

Chinese investments abroad are likely to be much more carefully managed to strengthen risk reduction and increase returns. Such investments will aim to promote the export of Chinese products, services, technologies, brands and standards, and to embed Chinese companies deeper into global value chains, writes economist Ivan Nikolic, editor of *Macroeconomic Analysis and Trends (MAT)*, in the January issue of this publication. Analyzing the upcoming five-year cycle of China, he states that in the new development framework, the international circulation should be put in the function of the domestic circulation. The focus of the Chinese economy will therefore be on “returning to the domestic market”.

The Belt and Road initiative, which is extremely important to Serbia, also occupies an important place in the vision of development. High investment rates continue to be insisted upon. However, investments are now accompanied by qualitative criteria, such as: high quality investments, sustainability, risk resilience, reasonable price, inclusiveness and affordability.

“Although we have accepted the most Chinese investments in this part of Europe, I don’t think Serbia stands out in their plan,” foreign investment expert Milan Kovacevic said, adding that the Chinese are investing anywhere in the world where they are sure they will make profit.

Our interlocutor reminds that Serbia had two large Chinese investments, in the steel and copper industries, where in the meantime there was a significant increase in the prices of the final product, so that the investment paid off for the new owners.

However, Kovacevic criticizes the arrangements made around China’s participation in the construction of infrastructure and roads.

“In our country, this engagement is called investments, and the Chinese will call them that because it sounds better that way. In essence, it is their idea to come to a country with less capacity to do something on their own, and to make an agreement that they will invest and credit it themselves. It is an obligation to know in advance which of their companies will be the contractor, along with determining the price, and they are implementing this plan wherever they can,” explains Milan Kovacevic.

According to him, there are a lot of Chinese investments in Serbia, but our interlocutor insists that it is time to calculate what we got from their investments.

“It is very clear to them what they are doing in their concept of investments. Through development plans from an industrial country with cheap labor, with an emphasis on new technologies, they have come up with a wide range of offerings. It is certain that they will continue on that path, with the focus shifting to areas that they consider to be more productive. For that purpose, they also modified education,” concludes Kovačević.

As the Belt and Road Initiative, officially launched in 2015, enters its second five-year cycle, its evolution can also now be placed in this broader context of policy development and fine-

tuning.

There is no doubt that during the previous period, China has extremely successfully intensified economic cooperation with Serbia, to the mutual benefit and satisfaction. A part of chronically problematic industrial capacities in mining and production of basic metals has been launched in Serbia, as well as capital projects for the renovation of road and railway infrastructure and energy facilities, according to the January issue of Macroeconomic Analysis and Trends.

China reached the second place in terms of the importance of investments in Serbia, and became the third most important partner in foreign trade, after Germany and Italy. This year, the Chinese market will almost certainly be among the top five most important export destinations for Serbian products. Cooperation in the ICT sector is also becoming more serious, Biznis reports.