China will meet in discussions on all the key issues of the world. They have to

understand each other fully and cooperate effectively in order to fulfill their common historic responsibility.

And it is precisely in this context, in the context of the much needed deepening of understanding of each other of our shared destiny where the cooperation in the format of 16 + 1 has its most important value. The format is imaginative and contains great potential. It includes countries of central Europe, both EU members and non members and seeks to strengthen the economic development in both - as well as in China. This is welcome, not least because Europe, divided artificially in the recent past, needs additional development efforts in its central and eastern parts so as to avoid new artificial divisions. An accelerated economic development of this part of Europe would be an important contribution to stability of the continent as a whole and should be welcomed by all. At the same time it is increasingly well understood that China has very good reasons for additional development efforts in its western provinces. This too is in the interest of us all.

In Europe, the EU enlargement of the past decade represents a very positive, indeed historic change - for Europe and for the world. The economic development in the new member states has been significantly strengthened. Implementation of the demanding EU standards in the fields of technology, trade and environmental protection is a major part of this positive change.

However, the process is far from completed. The development gap between the old and the new members of the EU continues to be significant and there is a need for special attention to the needs in all European countries represented in the 16 + 1 format. The needs for a nuanced application of the EU standards and their gradual implementation have to be examined carefully, on a case by case basis. As we know from experience, very often wisdom requires a special understanding of the needs of the partner in a weaker position. All can benefit from cooperation that takes such specific needs into account.

An important additional factor lies in the circumstance that some of the participating sixteen states do not - as yet - belong to the EU. It is realistic to expect that the preparatory process of their accession will take time. This is an additional reason for the effort to find imaginative ways to strengthen their connections with China, the powerhouse of global development.

The words “connections” and “connectivity” are central in this regard and they relate not only to roads and railways but also to all other forms of communication and people to people contacts. Culture and tourism are of great importance in this context.

This brings me to some of the more specific areas of cooperation. Obviously, our cooperation is not starting from scratch and the level of achievement and experience gained so far varies from country to country. At the same time it is necessary to bear in mind that cooperation of Central and Eastern European countries accounts only for 10 per cent of the total of the European Union’s trade and investment with China. This tells us a great deal about the untapped potential and of the need for practical projects for the future.

Some areas of future cooperation are recognized already. Our part of Europe needs new and improved roads and railways, as well as much other, new infrastructure. It should be understood that projects such as the future Budapest - Belgrade railway can represent a major contribution to the development of infrastructure in the region and an important boost to economic development.

Much can be done in the manufacturing industries. Central and Eastern European countries have significant industrial traditions and skilled labor and management. It is both possible and necessary to find the production capacities appropriate for additional investment and capable of developing new products interesting for markets in China, in Europe and elsewhere. The example of “Durabus” buses manufactured in Maribor, Slovenia, is a small but telling example.

An expansion in trade and investment will require additional financial services, an area of cooperation that clearly has to be developed much further from the current levels.

And then tourism, an industry that has demonstrated steady and reliable growth of 4-5 per cent globally even at the time of the recent financial and economic crisis. In some parts of the World, China being a prime example, tourism has been growing at double digit growth rates. Tourism represents a major potential. However, it has to be understood that new tourist markets are characterized by their own cultural traditions and that tourism industry has to develop new products for its future expansion.

This brings me to my final and most fundamental point. I wish to emphasize the central importance of the mutual cultural understanding, a basic requirement of all other forms of cooperation. Here too, a basis already exists and it has to be made broader and stronger. The Confucius Institutes have already made a major contribution to the spreading of knowledge about Chinese culture and art. Their work will undoubtedly expand in the future and become ever more diverse.

At the same time, it is understood that cultural cooperation is a two way street.

There is very little doubt left that many more people in this part of the world will have to learn Chinese in the future. The initial results are becoming visible already. At the same time, we in Slovenia welcome the care for studies of the Slovene language in China. I believe that similar sentiments exist in other countries of Central and Eastern Europe as well. Linguistic diversity is one of its major features of our region and traditionally an important factor of political identities of our peoples. It will be a necessary part of our future cooperation.

Central and Eastern Europe represents the converging area of the great Euro-Asian belt. Let us use our geographic position for a strengthened economic convergence and, through such a convergence, to international stability and new levels of global development.

I thank you for your attention.

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## **SESSION 1: 16+1 PLATFORM – A NEW IMPORTANT ENGINE FOR ENHANCED EU-CHINA COOPERATION**

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- Moderator, Mr Mitja Meršol, member of Slovenian association for international relations
- Moderator, Amb. MEI Zhaorong, Senior Research fellow of CFIS, former Chinese Ambassador to Germany

- Panelist, dr. Jožef Kunič, Honorary president, Slovenian association for international relations
- Panelist, Mr. YANG Jian, Vice President of Shanghai Institutes for International Studies, China
- Panelist, Rexhep Meidani, Former President of Albania
- Panelist, Mr George Cunningham, Deputy Head of Division, European External Action Service, Department Asia-Pacific, Division China, Hong Kong, Macao, Taiwan, Mongolia
- Panelist, Justyna Szczudlik-Tatar, China Analyst, Polish Institute of International Affairs
- Panelist, Ms. Elena Kuzmanovska, State Secretary, Ministry of Transport and Communications, Republic of Macedonia
- Discussion, Amb. ZHANG Keyuan, Deputy Secretary-General of CFIS, former Chinese Ambassador to Ghana, Iceland, Malta.
- Discussion, Mr. LIU Zuokui, Associate Research fellow of the Institute of European Studies of Chinese Academy of Social Sciences
- Discussion, Ms. ZHANG Yinghong, Director of Centre for European Studies of Shanghai Institutes for International Studies

### Conclusion by Mr Mitja Meršol, Slovene Moderator

I personally think that our panelists were concentrated on basic goals of CEE countries-China cooperation, i.e. strengthening mutual trade and investments, cooperation in science and technology, increasment in cultural and media exchange and people to people contacts. On the basis of peace, growth, reform and progress of civilization the panelists stressed the importance of further cooperation between China and EU within – and under influence of – broader Asia-Europe cooperation and global economy . A lot of attention was devoted to the questions of concrete implementation of cooperation, inventions and patents, quality of labour and mass production, looking for recourses and talents. There was also a discussion about the need for active and transparent role of EU in 16+1 relations, and, last but not least, about increasing the participation of Slovenia and other smaller CEE countries in the process of EU-Asia cooperation.

### Remarks by Mr Rexhep Meidani, Former President of Albania, Panelist

In our multi-polar world, the EU and China are sharing responsibility for promoting peace, prosperity and sustainable development for the benefit of all, based on the principles of equality, respect and trust. In particular, the EU-China Comprehensive Strategic Partnership in 2003 has deepened and broadened cooperation in a wide range of areas. Also, as a driving force behind the global economy, China is a key partner of the EU in its efforts to overcome the economic crisis. In this sense, the 16+1 initiative (16 Central and Eastern European countries), is becoming a new engine for cooperation EU-China, particularly in the key areas of energy technology, industrial projects, agriculture and

transportation. In fact, these states are former socialist countries with which China has long maintained diplomatic relations; most of them (11) are EU members and they are different from one another in terms of their size, scope of economic development, and even geographical location; five of them (Albania included) have aspirations to join the EU.

Another state to be included is also Kosova. In fact, in Berlin Summit of 28<sup>th</sup> of August, Kosova was among Western Balkans countries: Albania, Bosnia-Herzegovina, Croatia, Kosova, Macedonia, Montenegro, Serbia and Slovenia (in low representation). The motto of this summit was: “Through trade, investment and regional cooperation to new dynamics”, with main scope to explore, to use the economic potential and prospects of this region, particularly now when they are adopting increasingly European standards, and playing an important role in energy, traffic projects, etc.

In the initiative 16+1, these 16 states are competitors among them. Also, CEEC is offering a growing market of over hundred million consumers near the doorstep of the “old” Europe. However, as I have mentioned before, I think in this initiative other socialist countries could be included, for example, Moldova. On the other side, regarding this new institutionalized cooperation format, I am entirely convinced that in our globalised world, Central and Eastern Europe’s cooperation with China doesn’t undermine EU policy, on the contrary. Some concerns raised from the bureaucracy of Brussels are without sense. Apart from EU-China policy, which is a general framework for all 28 states, in fact each EU member pursues its own bilateral policies towards China. Similarly, the eleven CEE countries members of EU or five potential candidates are also eager to use China’s rising interest in the CEE region. China in 2013 had already set up a special US\$10 billion credit line to the CEEC. Among these countries, Romania is emerging as a country of particular focus for China, becoming already one of the largest investment destinations for China in the CEEC (including investment in photovoltaic and wind power projects, transportation projects to create trade corridors between Eastern Europe and Asia, etc.).

In general, some characteristics to be mention based also on Albanian experience are:

- expanding network of bilateral free trade agreements;
- cost competitive overall operating environments;
- accessibility of skilled labour;
- competence of the workforce, high level of professionalism;
- strong work multilingual expertise and strong education;
- improving investment climate with government commitment competitive fiscal and incentive regimes.

Considering this perspective, the 2<sup>nd</sup> High-Level Symposium of Think Tanks of China and CEE is very important; Western Balkans, Albania included must profit from this kind of united block cooperation. On the other side, the 16+1 initiative as a new important engine for Europe - China Cooperation is a concrete kind of smart power strategy, in stimulating different contacts, including cultural ones, developing mutual trade and investments, strengthening connectivity and cooperation on science and technology. It is helping “en bloc” CEE countries to deepen, diversify and expand cooperation with China. This kind of new smart power strategy in a world of bloodsheds, tensions and crises; is very fruitful. Because, employing only hard power or only soft power in a given situation could prove

inadequate. For example, in case of combating terrorism simply utilizing soft power resources to change the hearts and minds of the Taliban government or Taliban groups would be ineffective and the hard power component is compulsory; while in developing relationships with the mainstream Muslim world soft power resources are necessary and the use of hard power would have damaging effects. In this sense, soft power, however, could be hard and hard power could be soft! Their right combination could give better results, particularly engaging all forms of diplomacies, particularly the cultural and economic diplomacy:

### Remarks by Mr George Cunningham, Panelist

- Prime Minister of Poland Mr Donald Tusk's appointment as the future President of the European Council demonstrates the real coming of age of Central Europe in the EU.
- Transparency and abiding by EU competences and rules are key to making 16+1 a sustainable success under the umbrella of the EU-China strategic partnership and the EU-China 2020 agenda. Premier Li-Keqiang had also reiterated this point several times at the 2013 Bucharest meeting.
- The EU (EEAS/Commission) should be invited to all 16+1 meetings as observers, including when national coordinators meet. The invitation to our two Presidents – and their substitution by high-level officials – worked well at the Leaders' meeting at Prime Ministerial level in Bucharest and is a precedent that the EU would like to see continued.
- For the Silk Road Economic Belt to succeed, it needs to connect efficiently to the EU's Trans-European Transport Network. The EU would like to work with China to achieve this. There also needs to be political stability on the route for it to be sustainable.
- The issue of Ukraine is centre stage for the EU and therefore may well be addressed at the next 16+1 Leaders' Meeting at Prime Ministerial level. China should be encouraged to increase its import of central European agricultural produce after the counter-sanctions imposed by Russia. We need China's good offices to help de-escalate the crisis and assist in persuading Russia to uphold the principle of Ukraine's sovereignty and territorial integrity.

### Remarks by Mr Jožef Kunič, Panelist

It is my pleasure and honor to attend this High-level symposium, hoping you enjoy in this beautiful place of Slovenia. I congratulate the organizers for their excellent work. I would like to thank them for inviting me as the Honorary President of Slovenian Association for International Relations and to give me the opportunity to speak to you.

Some scholars argue that in the coming century there may come again to a state as it was in Europe between 1550 and 1650 when there were the religious wars ... and it is possible that in this century religious antagonisms will have a leading role in civil conflicts. (Black, 2004) Very likely we are entering into a period, an era, when relations among people

are getting increasingly important, an era, we must strive to be an era of exemplary human relations and non-discriminatory relationship among nations. (Kunič, 2012)

At the global level we can notice increasing tensions between civilizations. We should not forget the fact that it is not possible to negotiate on values, but it is possible to negotiate and reach an agreement on interests. (Gilpin, 1990)

Globalisation and the economic and financial crises have prompted a search for new partners and opportunities. As a driving force behind the global economy, China is a key partner of the EU in its efforts to overcome the crisis and identify new markets and investors. CEE countries are an indispensable part of the European market and a bridge connecting Europe and Asia.

Recent recession has led all countries to focus on the need for more cooperation in global trade and financial regulation. Cooperation countries are practicing is based on interests and not on values. "Without adequate resources earmarked for this type of diplomatic activity, any country's effective participation in international exchanges would be seriously jeopardized. The proliferation of formal and informal groups reflects the fragmentation of major country blocks into small constituents, sharing common positions." (Woolcock, Bayne, 2013) One of such constituents is the group of 16 European countries, former communist countries, created with the aim to better cooperate with Peoples Republic of China. The cooperation platform between China and sixteen countries of CEE, also referred to as the 16+1 cooperation format, is a relatively new concept.

In March this year, the Chinese President Xi Jinping paid a historic visit to the EU institutions, where he and European leaders agreed to build four partnerships between the EU and China for peace, growth, reform and progress of civilization. The strategic importance of EU-China cooperation will continue to grow.

According to the statistical data the "old" EU member states account for 90% of China's cooperation with the EU showing the need to promote further cooperation with CEE countries. The cooperation between 16 CEE countries would and should improve the common positions and interests of those countries, at the same time it would ease the Chinese cooperation with these countries. We are aware that practically all the CEE countries have still a lot to do internally because they are still in the period of the transition from the communist to another system. But nevertheless, this fact should not and we hope, will not impede the growing cooperation with China.

The 16+1 initiative particularly aims to stimulate mutual trade and investments, to strengthen connectivity and cooperation on science and technology and to increase sub-national cooperation as well as people-to-people and cultural contacts. The 16+1 informal format helps CEE countries to deepen, diversify and expand cooperation with China. Definitely, the 16+1 format is in the interest of all 16 CEE countries, as well it is in the interest of China. Therefore, they are increasingly seen as a potential growth point in Europe and an important partner of China. Thus, constructive cooperation within the 16+1 format is vital for both the EU and China.

Some politicians think that political relations with China should not be highest priority. In Slovene Association for International Relations we think that political, economic and cultural relations with Peoples Republic of China should remain among the most important foreign priorities of Slovenia.

But the interest of the 16+1 format can go beyond the cooperation between CEE countries and China. It is well known fact that China has many investments in other parts of the world, especially in Africa, where trade activities of CEE countries are relatively weak. The companies of CEE countries could reach those markets through Chinese partners, while Chinese companies could find in CEE countries relatively technologically advanced and reliable partners.

Some scholars argue that the world entered in the new tensions, the Cool war.

This new war is "cool" rather than "cold" for two reasons. On the one hand, it is a little warmer than cold because it seems likely to involve almost constant offensive measures that, while falling short of actual warfare, regularly seek to damage or weaken rivals or gain an edge through violations of sovereignty and penetration of defenses. And on the other, it takes on the other definition of "cool," in that it involves the latest cutting-edge technologies in ways that are changing the paradigm of conflict to a much greater degree than any of those employed during the Cold War." (Rothkopf, 2013) Cooperation through 16+1 format definitely diminishes the new tensions or, if you like, the Cool war. The Cool war is not in the interest of the peoples of CEE countries.

It is worth to mention that CEE countries and China have had similar, i.e. communist experience, which helps all the participants of the 16+1 format to better understand each other and through mutual understanding to better cooperate. We should note that at the present time CEE countries economically cooperate mostly with the "old" EU members. The 16+1 format enhances the cooperation among 16 CEE countries. Enhanced economic relations can only contribute to the economies of all CEE countries.

At last but not least, 16+1 format will help to create better human relations and non-discriminatory relationship among peoples of CEE countries and people of China. We, the members of Slovenian Association for International Relations are convinced that non government organizations, civil society and think tanks can contribute a lot to improve these relations.

## **SESSION 2: SILK ROAD ECONOMIC BELT AND 21ST CENTURY MARITIME SILK ROAD INITIATIVES AND THE OPPORTUNITIES THEY OFFER TO THE 16+1 COOPERATION**

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- Moderator, Mr Mirko Cigler, vice chairman, Association of the Slovenian Peacekeepers, Former Ambassador Representative to the Political and Security Committee (PSC)
- Moderator, Mr. CUI Hongjian, Senior Research fellow of China International Institute for Strategic Society
- Panelist, Mr Marcel Koprol, Head, Service for Strategic Studies and Analyses MFA, Slovenia and Chairman of the Executive Board of Centre for European Perspective-CEP
- Panelist, Mr. GU Yuanyang, Council member and Director of Economic Centre of CFIS

- Panelist, Zoltán Gyarmati, Chairman & CEO, EPS(GZ) Parking System Co., Ltd., People's Republic of China / Hungary
- Panelist, Damjan KrnjevicMiskovic, Senior Fellow, Center for International Relations and Sustainable Development, Serbia.
- Panelist, Liviu Muresan, Executive President, EURISC Foundation, Romania
- Panelist, Dr. Lucia Husenicova, Director, Institute of Asian Studies, Slovakia
- Discussion, Amb. PEI Yuanying, Research fellow of CFIS, former Chinese Ambassador to Poland, India
- Discussion, Dr. CUI Hongjian, Director of the Department for European Studies of China Institute of International Studies (CIIS)
- Discussion, Ms. YU Shuang, Research fellow of China International Institute for Strategic Society

### Remarks by Mr Marcel Koprol, Panelist

We are pleased to host the second Think-Tank 16+1 Seminar in Slovenia and warmly welcome you all. We wish you a pleasant stay and fruitful discussions.

The Seminar is taking place almost simultaneously with the traditional Bled Strategic Forum. More precisely, it is being held in the aftermath of this event.

The Forum is known for its debates and discussions on important international topics, challenges and opportunities. Therefore, I believe Bled is the right place to continue discussions on another important international issue: China's initiative for cooperation with 16 CEE countries.

First, I would like to briefly outline China–Slovenia relations.

Bilateral relations between the two countries are traditionally good, friendly and open. Regarding trade, China is Slovenia's major trading partner in Asia.

In December 1999, the Slovenian Parliament adopted the Declaration on Foreign Policy. In addition to the basic Euro–Atlantic foreign policy orientation and good-neighbourly relations, the Declaration explicitly underlines the importance of relations with non-European countries, emphasising "relations with the People's Republic of China as a permanent member of the UN Security Council".

In line with the new foreign policy strategy, it is expected that the new Declaration, which is in preparation and will soon be submitted to the formal procedure, will again highly prioritise and evaluate Slovenia's relations with China.

Ladies and Gentlemen,

Our panel is devoted to opportunities and initiatives offered by the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road Initiatives.

The history of the Ancient Silk Road is well known. Especially we, Europeans, were fascinated to read the stories of early explorers such as Marco Polo, who described for us the ancient trade and cultural routes between China and Central and Southern Asia, Europe and the Middle East.

From a historical point of view, Slovenia has always been traversed by overland and maritime routes of the traditional Silk Road, which at that time ran mainly along the Sava and Danube rivers.

Slovenia is a participant in both Euro-Atlantic integration and the EU. It is a Central European country, and also a Mediterranean country, part of the Alpine region, the Pannonia-Danube region, as well as a close neighbour of the Western Balkans. Slovenia is also a member of various regional cooperation structures such as the EU Danube Macro-Region, which facilitates the use of EU financial resources for common projects. We hope to obtain the same status for the Adriatic and Ionian region. This multi-regional outlook is also characteristic of the 16+1 cooperation.

Slovenia regards the opportunities and initiatives for cooperation offered by the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road initiatives as useful tools and steps in the right direction for regional and trans-regional cooperation, and as a tool to intensify cooperation between China and CEE countries.

For Slovenia, this brings the potential to participate in both dimensions of the initiative: the land (Silk Road Economic Belt) and the maritime (Maritime Silk Road) dimensions.

The Bucharest guidelines adopted at the November 2013 China-CEEC Summit underlined the importance of large-scale investment and trade, enhanced cooperation in science and technology, the exchange of people and infrastructure investments. The document also declares 2014 as the year of investment and promotion of entrepreneurship between China and CEEC.

Promoting investments is important, as China–Europe trade and investment cooperation still largely gravitate towards Western Europe. China accounts for only about 5 per cent of all the exports of CEEC countries, while Chinese imports from CEEC amount to only about 12 per cent of all Chinese imports from the EU.

Slovenia's current investments in China are about EUR 20 million, mainly in the Shanghai region.

The 16+1 initiative is also expected to raise opportunities and potential for the future, thus paving the way for investments in western China, such as Lanzhou. Chinese investments in Slovenia are currently rather modest, so the Silk Road could become an important engine to foster investment.

Opportunities remain for the development of the Port of Koper, including adequate railway, highway and air connections. There are also opportunities in technological and energy cooperation, food supply, and tourism.

We are pleased to see that some results are already showing. The China High Tech Group Corporation (CHTC) is a major owner of TAM Durabus in Maribor. It is expected that

the project of assembling electric buses with inductive charging will start in the middle of 2016 and employ about 130 people.

Negotiations are also underway with the Shihlien Apex Huaian Technology Company about a factory assembling of industrial batteries, also in Maribor.

A blueprint for a mixed Slovenian–Chinese enterprise for highly capable and advanced computer systems between the Slovenian company Arctur and the Chinese enterprise Inspur is also on the table.

Ladies and Gentlemen,

By way of conclusion, allow me to stress that, for those CEE countries which are members of the EU, China also represents strategic partnership with the Union. Therefore, we believe that the 16+1 initiative has the potential to strengthen, deepen and expand not only opportunities for regional cooperation and cooperation between CEE countries and China, but also between China and the EU as a whole.

### **SESSION 3: ECONOMIC COOPERATION AMONG THE 16+1 COUNTRIES - STRATEGIC ORIENTATIONS**

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- Moderator, Mr Brane Krajnik, CEO The Slovenia Times
- Moderator, Amb. SHEN Guofang, First Vice Chairman of CFIS, former Chinese Deputy Representative to the United Nations
- Panelist, Dr Danica Purg, President, IEDC Business Scholl, Slovenia
- Panelist, Mr. ZHANG Chongqing, Executive Vice President of China Group Companies Association
- Panelist, Ágnes Szunomár PhD, research fellow, head of Research Group on Development Economics, Centre for Economic and Regional Studies of the Hungarian Academy of Sciences, Institute of World Economics
- Panelist, Radoslav Jankovic, Ministry of Foreign Affairs, Serbia
- Panelist, Vilem Semerak, Researcher, CERGE-EI, Czech Republic
- Panelist, Alice Rezkova, Senior Research Fellow, Association for International Affairs, Czech Republic
- Panelist, Sergejs Potapkins, Member of Parliament, Deputy Chairman of the Foreign Affairs Committee, Parliament of Latvia
- Panelist, Zvone Dragan, Ambassador, Advisor to ADG, ICPE, Slovenia
- Discussion, Matevž Raškovič, Assistant professor/Confucius Institute Ljubljana board member, University of Ljubljana, Faculty of Economics/Confucius Institute Ljubljana, Slovenia
- Discussion, Amb. ZHU Zushou, Research fellow of CFIS, former Chinese Ambassador to Netherlands, Hungary

- Discussion, Ms. FANG Xiao, Deputy Director of Centre for European Studies of Shanghai Institutes for International Studies
- Discussion, Mr ZHAO Yong, vice Director, China Huaneng Group Techno-Economics Research Institute

## Conclusions by Mr Brane Krajnik, Slovene Moderator

Following the opening remarks from the moderators, Ambassador Zhang Chongqing put forward five basic proposals for the strategic direction of the economic cooperation among the so-called '16 +1 countries' (CEE and China).

The proposals include a call to promote and facilitate trade investment among CEE and China. China is a vast consumption market, modernising rapidly and developing economically, which can be of benefit to the CEE countries. China will support highway, ports, railway, communication and other infrastructure projects. US\$5 billion has already been invested in CEE by Chinese companies. The goal should be to double the volume of trade in the future. The participating countries should cherish, deepen and strengthen the mechanisms of cooperation, also through information exchange.

There are enormous opportunities for small and medium size enterprises (SMEs) from CEE to increase their exports to China. Modern technology reduces distance and cost and enables SMEs to expand their businesses. Services including e-commerce and e-payment should be developed further, improving competitiveness and reducing cost. Competitive companies should be encouraged to export to China and leverage the booming market. Additionally, products should be well marketed and relevant companies should take shares in the CEE companies.

A good example is the Chinese investment in the Slovenian automobile industry, which is a way to expand the market for their products and to access the Chinese market. But, there are numerous unexploited and possible new developments for the future. Mutually beneficial cooperation can come from good foundations for development in CEE countries and significant potential in sectors such as industrial robotics, civil aviation, the automobile industry etc. Demand for these products in China will rise in the future and regardless of the strength of production in China, there are huge gains also for foreign companies. For example, the forecast that civil aviation will grow 20-times.

The leading force for this kind of mutual cooperation should be innovation. This is the way to also address other concerns such as environmental sustainability and to strengthen international competitiveness. What's more, no matter how big a country is, it can be a champion in innovation. So, CEE countries and China have a lot in common and should promote the next level of industrialisation and informatisation. Support from local and international financial institutions should also be pursued. These are crucial steps in making complementary, win-win economic cooperation more effective and should not be underestimated.

But what are the factors that can make the CEE countries more attractive for Chinese FDI?

The share of Chinese outward FDI in 2012, for the whole of Europe, is estimated at only around seven percent. Of this seven percent, only a small share (about 15 percent) is

invested in the so called EU12 countries (mainly CEE countries), while the bulk of FDI went to the most developed 'western' EU15 countries (Source: MOFCOM and BBVA Research).

A good example of relatively effective attraction for Chinese FDI is Hungary. When compared to some other countries from CEE, Hungary has several crucial macroeconomic factors that make it a relatively good host country for Chinese FDI. However, improvements in attracting more and different types of FDI should be made. Not only factors such as the relatively low cost of labour, market size and investment incentives should also be considered. Political, strategic and institutional factors such as EU membership, institutional stability, EU Free Trade Agreements, the fact that Chinese subsidiaries in the EU are eligible for participation in public procurement, EU product safety standards and certificates, good political relations with China, incentives for Chinese investors (e.g. residence visa in Hungary), Chinese diaspora, privatisation etc., all play a significant role in the successful Chinese investments in CEE.

It can be said that the current state of economic and trade cooperation is an improvement from the year 2000 and the potential for the future is promising. As a large part of the world recovers from the credit crisis of recent years, this is an excellent opportunity to satisfy the needs of all included. The future strategic direction should be built on complementarity and mutual respect. There are good practices in logistics and infrastructure, where China's experience is vast. On the other hand, CEE countries have abundant tourism resources and can benefit greatly from good access through great infrastructure. Obviously, CEE countries have an excellent geographical location to serve as a bridge and entrance hub for Chinese companies to access Western Europe. It should be stressed that successful 16+1 cooperation is in no way in contradiction to EU-China cooperation, but is beneficial and integrative. For example Serbia, an EU membership candidate, traditionally served as a bridge between the East and the West and with its longstanding amicable relations with China, can further tighten these beneficial multilateral relations.

In China, development has been uneven. As a result there are poorly developed areas in western China where every investment is appreciated and rewarded. A consensus should be reached that the guiding principle of 16+1 cooperation should be win-win cooperation, mutual respect and benefit, including two-way investments. Regular annual meetings, exhibitions and fairs will deepen such relations. A platform for SMEs from CEE and China should be established. The role of international organisations such as ICPE to promote international cooperation (both among its member states as well as outside the membership scheme) and to outline new possible areas, in which cooperation between the parties could be enhanced, should be leveraged. Nevertheless, economic and trade cooperation can serve as the basis for other types of cooperation. People to people exchange, cultural appreciation, understanding and education will strengthen in the long term.

In pursuing such fruitful relations, the research and methodology of the so called hidden champions, conducted by the Central and East European Management Development Association (CEEMAN) and IEDC-Bled School of Management can be of great use. The conclusions of the research were first presented in Vienna and attracted a lot of attention. The hidden champions are often SMEs with a low level of public awareness, but highly advanced innovators and leaders in their respective fields internationally. They are often resistant to recession, transnational, niche businesses. The main question should be, how such companies are operating and what advice would they give for policy formation. This

data should also be used to establish the capabilities of cooperating parties so that successful cooperation can thrive.

The representative of China Huaneng Group Techno-Economics Research Institute, the largest in the world in its power generation capacity, emphasised that energy cooperation is central to CEE-China relations. From this perspective, imbalanced global energy distribution should be addressed. At the same time, growing demand for energy is a huge opportunity for China and the CEE economies. Advanced knowledge and technology, professionalism, understanding of specific needs and future trends should lead to clean and sustainable energy. Technology and knowledge should be transmitted transnationally and new tools should be developed and commercialised for this goal. What's more, implementation should reach concrete companies. Without this, there is no implementation. Coordinated action from think-tanks, companies and political institutions is required to achieve common goals.

The question is whether 16+1 can become such a platform for science and technology cooperation with innovation crucial as the *raison d'être* of this high-level symposium. While everybody can agree that the initiative should be implemented in solid companies, governmental activities can serve as a trigger for advancing innovative economic and trade relations. But, while there are some institutions and initiatives, there is no system to it. Often the missing ingredient in the process is the will and passion to pursue these goals to the end.

China is the fastest growing economy in the world and to make the cooperation more beneficial, the right kind of questions should be addressed. While there are many myths about trading with China, when looking at the economic theory our cooperation is already successful. So, the question is how to benefit from it more. Looking at the statistics, emphasising the role of government diplomacy and stressing over the trade deficit is only one part of the story. There are often huge discrepancies between myths, statistics and reality (e. g. problems with proper accounting for international production chains and trade in intermediates). At the same time, according to the economic theory, there is no need for a country to have bilateral surpluses or balanced trade with every single partner. In reality, some of the countries have aggregate surpluses and the remaining ones have deficits well below critical levels. We should also curb our enthusiasm when demanding government support for specific economic projects. Rather, we should focus on basic research support, education system adaptation, infrastructure development, fight against corruption and a stable trading environment with the help of international organisations such as the IMF, WTO and WB.

We should also follow the next industrial revolution by replacing mass consumption with individualised services. We can lead the trend by leveraging highly educated and trained human resources. The first step should be to keep the momentum of the 16+1, prepare guidelines for the strategic direction and execution and prepare an action plan. Progress has been made and there is financial support available for studies, research and action. New methodologies should also be advanced, which could take us beyond this forum, to include other actors and regions.

To put it another way, the main issues in CEE-China relations include interconnection, reform and adjustment and peaceful development. On the downside, numerous actors and levels of communication, discrepancies in definitions (e. g. SMEs in China and in the CEE countries have very different scales), regional conflict escalations etc., all make these

relations challenging. What is more, there is no clear idea about what we want to do and how to do it concretely. China and CEE countries face several similar issues. For example, all are innovation followers and have a rapidly aging population. Putting young people to the forefront seems to be a common solution to these challenges. Passion and creativity are traits of the young and a prerequisite for innovation. To achieve this, an exhaustive reform of the education system is inevitable. A hands-on approach to teaching entrepreneurship, which focuses on real-life experience, should be central. Students should participate actively in events like this symposium, open their own companies, have more internships available, mobility and foreign language mastering should be encouraged. This way, the so called bright future of the young will be more than just naïve wishful thinking.

In conclusion, all participants agreed that more concrete mechanisms should be developed and realised to move from words to implementation of the common goal of respectful, mutually beneficial economic and trade cooperation at the company level. Still, the first step in achieving this goal is more dialogue, exchange of ideas and knowledge, methodology and technology transmittance, establishment of additional fields of cooperation according to strengths and weaknesses (complementarity). The momentum of the symposium should be preserved and strengthened by making the events annual and expand them with specialised and in-depth sessions, where more time will be available for the dialogue to develop. Additional actors such as Chambers of Commerce should participate and concrete models of cooperation should be developed. A document, stating clearly the issues, themes, ideas, proposals, guidelines and an action plan should be negotiated and signed.

But at the same time, we should not congratulate ourselves too much at such events. There are already many good practices to learn from (fairs, exhibitions, investments in agriculture, infrastructure, energy, construction, automobile industry etc.) but there are even more ignored, undiscovered and unleveraged opportunities. Institutional reforms, coordinated actions between think-tanks, governments, international organisations and other parties, and crushing the myths about the difficult state of trade between the EU, CEE countries and China, should contribute to taking the pressure off the cooperation and bring innovation to the forefront. Young cadres, coming from reformed and adapted educational systems and learning from already successful companies, the so called hidden champions, should lead the way and bring the often missing passion and will to bring concrete projects and seemingly self-contradictory ideas such as sustainable development to their realisation..

### Remarks by Dr Danica Purg, Panelist

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For me it is clear that there are numerous opportunities of cooperation among the 16+1 countries.

As it is mentioned in the documents in areas of scientific and technological innovations, new energy, environmental protection, resource development, agriculture, etc., and also in infrastructure (railways, harbors, logistic centers, etc.) CEEC's are not the countries with a large number of big multinationals. But, surprisingly CEEC's are countries with a large number of small and medium sized firms, operating national, regional and global, being technically and scientifically innovative and advanced.

The book on »Hidden Champions in CEE and Turkey« published by Springer-Verlag in Germany in 2013 shows, that just these companies are active in the previously mentioned fields and will shape the economics of the CEECs in the future and are excellent partners for cooperation.

## Remarks by Mr Zvone Dragan, Panelist

The International Center for Promotion of Enterprises (ICPE) is an intergovernmental organization, headquartered in Ljubljana, established in 1974 with the strong support of the UN. ICPE's main directions of work are: research, training/education (including postgraduate studies), development of the public sector in developing countries, technology transfer, development of small and medium-sized enterprises and public-private partnership.

In 2014 ICPE marked its 40th anniversary. When it was founded ICPE had 45 member states whereas after the break-up of the SFR Yugoslavia some members withdrew their membership from ICPE so the Center counts today 18 member states. Besides Slovenia, Albania, Bosnia and Herzegovina and Macedonia are also our member states in Europe while the rest are from Asia, Africa and Latin America.

Twenty-five years ago ICPE started conducting a Master's Program in Business Administration (MBA) in partnership with the University of Ljubljana, Faculty of Economics. The program holds two international accreditations, EQUIS (European) and AACSB (American), and 650 students from 45 countries have successfully concluded their studies so far. Students come from ICPE member states and many countries that are not ICPE member states including China.

ICPE can represent a useful form of connection between its member states from South-Eastern Europe and People's Republic of China, particularly since this year ICPE will open its Regional Office in Sarajevo (Bosnia and Herzegovina) that will coordinate common projects not only in our member states, but also in the so-called partner countries from South-Eastern Europe and the Mediterranean region.

A palpable step forward was made last year during the visit of the high-level delegation from the China Europe Association for Technical Cooperation (CEATEC) when ICPE signed a Memorandum of Understanding stipulating the main fields of the ICPE-CEATEC future cooperation which are: public sector development, sustainable development, education (including MBA), cooperation in the projects developed by international organizations like for instance UNIDO, organizing seminars, conferences and workshops.

During the last few years ICPE has strengthened its cooperation with many international organizations, like UNIDO, UNCTAD, OFID (the OPEC Fund for International Development), and implemented several common projects.

Follow-up activities of the 2nd High Level Symposium of Think Tanks of the Republic of China and Central and Eastern European Countries:

- the selection and promotion of different models of successful practices of cooperation between the Central and Eastern European countries and China including those of institutions active in the field of economy and academic institutions;

- attracting chambers of commerce, banks, governmental agencies and companies, especially state-owned companies, in the future activities of the Think Tanks of the Republic of China and Central and Eastern European countries;
- the formation of a regular coordinating body of the representatives of the 16+1 countries to systematically shape and implement the activities for the organization of the future meetings by taking into account the various fields of focus during each meeting.

### Remarks by Mrs Ágnes Szunomár, Panelist

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(Summary) With rapidly growing outward foreign direct investment (FDI) Chinese firms increasingly target Central and Eastern European countries (CEECs). Chinese investments in CEECs are still considerably small when compared to the investments in the EU-15, but gained momentum in the recent years. Analyzing macroeconomic and institutional determinants of Chinese OFDI in CEECs, we can see that (a) CEECs' joining the EU had resulted in significant increase of Chinese inward FDI; (b) political relations between CEECs and China and the presence of Chinese Diaspora have positive impact on Chinese FDI inflows into the region.

### Remarks by Zhu Zushou, Panelist

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With regard to the China-CEEC cooperation in the economic and trade field, we have witnessed, in the recent years, rapid development, expanded areas and notable achievements. This relationship is now at a new starting point.

As to future development orientation, because of the fact that each side has a lot of its own advantages, I believe that both sides should try their utmost to bring into full play their advantages and be mutually complementary in real earnest. Infrastructure construction should continue to be the main area for increasing investment and deepening cooperation.

Meanwhile, expanding exploration and cooperation in the logistics field can be another focus area for cooperation.

Both sides should make joint efforts, constantly explore and find new areas for cooperation, tap potentials of cooperation, enrich connotations of cooperation, keep upgrading levels of cooperation, sustainedly promote cooperation to all-dimensional, multi-tiered and wide-ranging areas.

CEEC should continue to play well its important role as the bridgehead for the development of relations between China and EU

I made three proposals:

Firstly, further strengthen exchanges to extend social consensus and social foundation of the China-CEEC cooperation. Economic ministers meeting, like the one held in Ningbo in China in June this year, should be held annually. Events such as the CEEC Special Products Exhibition held also in Ningbo in June, and other forms of contacts, mutual visits, can be held more often.

Secondly, establish platform for cooperation between small and medium-size enterprises of both sides, as the two sides attach great importance to the development of SMES.

Thirdly, set, at an early date through consultations, "equality and mutual respect, two-way investment, be mutually complementary in each others' advantages, mutual benefit and win-win results, common development" as the guiding principles that both sides should follow in the cooperation.

### Remarks by Mr Matevž Raškovič, Panelist

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China and Central and Eastern Europe (CEE) countries face several similar challenges, despite geographic distance and cross-cultural differences. They are both societies in socio-economic transition, both innovation followers in the global market place, and both increasingly facing an aging population structure, which can threaten their competitiveness and wellbeing. I believe these three common issues call on us to make more out of the China-CEE (16+1) pragmatic initiative, than simply being another initiative between the broader China-EU set of dialogues, and individual bilateral relationships between China and specific countries. My understanding of the round table at the Bled China-CEE think tank symposium on 16+1 economic cooperation is focused on the question of the *strategic orientation* of this relationship. In defining it, I believe we need to understand and find answers to three underlying questions: What do we want to do? How will we do this? Who will do this?

In terms of what to do, I do not believe that CEE countries have a clear agenda for what they really want under the 16+1 economic cooperation. Currently, China-CEE trade represents only 10% of China-EU trade. I fear the goal of CEE countries is simply to increase this share to 15%, or maybe 20%. I think this is not the right strategic approach, and we need a clearer vision of this relationship from the CEE side. Simply wanting to get noticed through yet more dialogues and initiatives is not enough. CEE should not become just "another" player, but a different kind of player.

In terms of how to do it, I believe CEE countries need to work closer together as a network, be more proactive, more imaginative, creative and more innovative. For example, due to its historical context and transition experience, CEE countries have the opportunity to offer something different to China, than simply market access to Western Europe, distribution links, highly-skilled workforce and investment bargains. We can offer dynamism in the new part of Europe, flexibility, different historical and institutional experience, untapped potential for economic growth and innovation, as well as the entry point for the New Silk Road infrastructure and energy initiative from China to Western Europe.

This brings me to the third question: Who will do it? I firmly believe that the young generation needs to be more closely involved in the China-CEE relationship as a key stakeholder, since these will be our business and political leaders of tomorrow. The underlying theme of this year's Bled strategic forum was *trust*. As a professor, I work with young people every day. I can tell you that the future for young people has never looked so uncertain, as it does today, after the 2008 global economic crisis and the imminent challenges of global sustainability. In this regard, I call on all of us present here to find ways

to involve more the young generation in shaping the future of the China-CEE relations. In trying to be practical, I would like to sketch out the following five suggestions:

- More funding and mobility opportunities for student exchange from both directions;
- Re-designing teaching of Doing business with China courses in CEE to be more entrepreneurially oriented – by helping universities to set-up actual companies, where students could learn how to “really” do business with the Chinese, and vice versa;
- Strengthening and funding applicative and problem-oriented academic and research collaboration;
- Designing new kinds of interdisciplinary joint programs between China and CEE universities, which would link the study of languages, history, culture, business, and the natural sciences;
- Providing support for more internship opportunities to Chinese students in CEE, and vice versa.

We might believe that the future looks bright, but I would like to conclude with a simple, yet powerful thought: *“In only two days, tomorrow will already be yesterday!”* Let’s not wait, but do!

### Remarks by Mr Zhao Yong, Panelist

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Cooperation in energy field is a very important component of, economic cooperation under 16+1 framework, where energy companies should take responsibilities;

Ongoing growth in energy and electricity demand in Central and Eastern Europe means remarkable potential for energy companies of 16+1 countries;

Electricity generation technologies and corresponding equipment manufacture of China, which can be applied widely at lower cost, could be employed in CEE countries;

With technological advantages with respect to IGCC, CCS, ultra-supercritical generation, large-scale hydropower, China Huaneng Group would like to make contributions to green and sustainable development in 16+1 countries, as well as in other areas of the world;

In order to activate energy cooperation at enterprise level, a solid foundation for international economic and trade communication, dialogue among think tanks of enterprises should be furthered and deepened.

## SESSION 4: CULTURAL AND PEOPLE-TO-PEOPLE EXCHANGES – THE ROLE OF MEDIA

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- Moderator, Amb. Bojan Grobovšek, President Slovenian association for international relations, Former *Ambassador* of the Republic of Slovenia to the Republic of Poland, to *Switzerland*

- Moderator, Amb. TANG Guoqiang, Director of European Centre of CFIS, former Chinese Ambassador to Czech Republic, Norway
- Panelist, Mrs Danijela Voljč, Director of CIL, University of Ljubljana, Slovenia
- Panelist, Mr. KONG Tianping, Research fellow of the Institute of European Studies of Chinese Academy of Social Sciences
- Panelist, H.E. Mr. Stjepan Mesić, Former President of the Republic of Croatia
- Panelist, Mrs Meta Lokar, lector of Slovene language in Beijing, School of European Languages and Cultures, Beijing Foreign Studies University
- Discussion, Ms. LONG Jing, Deputy Director of Centre for European Studies of Shanghai Institutes for International Studies
- Panelist, Benjamin Lukman, Foreign Ambassador, chairman of Slovene - China Friendship Association, Slovenia
- Discussion, Ms. LIU Xiaojing, Deputy Director of the External Academic Exchange Center of Chongqing Academy of Social Sciences
- Panelist, Tilen Majnardi, M. Sc., Editor-in-Chief, The Slovenia Times, Slovenia

### Remarks by Mr Benjamin Lukman, Panelist

I'm honoured and pleased to be invited to this important Symposium 16 + 1 Think Tanks on behalf of the **Slovene-Chinese friendship Association**. I am fully aware, that this Event will contribute positively to enhancing and strengthening the cooperation between our countries in all fields of common interest.

We as Members of the Association have been since long confident of the importance of the network of the **Friendship Associations between China and Foreign Countries** aiming at strengthening the cooperation in various fields of culture, economy, education and science where expansion of people- to- people contacts and intercultural dialog – the main point of Panel IV – has taken a prominent place.

The Slovene-China Friendship Association has been established in 2006 with a goal to contribute to the development of friendly relations and fruitful cooperation among our two countries, China and Slovenia, based on mutual understanding, respect and confidence.

SCFA understands its role as a natural point and suitable Think Tank and influential mechanism for upgrading our knowledge of each other and mutual understanding of existent cultural differences between our countries.

Association is at the same time a certain source of positive energy, trying to break stereotypes and prejudices in our audience coming from non-sufficient understanding of each other.

We see the role of Media in cultural and People-to-People Exchanges in offering and ensuring a suitable channel for changing wrong perceptions and imaginations in our cultures mainly originated from the lack of knowledge and insufficient information on each side.

Members of SCFA are coming from academic institutions, business companies, universities and local communities and are fully motivated for strengthening friendship and closer ties with China.

As a non-governmental, non-profit organisation our Association is organising or participates at events like:

- round tables,
- exchange of students, professors and researchers,
- receiving delegations from China,
- publishing a quarterly bulletin and providing information services,
- cultural events,
- contacts with media etc.

Important part of the activities of SCFA is oriented to the exchange of information between potential economic partners from both countries through establishing twinning relations on the level of municipalities and local communities and provinces on Slovenian and China side.

At this time we are happy to have at least 5 examples of this kind of cooperation/ among municipalities of Ljubljana-Chengdou, Gornja Radgona –Henan, Novo Mesto -Yixing, Koper-Jiujiang in Nova Gorica – Tongling.

Let me stress also that our Association SCFA coordinates its activities in cooperation with other institutions in Slovenia as the Confucian Institute at the Faculty of Economic in Ljubljana. Warm thanks are going to its Director Daniela Voljč, The Department of Sinology at the Faculty of Arts of the University of Ljubljana and its Exchange Scholarship Programme.

Let me, in conclusion extend my personal thanks to the Embassy of the Republic of China in Ljubljana and particularly to His Excellency Ambassador Xianyi for his overall support to our Association. Very much the same goes also to the MFA and its Directorate for Economic Diplomacy.

## Remarks by Mr Kong Tianping, Panelist

In modern society, the media plays an important role. Journalists are called the uncrowned kings or the fourth estate. Media is a provider of information and ideas. Media is the medium of communication between the government and the public. Media is an important platform for promoting foreign relations, the media diplomacy is an important part of public diplomacy. Developments of digital technology and the dissemination of information via the internet pose new challenges for traditional media, traditional media has to make a profound transformation in order to adapt to the changing news consumption habits of the audience, as more and more people like to read the news by e-readers, smartphones and other electronic devices.

Before the first world war, diplomats talk about issues of common concern prudently, reach agreement calmly, draft diplomatic documents. It's called old-fashioned diplomacy. United Kingdom Foreign Secretary Lord Palmerston was told when the invention of the telegraph, his first reaction was that this was the end of diplomacy. He saw that the fast

communication threatened the old personal diplomacy. In fact, there is no end of the diplomacy as the diplomacy goes with the tide of times. Today's new diplomacy is public diplomacy. Media's role in public diplomacy was gaining more attention, as media has changed the way in which traditional diplomacy works. Poland's Ambassador to China H. E. Chomski Tadeusz Chomicki opened a microblog in Sina, made interaction with Chinese netizens through internet. National tourism authority from Hungary, Czech Republic, Serbia and Bulgaria opened microblogs to promote tourism, brief the Chinese netizens tourism resources in these countries. Poland's embassy and Commercial Section of Bulgarian Embassy opened official microblog in Sina. The Department of European Affairs in China's Ministry of Foreign Affairs opened an official microblog named China-Europe Courier to provide information about China-Europe relations for the public.

### ***The Current Situation of Media Exchanges between China and CEEC***

Media exchanges between China and Central and Eastern Europe countries is an important part of people-to-people exchanges between China and CEEC. It should be admitted that media exchanges between China and CEEC have been strengthened, contacts of the news media have been expanded. At the invitation of the Secretariat for Cooperation between China and CEEC, a delegation of 46 journalists from CEEC paid a visit to China in April. The visit enhanced the understanding of journalists from CEEC over contemporary China, it gave them a chance to make their own observation upon changing China in different perspectives.

Concerning to the China's media coverage over CEEC and CEEC's media coverage over China, asymmetry does exist between China and CEEC. China's Xinhua News Agency has branches in Prague, Budapest, Warsaw, Bratislava, Ljubljana, Belgrade, Zagreb, Sarajevo, Tirana, Bucharest, Sofia, Tallinn, Riga and Vilnius, has correspondents in 14 Central and Eastern European countries. Xinhua News Agency covers all Central and Eastern European countries. In addition, a few newspapers send correspondents in some CEEC. State media's lack of attention to China and Eastern Europe. According to the information provided by the Information Department of China's MFA, among CEEC, 5 media organizations from Czech Republic, Hungary, Poland, Slovenia and Serbia operate in Beijing, the total number of the correspondence is less than 10 people. According to the introduction of the Polish Press Agency's website, PAP is active in Berlin, Brussels, Kiev, London, Madrid, Moscow, New York, Paris, Rome, Sofia, Stockholm, Vilnius and Washington, no correspondents in Beijing. Poland has one correspondent from Polish Radio to work in Beijing. Most of the news about CEEC in China come from Chinese correspondences working in CEEC. However, the news about China in CEEC mainly come from the Western media and other sources, coverage from local media is very limited and almost negligible.

It should be noted that media has already done a lot to promote mutual understanding between China and Central and Eastern European countries. However, both Chinese media and the Central and Eastern European media have understanding bias over the other side. Sometimes the media in China still use Eastern Europe which has geopolitical denotation in the cold war era to describe CEEC, some journalists lack knowledge of international relations, don't realize the fundamental changes in CEEC. Therefore some reports don't objectively reflect the realities of CEEC. Media coverage of China in some Central and Eastern European countries could not avoid deviation and bias because of

limited sources. General speaking, China's economic development was received positively while political development was perceived negatively. China's culture was rarely covered. The drawback of media coverage leads to public misunderstanding.

### ***Giving Full Play to the Role of the Media in Promoting Bilateral Relations***

Media could play an important role in promoting people-to-people exchanges between China and Central and East European countries. Media provides audience with relatively objective information, promotes bilateral understanding; Media can nurture bilateral friendship and public support and create friendly and cooperative environment; media's objective coverage can bridge the gap of perception and awareness among people between China and CEEC, increase understanding between peoples.

Since 2011, the relationship between China and Central East European countries has entered a new historical period. The framework of cooperation between China and CEEC was put in place in 2012. Improvement of the relations between China and Central and East European countries has created favorable conditions for the media cooperation, long-lasting development of relations between China and Central and East European countries also depends on the full play of the role of the media.

To give full play to the role of media in promoting relations between China and Central and East European countries, the following measures can be taken.

1. High-level forums or different seminars can be held between media executives in order to create platform for media cooperation.
2. Governments in China and CEEC should encourage the media to send correspondents to each other's country, increase the coverage of the other country to give comprehensive and objective coverage of the other country's political, economic, social, and foreign relations. Relevant government institutions in China and CEEC shall provide favorable conditions to facilitate the activities of interview for correspondents working in other country.
3. Cooperation and communication among news agencies, radio stations, newspapers and other media between China and Central and East European countries should be strengthened. information exchange and experience sharing between medias should be encouraged.
4. Interaction between the media and think tanks should be enhanced in order to improve the professionalism of journalists and create conditions for comprehensive and in-depth understanding of other country.

Although China and Central and Eastern European countries differ in social systems and paths of development, but in the area of the economic reforms, economic development and national rejuvenation, we face similar challenges. China's pragmatic cooperation with CEEC is an important part of China-EU relations, it should become a new driving engine of China-EU cooperation. In promoting cooperation China and Central and East European countries, the role of the media is essential. In promoting sustainable development of relations between China and Central and East European countries, media is duty-bound. News media in China and Central and East European countries should not only serve as a

bridge to promote bilateral relations but also as the link of mutual understanding between people.

## **MULTIMEDIA**

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**Short video report**, as a contribution of our INVESTO.TV team:

<https://www.youtube.com/watch?v=7zy6AETur4M>

**Photo Gallery:** <http://picasaweb.google.com/iedc.info/SymposiumChinaAndCEE#>