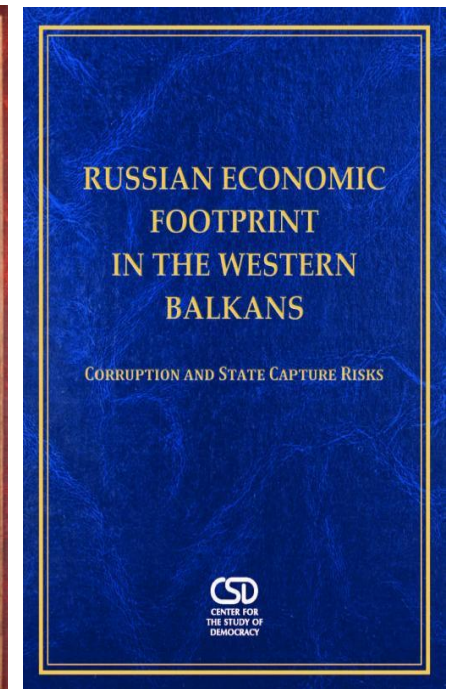
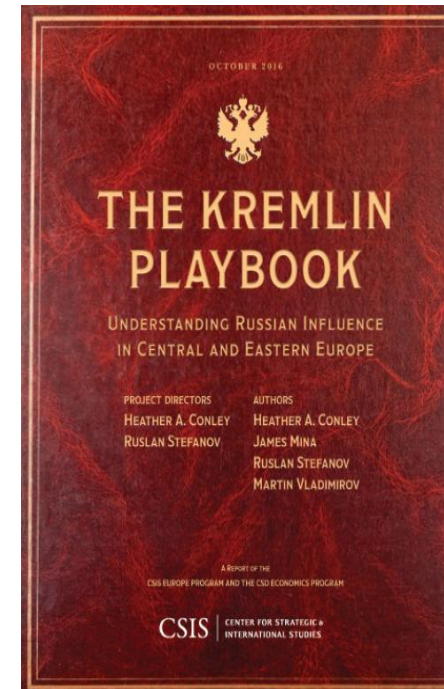
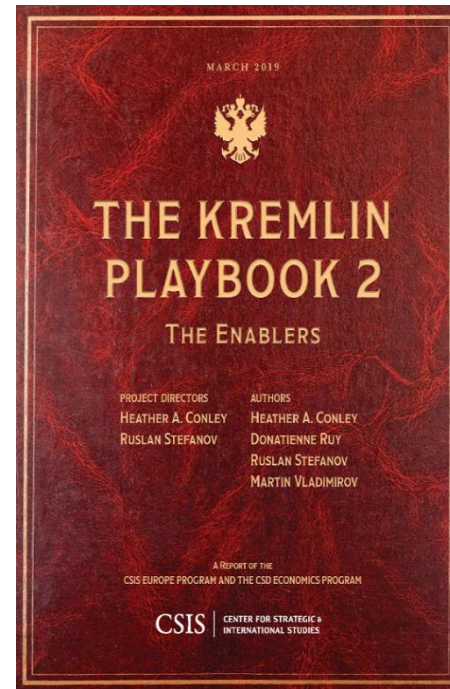
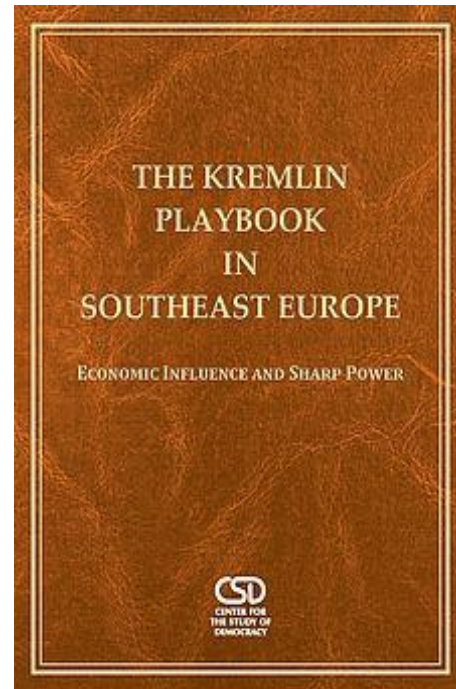
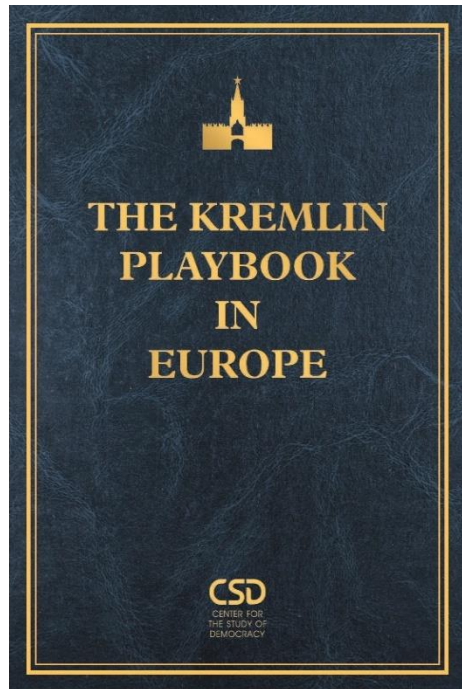


Towards an Index of Chinese Economic Power: Measuring China's Economic Footprint in South East Europe

Martin Vladimirov
Senior Analyst
Economic Program
Sofia, 26 January, 2021



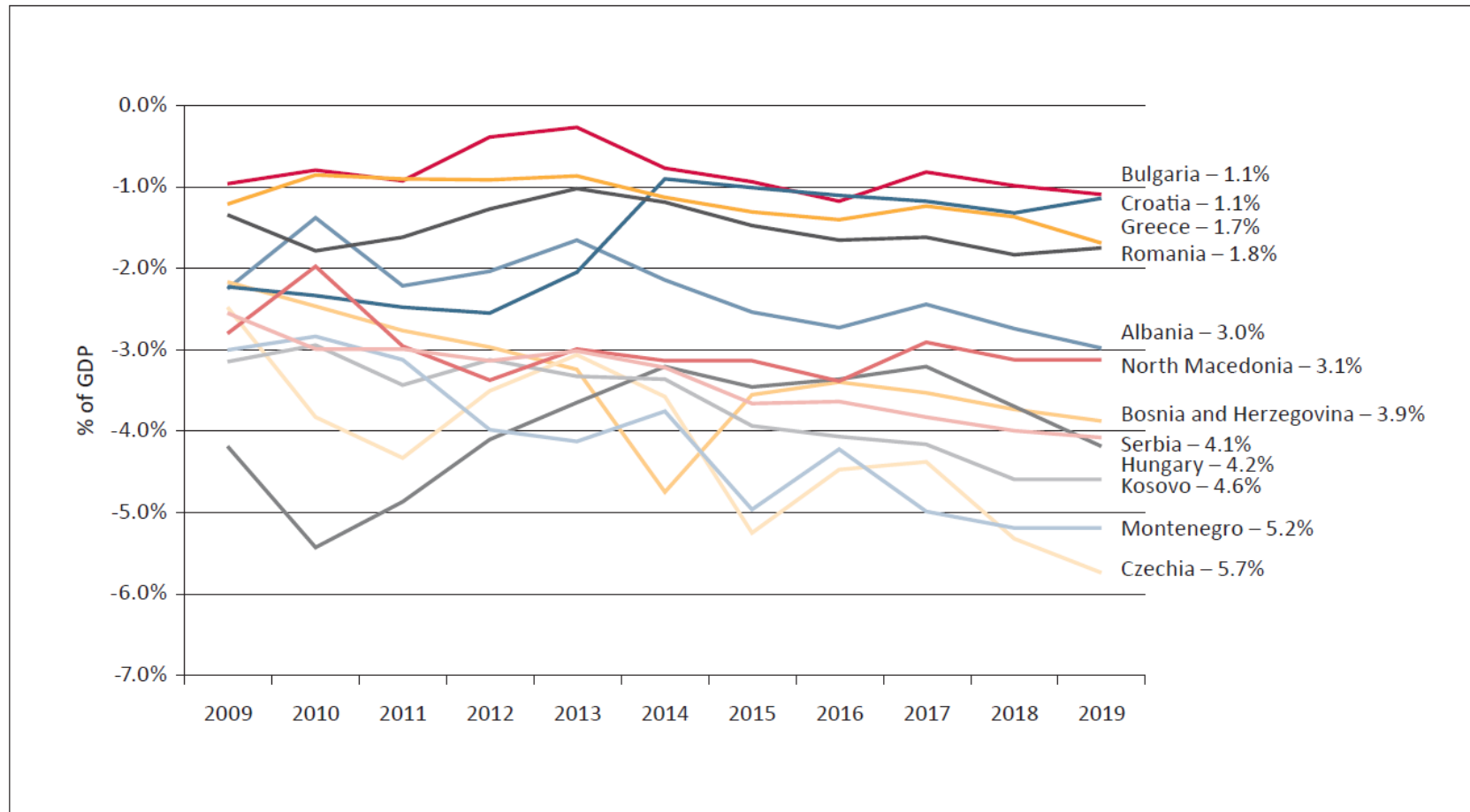
State of the Art



Measuring Chinese Economic Influence

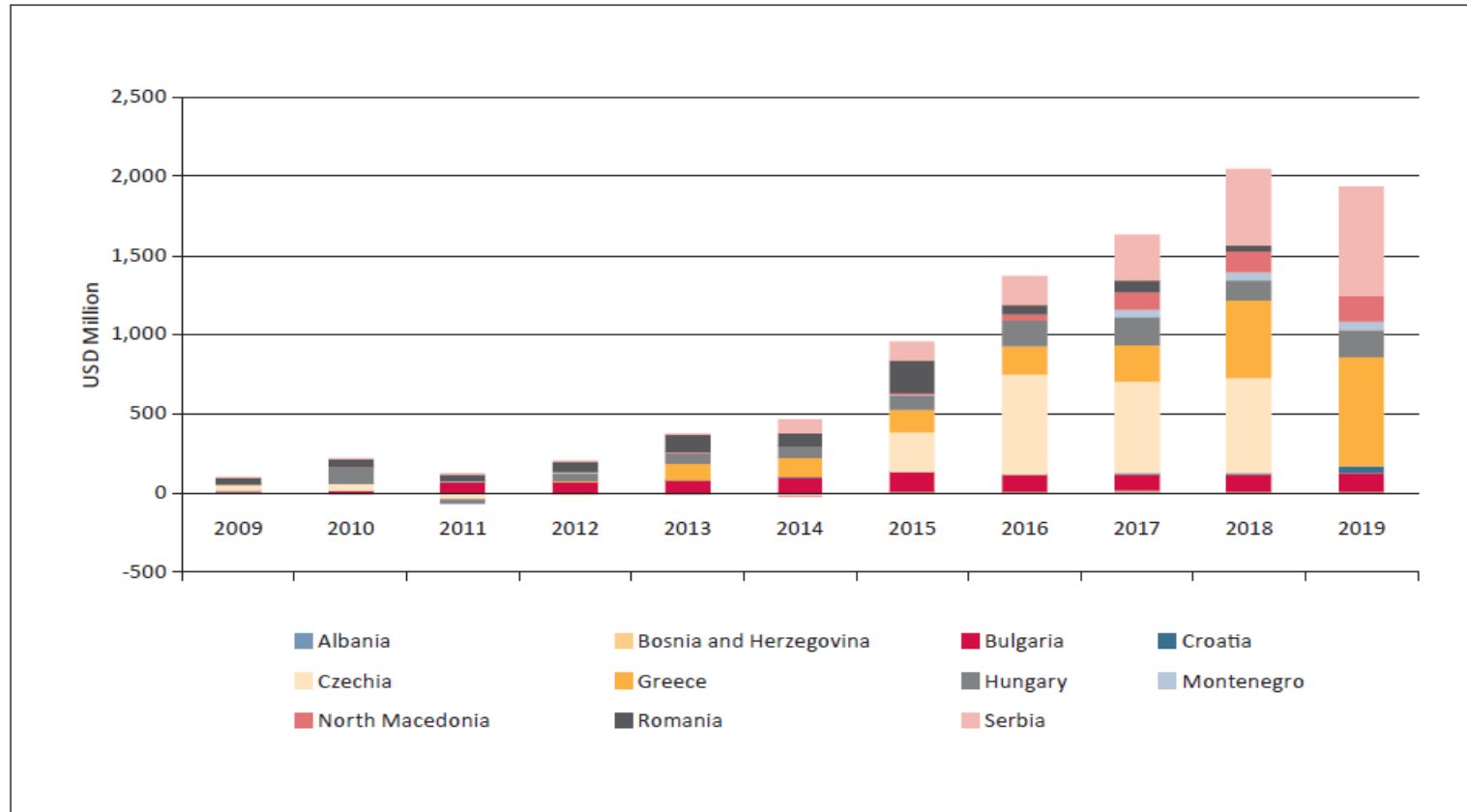
- Structural macroeconomic dependencies
- Debt exposure
- Corporate footprint

Bilateral Trade Deficits between China and Selected CEE Countries as % Share of GDP



Source: COMEXT of Eurostat.

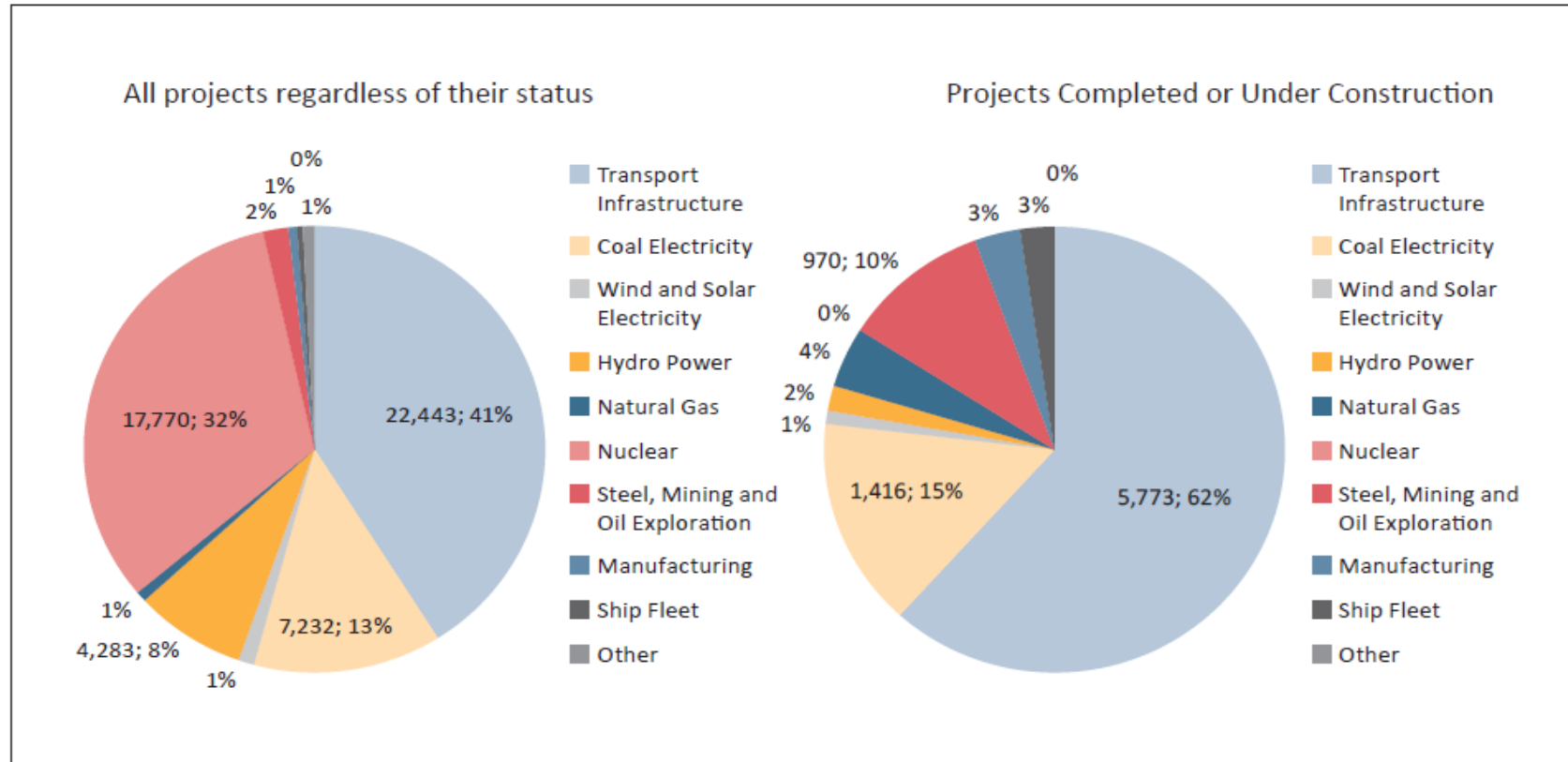
Chinese Foreign Direct Investment Stocks (USD Million)



* There are no Chinese FDI reported in Kosovo.

Source: National Central Banks.

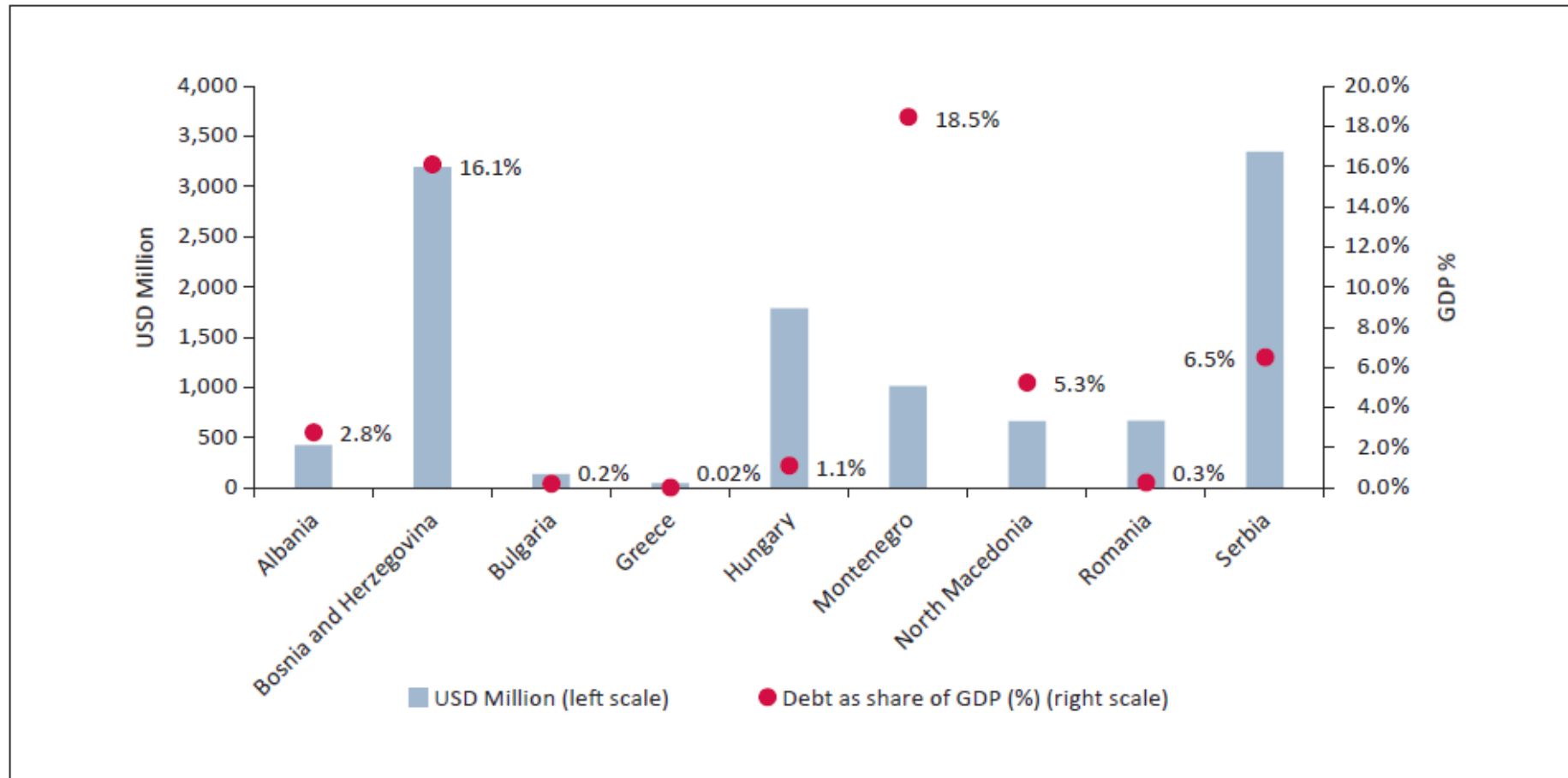
Allocation of China-led Projects/Acquisitions by Sector (as % out of the Total Chinese Investment Projects in CEE and as USD Million)



* Chinese companies have expressed interest in becoming strategic investors in three of the planned nuclear power plant projects in CEE but in all three cases the talks are still in preliminary stages or have been suspended.

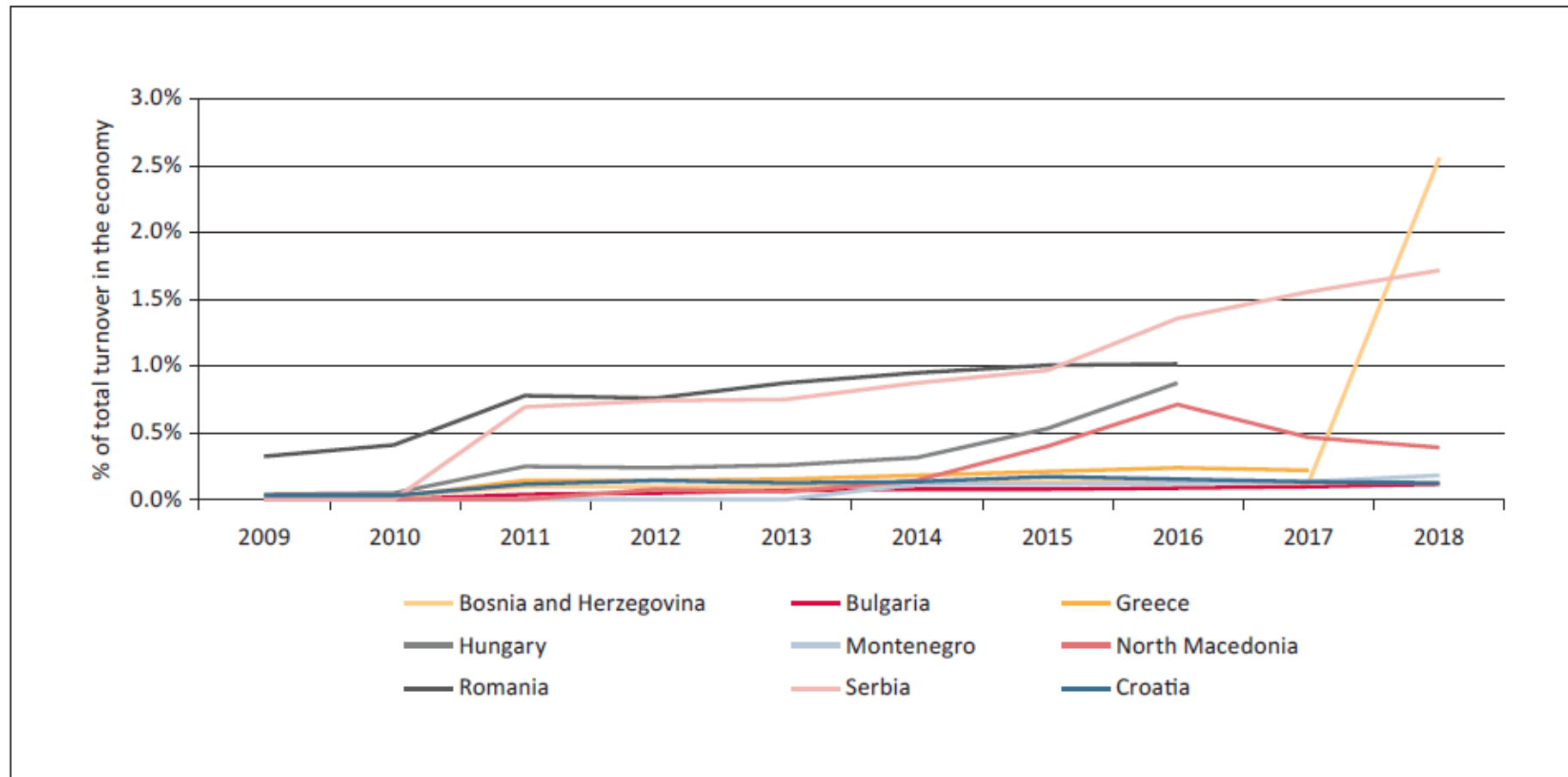
Source: CSD based on a country-by-country review of projects.

Debt Exposure to China by Country (as % share of GDP)



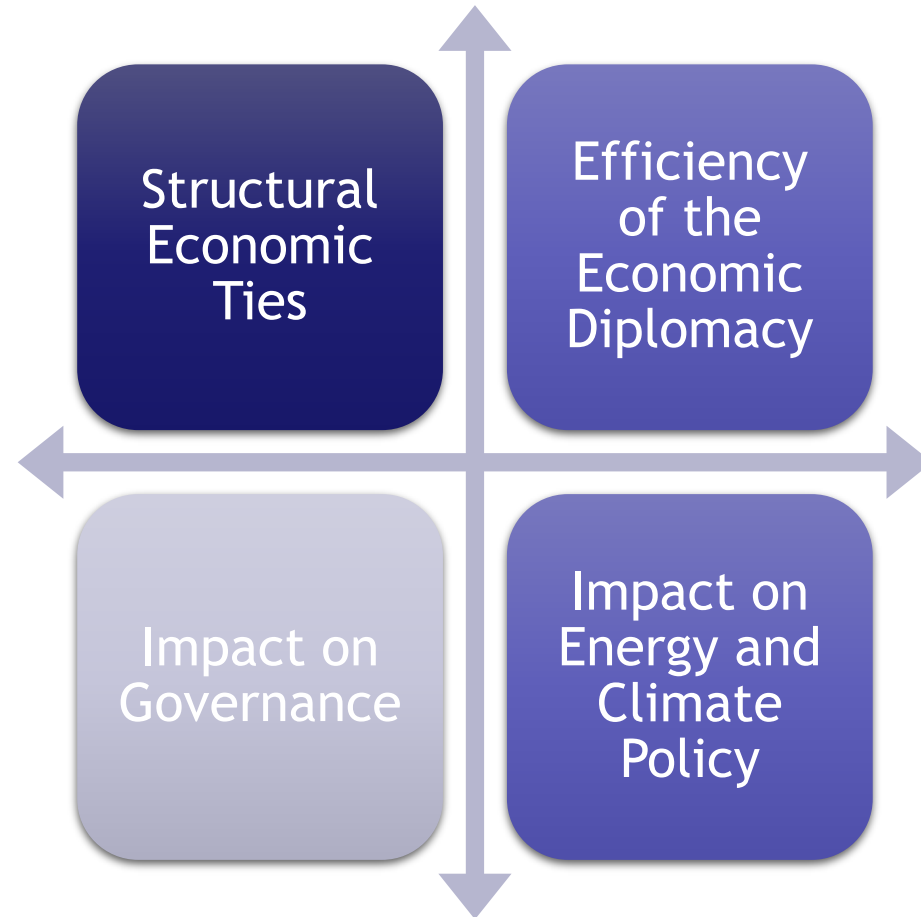
Source: CSD based on global development and national central bank databases.

Chinese Companies Turnover as Share of the Total Turnover in the Economy (%)

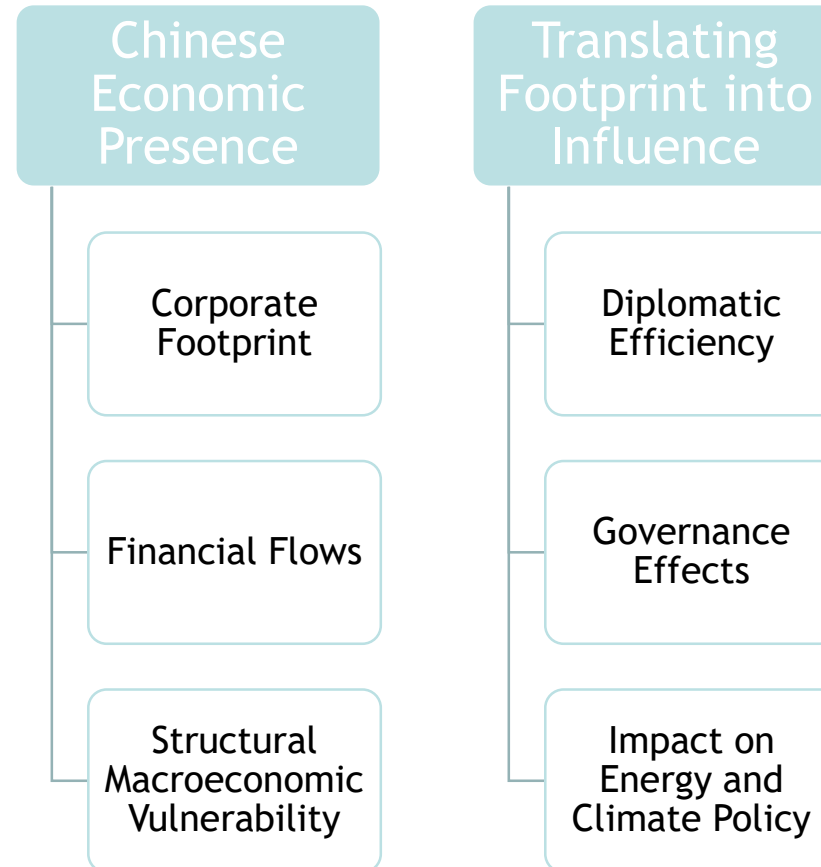


Source: CSD calculations based on public and private corporate databases.

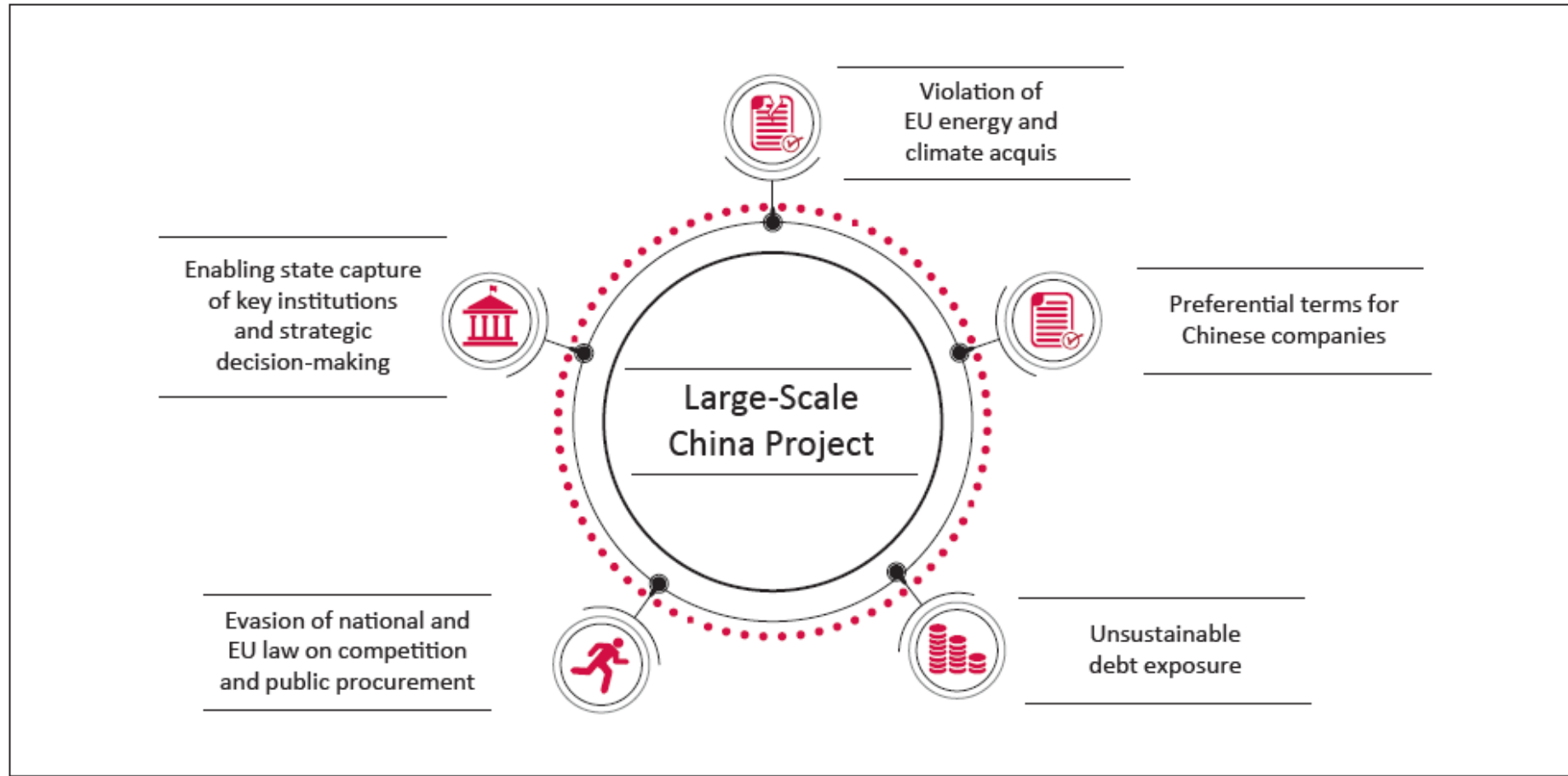
Towards an Index of Chinese Economic Power



Twin Pillars of the Chinese Economic Power Index

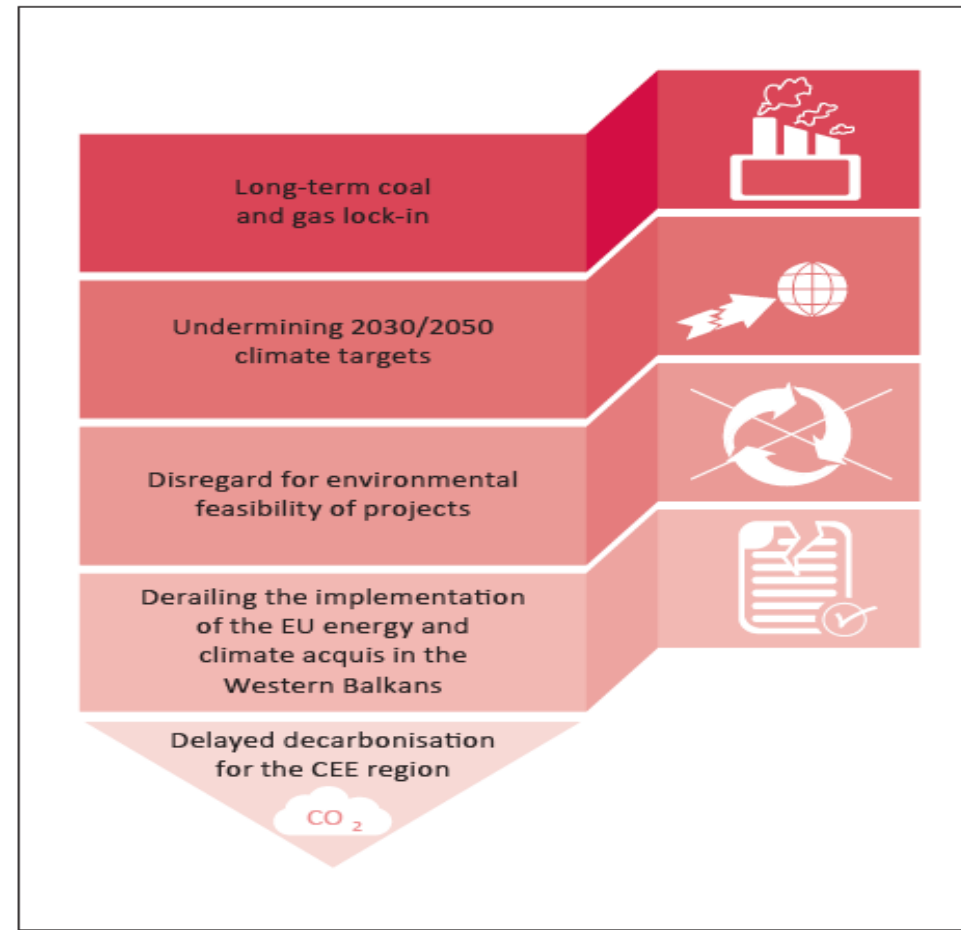


Governance Deficits in Chinese Large-Scale Projects in CEE



Source: CSD.

Impact of the Chinese Economic Footprint on the CEE Climate and Energy Policy



Source: CSD.

What's Next?

- Targeted funding instruments for large-scale economic projects
- Implement EU-wide governance standards for Chinese investments
- Include the Western Balkans in the EU rule of law mechanism
- Enhanced regulatory role of the Energy Community
- Closing national governance loopholes
- Strengthened capacity of independent regulators

Thank you!

Please visit: www.csd.bg

Questions:

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