

## COULD CHINA SAVE CZECH EXPORT?

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### **Abstract**

Despite cooler political relations, the current role of China in Czech foreign trade does not seem to be, according to hard data, in any way exceptional – it meets expectations that can be derived from economic theory as well as resembles similar EU countries. After adjusting the data by indirect trade flows, the negative trade balance with China decreases and at the same time it is apparent that successful Czech exports to West European markets are often tied to Chinese import. Attempts to solve ongoing dependency on the EU by reorienting trade towards China and other similar economies, are, in the current situation, basically aiming to impose a less natural territorial trade structure; it is a difficult and potentially costly and long-term endeavor. With the exception of highly improbable scenarios, the Chinese market most probably won't solve the Czech Republic's current problems with economic growth or dependency on the EMU, although in the future China is likely to be an interesting, and maybe even necessary, strategic partner. While supporting activities of Czech firms in the Chinese market, a long-term horizon must be kept in mind including the following points: (i) support in the area of educational cooperation will enable Czech firms to hire employees with sufficient knowledge of the Chinese market (ii) focusing on indirect business relationships as well as searching for untapped possibilities in such relationships (vertical integration from below), (iii) searching for hidden opportunities in the long-term trends in developments within the Chinese economy and society. A very promising appears to be the current initiative of China towards Central and Eastern European countries, the so-called twelve point plan, and also support of research focused on fields that China considers as priorities.

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[Download](#) the complete study (in Czech only).

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