

**Speech by the Prime Minister of Croatia
Mr Andrej Plenković
at the Trade and Innovation Forum
5 November 2018
China International Import Expo
Shanghai, China**

Ladies and Gentlemen,

nǐ men hǎo!

It is my great pleasure to participate in the China International Import Expo and, in particular, in this global forum on trade and innovation – in the city of Shanghai, which so vividly embodies both of them, blending history and modernity.

In China, we cannot but pay respect to many inventions such as paper, silk, gunpowder, compass or banknotes, and many others that came from here and changed the world.

My country, Croatia, is comparatively small in size and population but great in human potential and appetite for innovations, some of which are universally known and daily used in today's world.

To mention a few – in 1617, Faust Vrančić was the first man to jump with a parachute he invented. In 1891, the criminalist Ivan Vučetić invented the dactyloscopy and was the first to solve a criminal case using fingerprints, a technique still in use today. The great Nikola Tesla developed alternating current and Croatia became in 1895 the world's second and the first European country to have a hydroelectric power plant.

Many other inventions originate in my country such as the car speedometer, the MP3 player or the world's first text-messaging paying system. And there is nothing to motivate innovation better than trade.

This is why Croatia, as an EU member state, is a rigorous proponent of free trade and fair trade of multilateralism which sets a level playing field to all the actors.

To support this, my Government is working to create favourable conditions for business development and to unlock the potential for innovation. In this respect we have developed a competitive support scheme for investors in the form of tax reliefs and direct grants, with special focus on rapidly developing ICT sector.

We are introducing tax incentives for private companies that engage in research and development. And my Government sustains financial support to the firms as they commercialise new products on the market. This is why Croatia is investing 1.8% of its GDP in innovation, research and development by combining national and European Union funds.

The most brilliant example coming from Croatia in today's innovation context is the company *Rimac Automobili*, that manufactures the world's fastest electric car, *Concept 2*, a hyper-car that is at the pinnacle of technology. This company together with the Chinese Camel Group has announced cooperation which should result in the opening of an electric motor and battery factory worth 158 million dollars in Hubei province in Central China.

Genos is another Croatian research company and a global leader in the development of biomarkers that predict the risk of diabetes, working with the Chinese private sector and hospitals.

Another popular technological innovation coming from Croatia is *PhotoMath*, awarded at the Netexplo Forum in Paris, allows smartphone users to solve mathematical equations simply by taking their picture.

Last but not least, *Infobip*, a Croatian company employing 1,200 people in 50 offices in 40 countries worldwide, developed a cloud-based IP platform used by 4 billion people daily. By managing 7 billion digital transactions a month, it enables business users to communicate with end-users via mobile phones and chat applications such as Viber, Facebook Messenger and LINE.

We believe that nurturing such individual achievements and innovative new products represents the opportunity for Croatia to participate and compete at the global scale.

Ladies and Gentlemen,

Following the heritage of Marco Polo, and the footprints of the ancient Silk Road, there are many opportunities ahead of us within the framework of the Belt and Road Initiative, especially in its China+16 format. In that respect I am proud that that, with the support of Premier Li Keqiang, Croatia will have the honour to host next China+16 Summit in Dubrovnik in the spring of 2019.

The overarching theme of our cooperation is connectivity which is intrinsically linked with and reinforced by trade and innovation.

In this regard, Croatia is the Mediterranean gateway to Central Europe.

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.

Our highways are modern and integrated in the Trans-European networks and we are now working to improve the railway infrastructure to make the transportation of goods even more efficient and economical.

While adapting our economies for the 4th industrial revolution, featured by digitalization, innovation, investments and competitiveness, we cannot forget the basic infrastructure that is still relevant, especially having seen technological advancements that China has made in this respect.

The time ahead of us will offer many-fold opportunities to work in partnership and drive innovation and shape the future of global trade.

Technology enables our ties to be closer than ever, and I believe you all know where the tie comes from. Just as China is the birthplace of silk, Croatia is the homeland of the necktie. So nothing symbolizes the fruitful Croatian-Chinese cooperation better than the silk necktie.

Let it also be a daily reminder of what we can achieve together!

Šie šie!