



MINUTES

EIGHTH MEETING OF THE CONSULTATIVE BOARD

ASSOCIATION FOR THE PROMOTION OF AGRICULTURAL COOPERATION BETWEEN CHINA AND THE CEE COUNTRIES

Date: Thursday, May 16, 2019

Time: 19:50 PM

Location: Xiangzhang Hall, Floor 3, Diaoyutai Hotel Hangzhou

Present: Bulgaria – Mr. Vasil Gelev; Ms. Yovka Yaneva
China – Mr. Wang Hongqian, Mr. Lifeng Wu, Mr. Li Kaihang
Croatia – Mrs. Danja Budisa
Estonia – Mrs. Hanna Turetski – Toomik; Mrs. Merike Grunthal
Greece – Mrs. Ioulia Drossinou; Mr. Charalampos Moulkiotis
Hungary – Mrs. Bernadette Tomas; Mr. Peter Kiraly
Lithuania – Mrs. Kristina Mineikiene; Mrs. Judre Balciunaite
North Macedonia – Mr. Perica Ivasnoski
Poland – Mrs. Magdalena Zelazna
Slovenia – Mr. Martin Gosenca

Absent: Albania, Bosnia and Herzegovina, Czech Republic, Latvia, Montenegro, Romania, Serbia, Slovak Republic

I Call to order: at 17:50 PM by Yovka Yaneva

II Quorum: ten of eighteen countries present

III Discussion of the Annual Activities of the Association 2019



We, the Consultative Board of the Association for the Promotion of Agricultural Cooperation between China and the CEE countries, have met on May 16, 2019 in Hangzhou, PRC to discuss the annual activities of the Association for 2019.

Ms. Yovka Yaneva, Expert at APACCCEEC called the Meeting to order at 19:50 pm. A quorum of Members was not present and the Meeting, being duly convened, proceeded with the Agenda.

Point 1: Official opening of the 8th Consultative Board Meeting of APACCCEEC and addresses by the 17+1 countries

The meeting was opened by Ms. Yovka Yaneva, Expert at APACCCEEC who made a welcoming speech and invited Mr. Wang Hongqian, Deputy Director General at the International Cooperation Department, MARA to take the floor.

China

Mr. Wang Hongqian welcomed the guests of the 8th Consultative Board Meeting in Hangzhou. On the behalf of the Department of the International Cooperation, MARA he extends a warm welcome to all the delegates, in particular to those from Greece – a new member of China-CEE cooperation. He welcomed the European Union as an observer to the meeting. China-EU relations shows a good progress. Both, the Chinese president – Xi Jinping and Premier Li Keqiang - visited Europe with a great success. In further development the China – EU relations, important component is the China – CEE cooperation.

Over the past year, China - CEEC walked and achieved win-win outcomes in agriculture.

- 1) China – CEE agriculture trade volume continue to expand. Last year there was a slowdown of the global trade growth. China-CEE trade increased with 21 % to 82.1 billion US dollar. China-CEE agricultural trade is 1.23 billion US dollar and has growth up to 11 %. Year by year it marked growth. The China government is committed to open the trade and welcome high quality agricultural products from CEE countries to the Chinese market.



To help CEEC to present their agricultural products to the Chinese customers, China wants to invite CEE countries to participate to the MARA hosted 17th China International Agricultural Trade Fair in Jiangxi Province in the period September 23 – 26, 2019 and the 2nd China International Import Expo in Shanghai in the period November 5 – 10, 2019. China is ready to provide facilitation to the exhibitors from CEEC and to coordinate with the other government institutions the access of quality agricultural products from CEEC to China.

2) The first 17+1 Modern Cooperation Demonstration Zone has made a substantial progress. Last July (2018), witnessed by the Heads of the CEE countries, the first 17+1 Modern Cooperation Demonstration Zone has jointly unveiled by the Chinese Premier and the Bulgarian Prime Minister. This Demonstration Zone placed in Plovdiv, Bulgaria is a concrete step forward to deepen the practical and effective cooperation between China and the CEEC. With the participation of nearly 20 science and research institutes, the Demonstration Zone has set up plans with an annual production capacity of 300 000 tons of rose cultivation and processing facility, ecofriendly animal production and greenhouse. The Demonstration Zone has attracted total 60 million euro of investment and created over 600 direct or indirect jobs. Those, generating economic and social benefits. China hopes all parties to walk together to further develop the Demonstration Zone and discuss the establishment of different types of Demonstration Zones in CEEC.

3) The 17+1 Logistic Hub & Pavilion for Agricultural and other Products was established in Plovdiv, Bulgaria and Shenzhen, PRC. Cross-border e-Commerce functions as an important channel to boost 17+1 annual development. Following the principal of government guidance policies support, business autonomy and market oriented operation, China wishes to jointly promote the development of 17+1 e-Commerce Logistic Hub, which provides one stop solution and facilitation for the export of farmer high quality and special agricultural products from CEEC to China. Last November (2018) MARA hosted the 7th Consultative Board Meeting of APACCCEEC in Shenzhen, PRC, where was made the decision of the establishment of 17+1 Pavilion for agricultural products in Yantian Integrated Bonded Zone.

A number of countries, including Slovenia, has set up their National Pavilions to display a high quality agricultural products. Last year Slovenia's sale of agricultural



products to China growth by nearly 60%. Later on, the Head of Yantian Port gave a detailed introduction about the pavilions operation. CEEC are welcomed to set up their National Pavilions and display agricultural products, for which MARA will provide the necessary facilitation and assistance.

- 4) 17+1 cooperation and exchange in agricultural research and personal training has been further strengthen. Over the past year, scientific research institutes of MARA and CEEC have signed over 20 MoUs in areas as: vegetables, veterinary and rural revitalization. Nearly 100 government officials, researchers and business delegates from CEEC have been invited to attend training courses in agriculture, human resources development, production capacity cooperation, rural revitalization and veterinary services in China, resulting in increasing the frequent and profound cooperation in science and technology research.

Looking forward, China hopes all parties will continue to support the agricultural research institutes and experts to conduct practical cooperation and promote the commercialization of scientific research outcomes and to deliver benefits to the agricultural development and customers of all countries.

The Dubrovnik Guidelines for Cooperation between China and CEEC proclaimed the year of 2020 as the year of the China – CEEC Agricultural Diversity Cooperation. Regarding this, MARA is ready to hold the 5th Meeting of China-CEEC Ministers of Agriculture and the 15th China-CEEC Agro-Trade and Economic Cooperation Forum, also the 10th Consultative Board Meeting of APACCCEEC. MARA also plans to hold a range of supporting activities based on discussion with all relevant countries and requires their support of holding these activities. Finally, China wishes a full success to the meeting and pleasant and fruitful stay in Hangzhou to all.

Croatia

Mrs. Danja Budisa, Third Secretary/ Economic Counsellor at the Embassy of Croatia in PRC pointed out that for Croatia the last couple of months were very successful with regards to 17+1 and the Summit of Heads of Government of China-CEEC that was held in Dubrovnik. During the visit of the Premier Li Keqiang in Croatia and the held bilateral meetings, Croatia has signed the protocol for import of dairy products to China, which is a very big success for Croatia. Mrs. Budisa wished to all a successful meeting and to continue the 17+1 cooperation.



Estonia

Mrs. Hanna Turetski – Toomik, Head of International Cooperation Department, Ministry of Rural Affairs expressed her happiness for the possibility to discuss the future cooperation in format “17+1”. She has stressed on the importance of the bilateral cooperation with China, which have been very focused and very important for Estonia. The Estonian business took part of SIAL and shared that it’s very important for them to be represented in China and to have good relations with the Chinese partners. The Estonian side shared their proposals on the mutually cooperation:

- It’s important in addition to the annual meetings to have a specific topic related seminars, on which to be given the opportunity to the enterprises to be get acquainted with the activities of APACCCEEC, the platforms and the initiatives;
- It should be considered how in better ways to share written information;
- It should be considered how to be strengthen the visibility of APACCCEEC on the social networks like Facebook, LinkedIn.
- It should be shown to the public what initiatives, projects and activities has APACCCEEC.

Greece

On the behalf of the Ministry of Rural Development and Food Mrs. Ioulia Drossinou, Head of International Affairs Department, Ministry of Rural Development and Food pointed out that Greece is delighted and honored to be in Hangzhou and to participate to the 8th Consultative Board Meeting of APACCCEEC. Greece became officially the 17th member of the Initiative, already 17+1 Initiative, during the 8th Summit of Heads of Government of China-CEEC in Dubrovnik last April. Greece believes that their membership is a strong and positive sign of the importance that they attached to collaboration of the CEE countries. Greece can contribute in expanding and accelerating the trade, investment and knowledge flow between CEE countries. The agricultural food sector is an importantt sector in their economy is grown by a certain time on the global arena with often unpredictable swings in prices, changing supply demand and common technological development. The APACCCEEC under the 17+1 Initiative can serve as an unique bridge of communication between the rapidly changing CEE regions and provide the necessary platform and tools for a good cooperation, that is the key to one prosperity. Greece thanked China for hosting the 8th Consultative Board Meeting and for



the warm hospitality. Mrs. Drossinou expressed once again her pleasure for this opportunity to deepen and broaden the relations in the agricultural sector for the benefit of the CEE countries.

China

Mr. Li Kaihang, First Secretary at the Embassy of China in Bulgaria added some words regarding the further promotion of the bilateral trade between China and the CEE countries. MARA just signed an agreement with Jingdong company (JD.com) who is in top three e-Commerce in China.

* JD.com is the second largest e-commerce platform in China. JD.com is a Chinese e-commerce company headquartered in Beijing. It is one of the two massive B2C online retailers in China by transaction volume and revenue. It's major competitor to Alibaba and Tmall. As of the first quarter of 2018, the platform has 301.8 million active users. JD.com is the world's leading company in high tech and AI delivery through drones, autonomous technology and robots, and possesses the largest drone delivery system, infrastructure and capability in the world.

Mr. Li informed that they have a presentation on the 14th China-CEEC Agro-Trade and Economic Cooperation Forum where they will present the possibility companies from CEEC to enter the Chinese market and sell more products.

JD.com just set up an e-Commerce Pavilion in their website. For example: Hungary already set up their National Pavilion in Jingdong website. He checked the website and there were more than 260 000 Chinese net citizens and their favorite pavilion was the Hungarian.

Mr. Li shared that on May 18, there will be an organized visit to the Innovation Development Center in the Headquarter of Alibaba in Xixi District, Hangzhou.

Mr. Li advised to contact the person in charge from the company and they will show their capability, channels and advantages. He called to grab this pressure opportunity to boost the CEE agriculture sales in China.

Hungary

Mr. Peter Kiraly, Head of Department thanked for the invitation by the Chinese host and APACCCEEC. One achievement that should be mentioned



There are two achievements that should be mentioned regarding the agricultural cooperation between Hungary and China (Mr. Li already mentioned one):

- 1) First of all, Hungary was a guest of honor to the CIE and had very successful agricultural showroom at the agricultural pavilion
- 2) Hungary had a very successful exhibition in Shanghai at SIAL

The next weeks is foreseen a Hungarian gastronomic show.

Lithuania

Mrs. Kristina Mineikiene, Agricultural attache thanked for the invitation and welcomed Greece as a new member to the Initiative. She marked that during the last meeting of the Consultative Board, as it was discussed, the CEE countries are facing some practical issues regarding the expanding of the cooperation and trade with China. Lithuania suggested to be organized an e-Commerce and B2B oriented seminars in the CEE countries, helpin the countries to deal with some technical issues. Mrs. Mineikiene shared that the country organized some Lithuanian days in different Chinese provinces and in September 2019 will organize a cooking show in Beijing. They are happy that the companies from CEEC will have the chance to meet Chinese companies like Alibaba during the business panel.

North Macedonia

Mr. Perica Ivasnoski, State Counselor shared that he is very happy that he finally succeed, in the last moment, to join the meeting. He welcomed Greece for joining APACCCEEC and the fruitful 17+1 Initiative. This shows that the Association gives a lot of opportunities for bilateral and multilateral cooperation in different areas. The CEE countries are very interested to cooperate on a different levels. Unfortunately, as he already shared the previous time, North Macedonia has not that good trade numbers, also continuing this year. The North Macedonian export to China decreased by some 12%. Also the export from China to North Macedonia has decreased even more significantly by 30%. On their export side they already have only wine – around 2 million euros in total which is not significant compared to the total numbers of their export which is 50 million euros, so it's only 4% of the wine export of the country. They think having the size of the market, they are interested to enlarge the trade on the export of wine. They're trying to put more efforts in this direction. The country subsidies the companies, the wine exporters for regular participation to the biggest fairs in China. It



depends on the interest of the companies – one year is the fair in Hong Kong, this year in November will be Intertwine Fair in Guangzhou.

As all of you know, we opened a National Pavilion of North Macedonia in the Waigaoqiao Shanghai Free Trade Zone three years ago. Mr. Ivanoski openly shared that so far they are not that satisfied about the scope of trade, trade exchange and the results after the opening of the Pavilion. Simply because after sending the samples of the agricultural products and some activities by the operating company unfortunately they haven't exported even one container, so there is zero trade as a result after opening of the Pavilion. This is an issue he would like to discuss at the meeting. North Macedonia wanted to know what are the plans, the results and the activities of the operating company toward the increasing of trade cooperation. The company responded that the only one product that is in their focus now is beer. For information - North Macedonia produce some beer. But that information was not provided to them and they were not informed that this will be the only one product that will be promoted. They already have made some big trade (2 million euros) with beer with some CEE country but North Macedonian side is not acquainted with which country exactly. Also the operator will be focused on some chemical products, not agricultural products. Mr. Ivanoski noted that he is not seeing constant approach, not even a serious approach from the operator compared to their initial intentions which they shared in the beginning – to promote the trade and agricultural products from CEEC. He hopes that sharing this experience among the Consultative Board Members, maybe there will be certain influence from Chinese side. Because as it is known, there are subsidies from the state or local government for the Chinese companies to do their trade and to do their job properly but there are no results. The North Macedonian side made everything from their side but nothing is made by the operator of the Pavilion. In his opinion, the CEE countries are still in the phase of establishing initial contacts between the CEE companies and Chinese companies, which is the first step to start business between China and CEE countries. Once the CEE companies have the negative experience from one Free Trade Zone, then it's difficult to encourage them to participate in another Free Trade Zone in another place. Mr. Ivanoski noted that he is looking forward to hear maybe the good experience of the recently established 17+1 Logistic Hub & Pavilion for Agricultural products – Yantian Port.

There's also another area that is very prosperous and from which are expected good results, and this is the e-Commerce. He hopes that Bulgaria would share its experience in this field, to



share how the project of APACCCEEC is functioning, is there real trade already, what are the concrete steps for improving the trade volume.

The North Macedonian side has also interest in establishing a Modern Agricultural Demonstration Farm. Last year, they already started the cooperation with their Bulgarian colleagues from Agricultural University – Plovdiv regarding the hybrid rice production.

Mr. Li noted that this year the Tianjin Company think to expand their plantation area to 5 500 acre in Bulgarian. Also they will organize some field visits, on which they will invite some experts from North Macedonia. They will use Chinese technology to plant more than 20% of rice.

Mr. Ivanoski explained that this Initiative shows that the CEE countries are connected among each other too, and are aiming the implementation of the same goals.

In regards to the Project Modern Agricultural Demonstration Zone, it's still missing the data how certain company can start t a demonstration farm and in which way. What are the procedures/steps for establishing a demonstration farm, which is the authority from Chinese side, responsible for giving subsidies to the Chinese companies involved in such projects.

Slovenia

Mr. Martin Gosenca, Undersecretary thanked to the Chinese host for organizing this meeting and the divirse program.

Slovenia and China enjoy excellent and friendly bilateral cooperation, especially in the field of agriculture. Slovenia would like to support the announcement of the year 2020 as the year of China – CEE Diversity Cooperation. This would be a very useful theme for the bilateral and multilateral agricultural cooperation between China and the CEE countries. He hopes fields like trade, exchange cooperation, science would be very successful too, especially in digitalization and technical innovations.

Slovenia has quite good figures in the trade with China in the past two years and even in the year 2018 they expand some cooperation in the field of wines thanks to the Slovenian Pavilion in Shenzhen Yantian Port. In 2018 they received 50 million euro of exchange from agriculture; 7,8 million euro was the Slovenian export and they imported from China 7,6 million euro of goods. They have quite a good exchange in the sector of wine – they exported 1,2 billion euro of wine to China, and some of it was with the assistance of the Slovenian Pavilion. Slovenia also support the business part of the events.



Poland

Mrs. Magdalena Zelazna, Chief Specialist at the Ministry of Agriculture and Rural Development thanked for the invitation for this meeting and welcomed the new member of the Initiative – Greece. She expressed her hope that everyone can cooperate together and strengthen this format. She briefly remarked some points from the mutually cooperation so far.

The Polish side has been taking actions directed to the Polish – Chinese dialogue, both bilaterally and multilaterally. The meetings in the framework of this format consist a good opportunity to strengthen the common actions in CEE countries. Poland remarked that it's possible to achieve solutions available to all participants and the CEEC would benefit equally from the cooperation. Similarly, to the other CEEC, Poland perceive Chinese market potential that results from the dynamic growing of the consumer market in China, as well as from the increasing expectations of the Chinese consumers as regards the quality and the diversity of the food supply. Taking into consideration the expectations of the Chinese customers as well as the quality of the Polish export, Poland is interested in expanding the presence of the Polish agricultural food products to the Chinese market. Poland had observed the actions of opening of the Chinese market to the CEE countries. Poland expressed it's hope that subsequent initiatives of the APACCCEEC would be undertaken, namely the initiatives and the expansion of the access to the Chinese market for products from CEE countries.

Point 2: Presentation of Yantian Port about the achieved results of the Project "17+1 National Pavilion"

The representatives from Yantian Port Group revealed a short promotion video which presents the "17+1 E-commerce Logistics Hub and Pavilion for agriculture and other products" – Yantian Port and the activities carried out by Yantian Port in general. After the promotion clip the representatives from Yantian Port Group made a presentation about the trade platform that they operate with remark to the services which it provides such as:

- Contacts with distributors
- Logistics services
- Market analysis
- Consulting services
- Others



The Consultative Board Members were not informed about the progress of the platform operated by the Yantian Port Group which is expected to start to operate by the end of 2019.

Achieved results:

- almost 10 million yuan revenue in half a year after the opening in November 2018, most of which is revenue of wood logistics and wine business. Some are revenue of frozen products trade.

Yantian Port Group business focus is on:

- fresh and frozen food: fruit, sea food, meat

Demands for fresh and frozen food in China: sea food – 9,54 million tons; pork – 2,15 million tons; mutton – 1,06 million tons; chicken – 0,514 million tons.

Frozen product demands from the market: frozen chicken – 1 500 containers/ year; frozen pork – 600 containers/ year; mutton – 300 containers/ year; frozen sea food – 120 containers/ year; fruit – 60 containers/ year.

- bulk commodities: wood, soybean (They have huge demand in China.)

There is a demand for timber in China. The import volume of 2018 is 59,75 million cbm.

The import of wood from 2011 to 2017 is increasing:

2011 – 7211,20 cbm

2012 – 6709,05 cbm

2013 – 7915,30 cbm

2014 – 8765,71 cbm

2015 – 8231,00 cbm

2016 – 9347,20 cbm

2017 – 10849,70 cbm

In opposite, snakes, water, beer and other products have a lot of competitors in the market, so they need more promotional information to define the selling point which can catch the eyes of consumers.

At the moment the demand is bigger than the supplies. Example:

- Demand: 20 containers/ SKU per month/ per client
- Supplies: 2 containers/ SKU per month

Import demands for agricultural products in China:

- Rice
- Wheat



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- Maize
 - Sorghum
 - Barley
 - Soybean
 - Cotton
 - Edible oil
 - Sugar
 - Pork
 - Beef
 - Mutton

Yantian Port Group is looking for:

- wood products
- frozen meat
- frozen sea food (Polish, Estonian)
- peat soil from CEEC
- snacks

Suggestions from Yantian Port Group:

- provide more product information and categories
- broadly promote 17+1 platform
- government establishes interaction platform and signs bilateral cooperation agreement with YTP (with detailed lists of factories)

Benefits for the companies:

- free exhibition and experience
- professional one-stop service
- promotion on-line and off-line → deals

Point 3: Presentation of APACCCEEC of the activities in 2018:

- **17+1 e-Commerce Logistics Hub and Pavilion for Agricultural and other Products – Plovdiv, Bulgaria**

Following the trends in the e-Commerce trade with agricultural and other products, in 2016 the Association started to develop the project. It makes possible the establishment and



development of online and offline platforms for information display, exchange and cooperation.

The 17+1 e-Commerce Logistics Hub and Pavilion for Agricultural and other Products was opened in May 2018 in Plovdiv city, Bulgaria.



17+1 e-Commerce Logistics Hub and Pavilion for Agricultural and other Products is a high-tech project directly related to the implementation of the "17+1 Agricultural Cooperation Demonstration Zone between China and the CEE countries" and provide large number of services:

- stock management
- supply chain management
- logistics
- customs
- personalized and other services
- implementation and development of 16+1 information platform





The purpose of creating this platform is to deepen and strengthen the cooperation in trade and e-Commerce between China and the CEE. Thus makes possible the promotion of agricultural and other products from CEE countries, which can find good reception in the Chinese market, and vice versa.

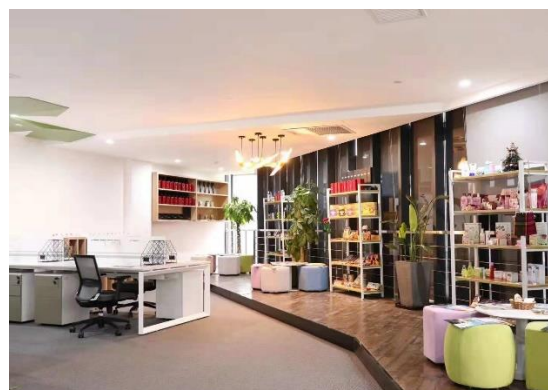


Address:

17+1 e-Commerce Logistics Hub and Pavilion for Agricultural and other Products
4204 Municipality Maritsa
79, Naydenovi gerencheta Area; Parcel № 50
4000 Plovdiv city
Bulgaria

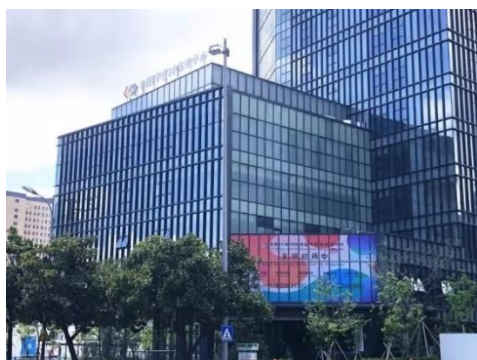
- Liaison Office of APACCCEEC & 17+1 Pavilion – Ningbo, China

The Liaison office and 17+1 Pavilion of the Association for the Promotion of Agricultural Cooperation between China and the CEE countries was opened in November 2018. It is located in the China (Ningbo) - Central and Eastern European Countries Youth Innovation Center.





With the opening of the Liaison office and 17+1 Pavilion in Ningbo city more opportunities will be found for the agricultural producers from CEE countries into the Chinese market - import, export, distribution, retail and e-commerce channels which will promote the trade in agricultural and other products between China and the CEE countries. The Liaison office and 17+1 Pavilion provide information and assistance to companies from the CEE countries wanting to enter the Chinese market.



Advantages for CEE producers:

1. Possibility for producers from the CEE countries (17 + 1 format) to send and display their products at the 17+1 Pavilion in China (Ningbo) - Cental and Eastern European Countries Youth Innovation Center.
2. Introduction of with eGTCP - an online website developed by Zhejiang Great Tao e-Commerce Company Ltd. To the exporters and importers from CEE countries
3. Opportunity for companies from CEE countries wishing to explore the Chinese markets to open their offices in China (Ningbo) - Cental and Eastern European Countries Youth Innovation Center.

The China (Ningbo) - Cental and Eastern European Countries Youth Innovation Center is a 17 + 1 cooperation project that is being implemented as one of the first pilot projects to build in Ningbo on a proposal by Prime Minister Li Keqiang.

Besides, Ningbo city is a comprehensive testing area of the One Belt One Road Initiative (OBOR) in Zhejiang Province.

This Youth Innovation Center is also involved in e-commerce, consultancy, financial services, foreign trade, two-way investments between China and the CEE countries, helping CEE companies to enter the Chinese market, and Chinese companies to enter the CEEC market. The implementation of this Youth Innovation Center as a project is financially and politically



supported by the Ningbo city Government and the Jiangbei Government. The Youth Innovation Center is run by Ningbo Jieou Enterprise Management Consulting Co., Ltd.



The China (Ningbo) - Central and Eastern European Countries Youth Innovation Center applies preferential policies to CEE companies, including providing a free office for a certain period of time, tax breaks, financial support by providing start-up investments and eventually providing capital financing, etc.

Address



中国（宁波）中东欧创业创新中心

中心地址：

宁波市江北区人民路 189 号

Zhejiang Great Tao E-Commerce Co., Ltd. will provide a separate decorated and technically equipped office for four officials to the Association for the Promotion of Agricultural Cooperation between China and the CEEC at the China (Ningbo) Central and Eastern Europe Youth Innovation Center.

The Association for the Promotion of Agricultural Cooperation between China and the CEEC will send at least one of its full-time employee on a permanent basis and up to three officials from the Ministries of Agriculture of the 17 CEE countries on rotational basis to work in the office of China (Ningbo) Central and Eastern Europe Youth Innovation Center. The Association for the Promotion of Agricultural Cooperation between China and the CEEC and the respective Ministries of Agriculture of the 17 CEE countries will cover all the expenses,



including salaries, of their officials during their stay in China and work at the China (Ningbo) Central and Eastern Europe Youth Innovation Center.

- **17+1 Demonstration Center for e-Commerce with Agricultural and other Products” - Agricultural University, Plovdiv, Bulgaria under the Project “17+1 Demonstration Agricultural Cooperation Zone between China and the CEE Countries”**

During the 7th Summit of Heads of Governments of China and CEE Countries in July 2018 in Sofia, Bulgaria was officially unveiled the 17+1 Agricultural Cooperation Zone by the Chinese Premier Li and the Bulgarian Prime Minister Borissov.



The “17+1 Demonstration Center for e-Commerce with Agricultural and other Products” was officially opened on February 21, 2019 in Agricultural University in Plovdiv city, Bulgaria.

The project, initiated by the Association for the Promotion of Agricultural Cooperation between China and the Central and Eastern European Countries (APACCCEEC), creates conditions for young people from China and the countries of Central and Eastern Europe to develop e-commerce through the online platform for consolidation of agricultural and other producers from China and the CEE countries - www.16plus1cloud.org, which will be used as a digital product warehouse.



This is the first “17+1 Demonstration Center for e-Commerce with Agricultural and other Products” of its kind for supporting young entrepreneurs, whose program is intended to involve students from China and the countries of Central and Eastern Europe to cooperate in concluding real business deals with each other. The aim is to increase the opportunities for promoting the bilateral - between China and CEE on one hand, and the multilateral cooperation - between the countries of Central and Eastern Europe themselves.



Address

17+1 Demonstration Center for e-Commerce with Agricultural and other Products
Agricultural University - Plovdiv
12, Mendeleev Blvd.
4000 Plovdiv city
Bulgaria



- **Student2Student**

Through the platform Student2Student, part of the 17+1 Demonstration Agricultural Cooperation Zone between China and the CEE Countries and on a mutually beneficial basis through sharing ideas, exchange of good practices and research for innovative solutions the students have the opportunity to dive in real business cases. The platform will help the students to experience the cross-border trade in save environment and to apply the lessons learned at the university in practice.



The young people and students in Bulgaria are prepared and motivated to bring the country to the international trading arena in the field of agriculture. The Association of the Promotion of Agricultural Cooperation between China and Central and Eastern European Countries, whose team is also a youth specialist, focused on training seminars and courses for young entrepreneurs, providing the necessary regulatory basis for trade with China. The pavilions and logistics bases we have created strive to present, promote and distribute the production of the producers from the countries of Central and Eastern Europe. This is done through e-commerce, marketing research, and the presentation of products to importers, distributors and retailers. The logistics base at the Agricultural University in Plovdiv is precisely such a modern, already traditional, way of trade relations. At the 17+1 Demonstration Center for E-Commerce with Agricultural and other Products at the Agricultural University, several students are actively working in the field of e-commerce. Our platform for consolidation of agricultural and other producers from CEE and China is available at www.16plus1cloud.org. There, every producer, farmer or trader can publish their produce, and if companies have their own e-shop, they can directly contact platform with Chinese partners and to conduct direct



transactions. We have created immediate connectivity with the Bulgarian Food Safety Agency (BFSA) and we are now able to issue consolidated health certificates. With the cooperation of the Bulgarian Chamber of Commerce and Industry (BCCI), it was possible to issue consolidated certificates of origin for any quantity sent to China. The fact is also the so-called a green sample channel enabling the issue of phytosanitary documents. Assisted by the Bulgarian government, we are actively working to optimize and reduce administrative burdens.

Our main goal is to create respect for young people in Bulgaria and their relationship with the industry not only to trade but to create our own value-added products.

Aside from their specialty - agrarian economics, the director of APACCCEEC Vasil Gelev teaches students from the Agricultural University skills and knowledge about e-commerce in the 17+1 Format. The young people - future entrepreneurs – also took part in the final stage of the preparation of the samples and document turnover of the companies for the Third China International Tea Expo (CITE) in Hangzhou. Students are already familiar with the entire process and the necessary documentation for exporting certain goods to China.

The young entrepreneurs are currently developing a project to create their own product. The Association provided them with literature on entrepreneurship, management, e-commerce. They have been provided with designs for the most diverse packaging and boxes in China. They themselves have to decide what the product put in these boxes will be, how it'll appear to the customers and has to be in accordance with all Chinese requirements, so that they can be ready to export their goods to the PRC.

Students will also prepare a marketing strategy for their product, which will be available on the e-Commerce platform of APAC and presented at the Ningbo CHINA – CEEC Exhibition in June this year.

Another project, headed by Assoc. Prof. Svetla Yancheva, is the preparation of saffron bulbs - different in size and quality, delivered by the President of the Bulgarian Association of Saffron Producers and Organic Saffron Products Hassan Tahirov. The bulbs will be planted in the experimental fields of the Agricultural University (AU) of Plovdiv. In the university's laboratories, equipped with modern and precise equipment, all those saffron products will be examined. An agreement for implementation among young entrepreneurs, APAC and AU is to be concluded.



These initiatives are an essential part of working with young people in the "Demonstration Zone of Agricultural Cooperation between China and the Central and Eastern European Countries - Republic of Bulgaria".

After the short videos about the projects of APACCCEEC Mr. Vasil Gelev joined the meeting and followed one-hour discussion on the difficulties and problems CEE countries are facing so far.

Mr. Gelev noted that all CEE countries are facing a lot of troubles when trading with China. On the behalf of the Association, after participating at the 3rd International Tea Expo in Hangzhou, the Association paid a lot of attention how to overcome these obstacles. Without a doubt, they are many, but the hard work should continue. After this exhibition, the Association has the knowledge how to make deliveries of agricultural samples from CEE countries to China. Something that is of crucial importance to the companies from CEE countries if they want to join the Chinese market. At the same time, the Association already had the experience how to transport the goods on time for the exhibition and on a very preferable conditions, especially related to the air cargo.

The Association achieved a consolidation of the goods on one place, issuing one Certificate of Origin, one Health Certificate and all other related documents to be issued by one place – a warehouse that is situated in the Agricultural University, Plovdiv city, Bulgaria.

The delivery from Bulgaria (if the products are provided to the warehouse in Plovdiv) could be dispatched to China at the price of approximately 1,2 euro per KG and the delivery can be made within 3 days.

The Association made a promotion in Macedonia and discussed the issue with North Macedonian companies – Vitaminka and Vitalia (two of the biggest companies in North Macedonia).

Mrs. Kristina Mineikiene proposed all this information to be prepared and provided to the Consultative Board Members in written form. In this way, all can understand in depth the information and then ask additional questions.

Mr. Gelev shared that from January 1, 2019 there is a new regulation from the China Customs Clearance Administration which changed totally the rules of the e-Commerce and especially for the cross-border e-Commerce. Now we have more than 1 321 products which are in the positive list of goods which can be imported to China without a bilateral protocol signed



between the countries. This includes the dairy products, meat products – most of the products that the CEE countries are focused to export to the Chinese market are now open.

Without this facility, without this supply chain management system it wouldn't be possible the sending of the products on a competitive price. Of course, there are some limitations to the e-Commerce, it should be for a personal use, which means you cannot import large quantities. But the Chinese understanding for personal use is different from the European. It is considered about 2 500 euro for products per person per year which can be imported by cross-border e-Commerce without bilateral agreement between the countries.

There is a supply chain management system as he mentioned before which the Association has developed.

Mr. Gelev criticized all of the countries for not being anyhow familiar with what did the Association in the last year, especially in the field of the e-Commerce. During the 6th Consultative Board Meeting which was held in Vilnius, he provided to all of the Consultative Board Members a usernames and passwords for the platform www.16plus1cloud.org. So far, there is no activity from the CEE countries of contributing somehow to the development of the Association's e-Commerce platform. He mentioned that the platform is officially included in the Dubrovnik Guidelines for Cooperation between China and the CEE countries. In this respect, he asked once again the Consultative Board Members to be more aware of what the Association is doing, to ask more questions and to use the opportunities that are provided to them.

Mr. Perica Ivanoski opened a discussion on the same topic. He also mentioned that the Association has its annual meetings and meantime has a lot of activities and achieve great results but the Consultative Board Members are not acquainted with these achievements, so they are missing the information between the meetings. Mr. Ivanoski proposed between the CB Meetings the sharing of information to be more intensive and straight forward in order to establish a certain steps and action plans for achieving the goals, so at the meetings each country can share their progress.

In this regard, Mr. Li Kaihang proposed the next Consultative Board Meeting to be held in Sofia, Bulgaria in the second part of 2019.

Mr. Gelev noted that the Association should definitely has seminars in China, and a perfect place for this is the newly opened Liaison Office of APACCCEEC and 17+1 Pavilion in China (Ningbo) Youth Innovation Center CEE Countries in Ningbo.



Mrs. Bernadette Tomas expressed her concerns that probably the Embassies has small budgets and it will be not possible for all countries to cover the expenses of their representatives to go to Ningbo. That is why it is better the seminars to be held in Beijing, so every country can participate.

Mrs. Kristina Mineikiene proposed for the next Consultative Board Meeting to have a written paper information to be discussed on, provided in advance.

Mr. Ivanoski shared he had the feeling these Consultative Board Meetings are very short, also there are some other important activities pushing the time and there is not enough time for the important matters from the field of the Association.

Mr. Li Kaihang proposed to go to the next points from the Agenda.

Point 4: Proposals, discussion and adoption of date and venue of the 9th Meeting of the Consultative Board of the Association for the Promotion of Agricultural Cooperation between China and the CEE Countries in 2019.

The 8th Meeting of the Consultative Board of the Association for the Promotion of Agricultural Cooperation between China and the CEE countries did not assemble the minimum number of present Board Members in order to gather a quorum. However, the Consultative Board Members discussed and voted the 9th Meeting of the Consultative Board to be held in Sofia/ Plovdiv , Bulgaria in the second part of 2019.

Point 5: Proposals of host of the next 5th Meeting of China-CEEC Ministers of Agriculture and the 15th China-CEEC Agro-Trade and Economic Cooperation Forum in 2020.

Proposal 1: Bulgaria would like to propose the 5th Meeting of China-CEEC Ministers of Agriculture and the 10th Meeting of the Consultative Board of APACCCEEC to be held in China in 2020.

Proposal 2: MARA,China would like to host the 5th Meeting of China-CEEC Ministers of Agriculture and the 15th China-CEEC Agro-Trade and Economic Cooperation Forum in China in 2020.



The 8th Meeting of the Consultative Board of the Association for the Promotion of Agricultural Cooperation between China and the CEE countries did not assemble the minimum number of present Board Members in order to gather a quorum.

All presented countries expressed their support to the proposal of MARA, PRC to hold the 5th Meeting of China-CEEC Ministers of Agriculture, the 15th China-CEEC Agro-Trade and Economic Cooperation Forum and the 10th Consultative Board Meeting of APACCCEEC. MARA also plans to hold a range of supporting activities based on discussion with all relevant countries and requires their support of holding these activities.

At the end of the meeting, all Consultative Board Members agreed the Association:

- to prepare and send a short newsletter on a certain period of time (every month/ two months) with information about the progress of the projects, activities and events
- to prepare guidelines on different topics and share them with the Consultative Board Members and the companies from CEE Countries
- to update the contact list of the Consultative Board Members

Adjournment:

There being no further business, Chairman Vasil Gelev declared the meeting adjourned.

Meeting adjourned at 22:20 PM

Respectfully submitted by:

/Vasil Gelev, Chairman /

Adopted by the Consultative Board Members
on the 8th Consultative Board Meeting
on May 16, 2019