

**Speech by Mr Andrej Plenković,**

**Prime Minister of Croatia**

Dubrovnik, 12 April 2019

**Opening of the 9<sup>th</sup> Business Forum of Central and  
Eastern European Countries & China**

Dear Premier Li,

Esteemed colleagues and Prime Ministers from Central  
and Eastern European Countries,

Distinguished Ministers,

Ladies and gentlemen, dear friends,

- It is a great honour and pleasure to welcome to Croatia such a respectable number of political leaders, business people, companies, institutions and media.

- On this occasion, I am honored to have the opportunity of opening the 9<sup>th</sup> Business Forum of Central and Eastern European Countries and China together with my counterpart, Mr Li Keqiang, the Premier of the State Council of China.
- I am especially happy that this gathering is taking place in Dubrovnik, the Pearl of the Adriatic and a UNESCO World Heritage city.
- From the 14th to the 19th century, the flourishing Republic of Dubrovnik was a leader in global trade, developing links between East and West with its imposing merchant fleet that was, at the time, the third largest in the world.
- Nearby Dubrovnik is the Island of Korčula, known also as the birthplace of the legendary Venetian merchant, Marco Polo, one of the world's most famous explorers and travellers.

- He spent a significant part of his life in China seven centuries ago, and was amongst the first Europeans to travel along the Silk Road.
- To this day, he remains a universal icon and symbolizes the development of mutual understanding and relations between Europe and China.
- It is precisely building on his footsteps that today our meeting continues to promote business and investment relations between the countries of Central and Eastern Europe and China.
- We are doing it under the motto: „*Building new bridges through openness, innovation and partnership*“.
- It is in the innovation field, as you have just seen, in particular that Croatia excels.

- A comparably small country in size and population, but big in human potential and appetite for innovations, Croatia is the cradle of some universally known and daily used inventions.
- To mention just a few: the first man to jump with a parachute was a Croatian, more than 400 years ago.
- Croatia was also the first European country to have a hydroelectric power plant before the end of the 19<sup>th</sup> century.
- Today, the world's fastest electric car and the best electric bicycle are built, as you have just seen, by *Rimac Automobili*, right here in Croatia.
- In addition to that, thanks to the IT-solutions developed by the Croatian company *Infobip*, 4 billion people can communicate via Viber or Facebook Messenger every day.

- Finally, the necktie: a fashionable innovation introduced by Croatian cavalrymen almost four hundred years ago, that since evolved in an indispensable piece of business attire standard worldwide. This all can remind you every morning that there is no serious business without having a short reminiscences to our country.
- Our aspiration to excellence is being recognized in sports as well, where we regularly punch way above our weight in many disciplines.
- To sum up, such achievements and innovative new products are just a part of Croatian contribution to global competition and innovation.

Ladies and gentlemen,

- Today China is a top trading partner to all other leading economies in the world.

- China is the second largest market for the European Union exports and it is ranked first in EU imports.
- Every day over one billion euros are exchanged between the EU and China.
- The value of European exports to China grew five times in the last fifteen years, while the imports from China increased four-fold.
- This exchange had a significant impact on the economic expansion on both sides.
- The countries represented here today have also significantly increased their exchange with China, and this, in spite of the negative impact of the global crisis.
- The total value of the exports of our 16 countries to China has increased by approximately five times in the last decade.

- This is why the share of our exports, within China's total imports, has more than doubled in the past ten years.
- Imports from China to our 16 countries at the same time increased about 2.3 times.
- Nevertheless, we have to bear in mind the major difference in the size of our economies.
- Chinese economy is approximately eight times larger than the total economy of all sixteen Central and Eastern European Countries participating in this Business Forum.
- It should also be welcomed that, since recently, and especially since the referential Shanghai Import Expo which took place in November, China no longer puts emphasis solely on its exports, but is also increasingly turning towards imports of goods and services from abroad.

- Considering the rising domestic demand in China and the size and sophistication of its market, this represents a great opportunity for all of our countries and businesses.
- Not to forget the context of the 4<sup>th</sup> industrial revolution, based on the digitization of the economy and the Artificial Intelligence, which is gaining importance in the economic development.
- The World Trade Organization stated recently that Artificial Intelligence and Internet of Things could add up to a 34 percentage points to trade growth by 2030 thanks to costs being streamlined and increased productivity.
- This could be especially beneficial for micro, small and medium-sized enterprises as long as they have the ability to keep up with the adoption of new digital technologies.

- Here our close cooperation could help us to speed up the progress and narrow the gap we have with the most advanced societies, according to the International Digital Economy and Society Index.

Excellencies, Ladies and gentlemen,

- Croatia, as one of the TOP-25 tourist destinations in the world, visited by nearly 20 million tourists last year, sees a significant potential in Chinese market.
- As an illustration, while 100 thousand Chinese visited Croatia in 2016, this number increased to almost 250 thousand by 2018.
- We project about 350 thousand visitors this year.
- If we add to this number the tourists from the other 15 participating countries, all of them together account for almost 30% of the total number of tourist arrivals in our country.

- However, additional boost to our tourism and overall economic development will be given by the largest infrastructure project currently under way in Croatia – the Pelješac Bridge near Dubrovnik, which's construction site premier Li and myself visited yesterday.
- We hardly can talk about connectivity and infrastructure without mentioning this unique symbol of Croatian, European Union, but also Chinese cooperation.
- This project, worth 420 million euros, co-financed by national and EU funds, is crucial for physically connecting two parts of Croatia, which are now divided by the territory of our neighbour Bosnia and Herzegovina
- In the last 25 years Croatia invested significant means in modernising its road and airport infrastructure.

- We have built 1,300 km of modern highways, integrated in the Trans-European networks, and significantly upgraded our major international airports.
- Our goal now is to modernise also our two largest seaports, as well as our rail network, for which we have planned to invest 3 billion euros by 2030.
- Thanks to its geographical location, my country is well-placed to become the Mediterranean gateway to Central Europe: thus it can play a growing role in the trade between Central and Eastern Europe and China.
- Indeed, by using Croatian seaports one can save a whole week of shipping time for any goods coming from Asia to Europe via the Suez Canal, which can potentially benefit all our economies.

- Finally, at the 16+1 summit in Budapest, Croatia accepted to establish the Small and medium enterprises Coordination Mechanism between the countries of Central and Eastern Europe and China.
- Through this mechanism we wish to enhance networking among our entrepreneurs, and to expand opportunities for trade and investment between our economies.
- I am therefore very pleased that, today, premier Li and myself will have the opportunity to officially launch the website of the SME Coordination Mechanism.
- I am certain that it will serve as the central place for exchange of information and promote business contacts among our 17 countries, but also to be contribution for wider trade exchange between the European continent, EU as well naturally, and China.

- I wish you all a very successful Business Forum, especially EU representatives from various industries and companies who gathered here in Dubrovnik, and also a pleasant stay in the most attractive part of the Croatian Adriatic, the beautiful and historic city of Dubrovnik. Welcome!