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# The Chinese Economic Power Index

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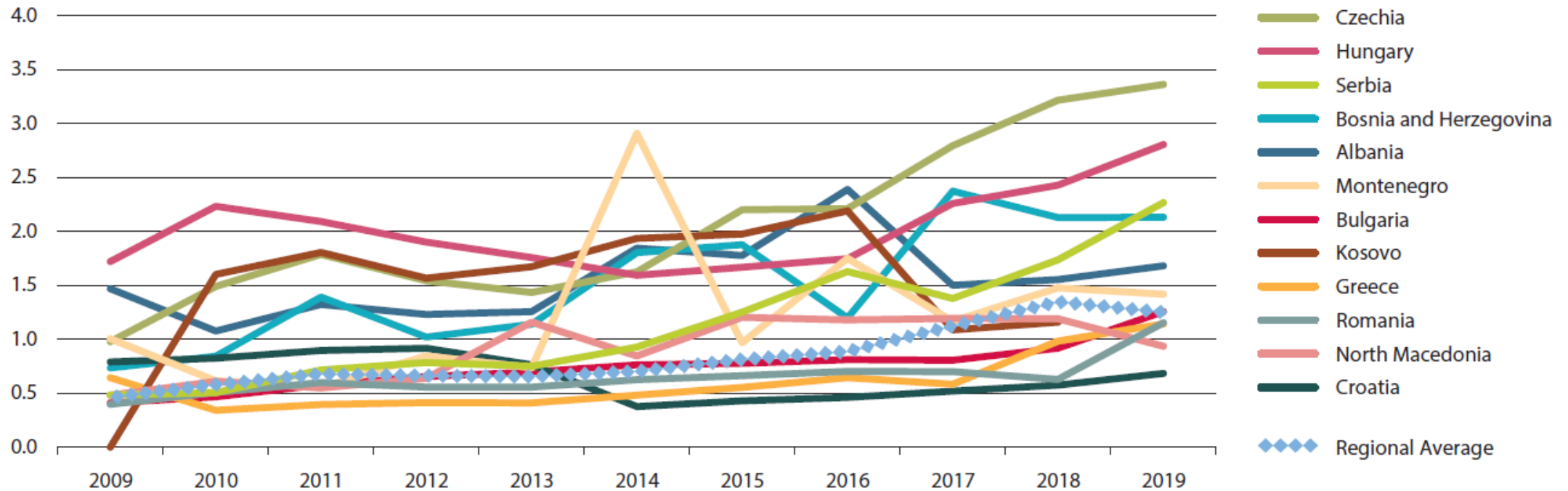


# Measuring Chinese Economic Influence: Three Pillars

- Structural Economic Ties
- Climate Impact
- Governance Impact

## Chinese Economic Footprint Index

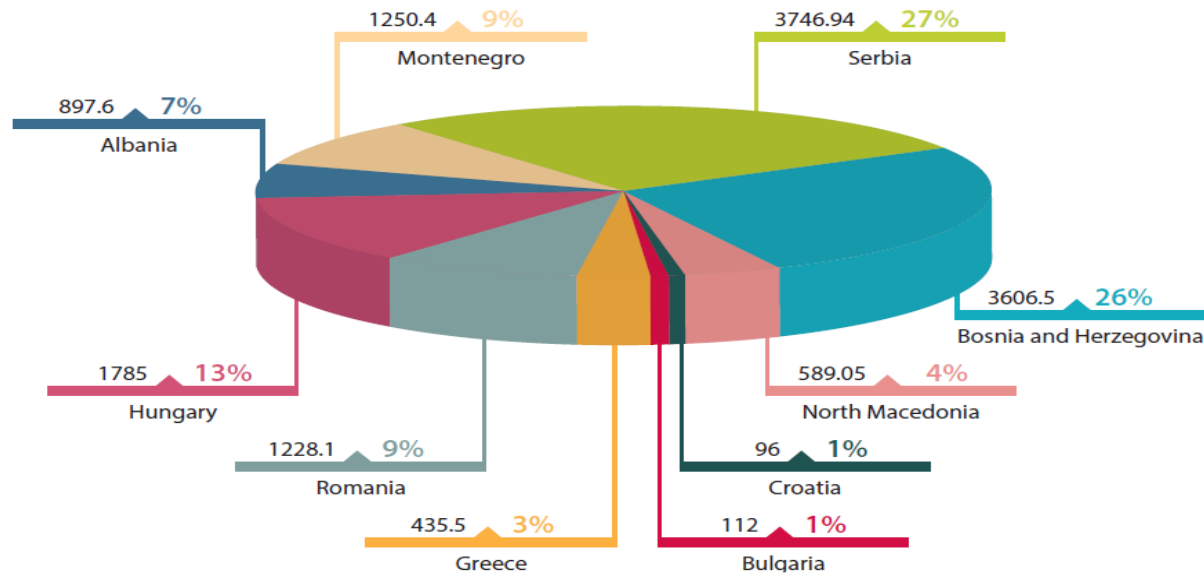
### Chinese Economic Footprint (as % share of the economy)



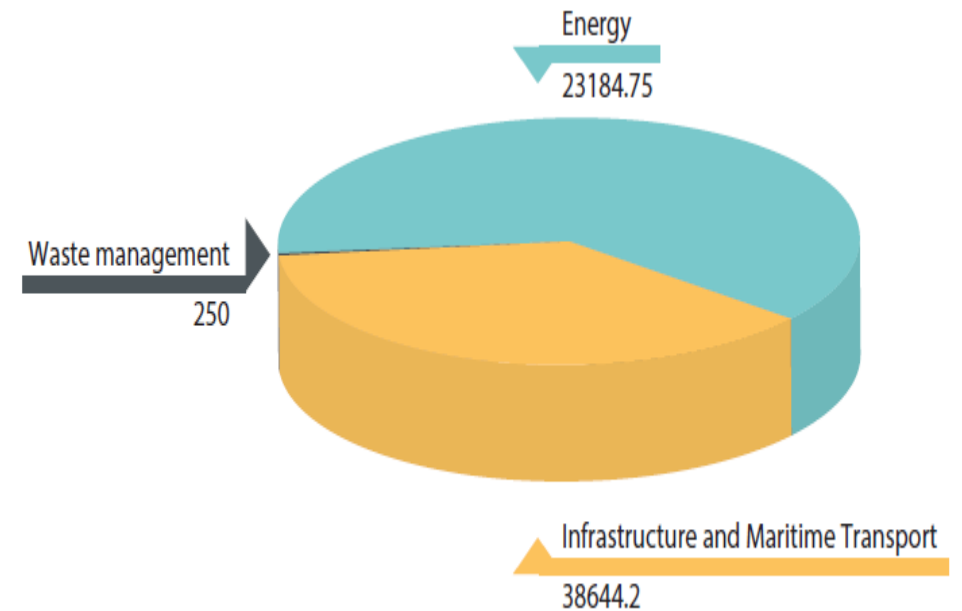
Source: CSD.

## Chinese Economic Footprint Index (2)

Chinese Financial Flows (2000-2020) (USD Million) –Loans/Concessions/Acquisitions

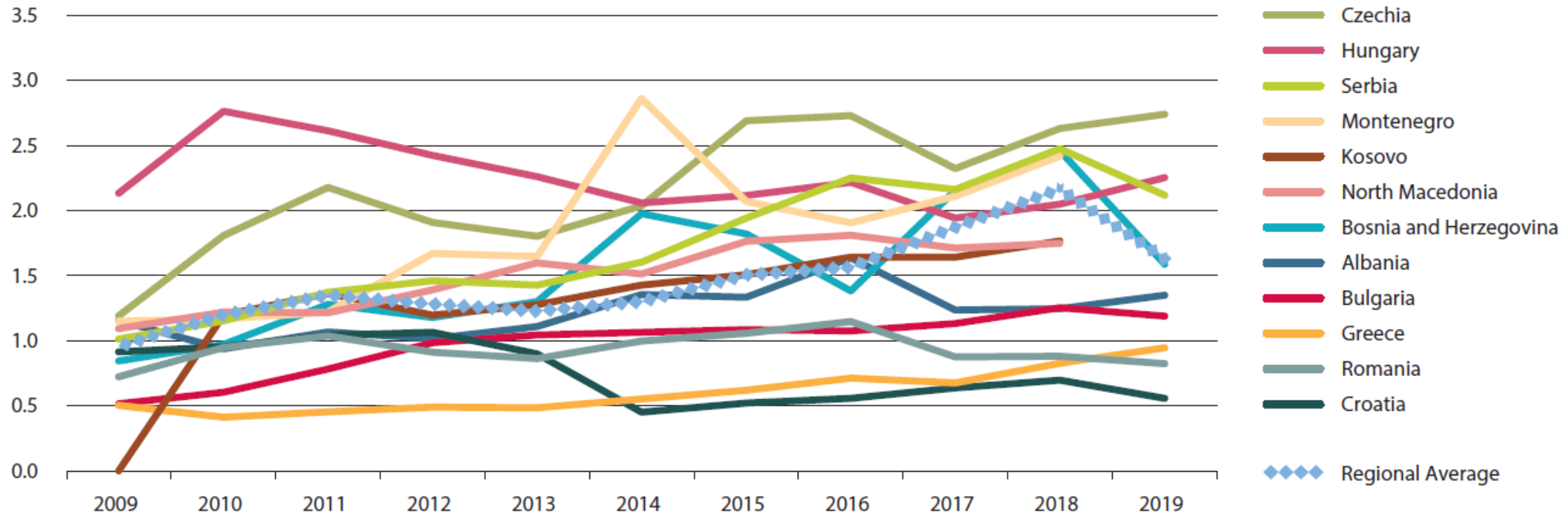


Chinese-led Projects in CEE (Complete and Under Planning) by Sector and Value (USD Million)



Source: CSD estimates based on China's Global Development Footprint Database developed by AidData, a Research Lab at William & Mary and an overview of Chinese-funded projects and other initiatives in each of the 12 countries analyzed. \*Data on the Czech Republic is not included as most Chinese financial flows are private. The Chinese FDI Stocks in Czechia are estimated at USD 600 million at the end of 2019.

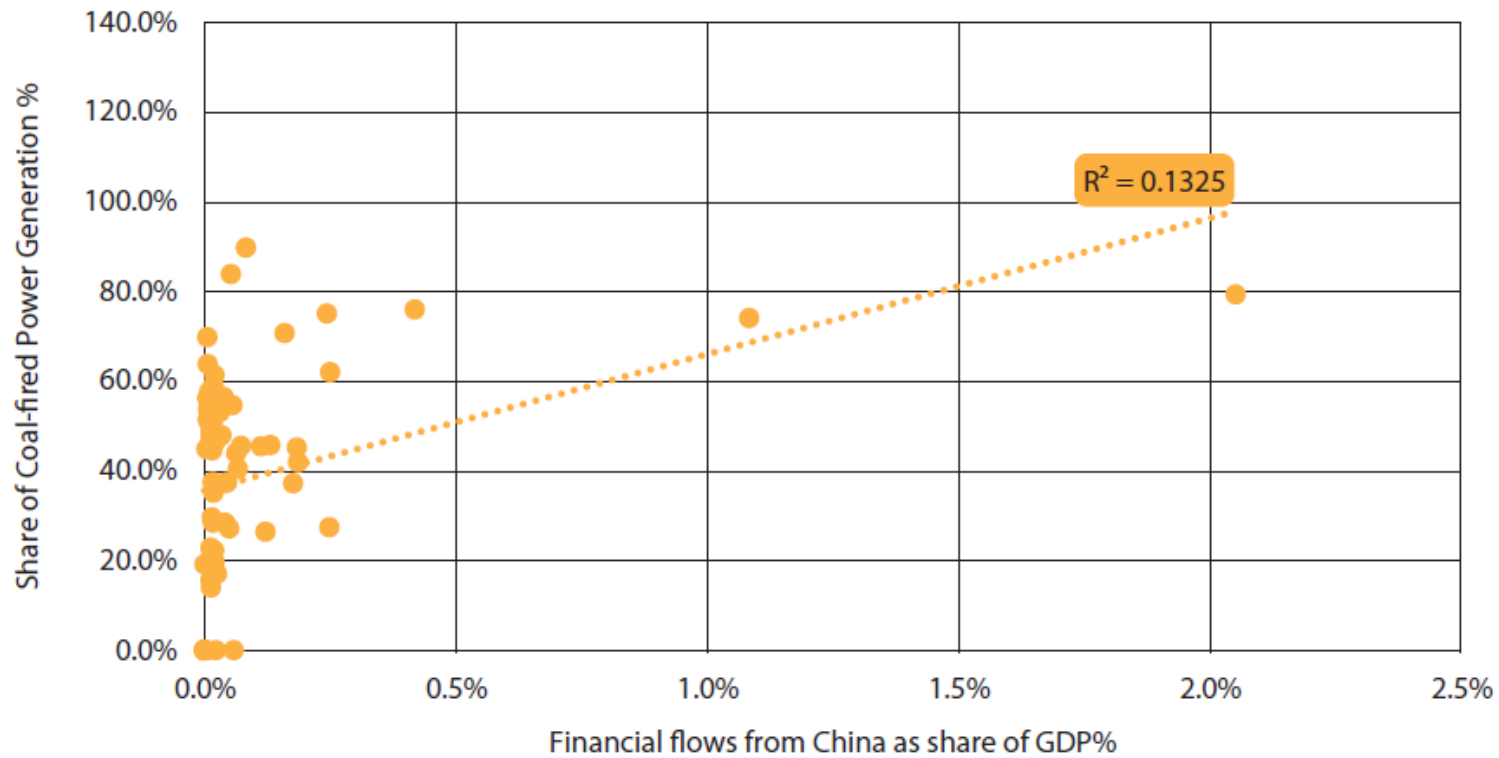
## Index of Environmental and Climate Impact in CEE



Source: CSD based on data from Eurostat and national statistical agencies.

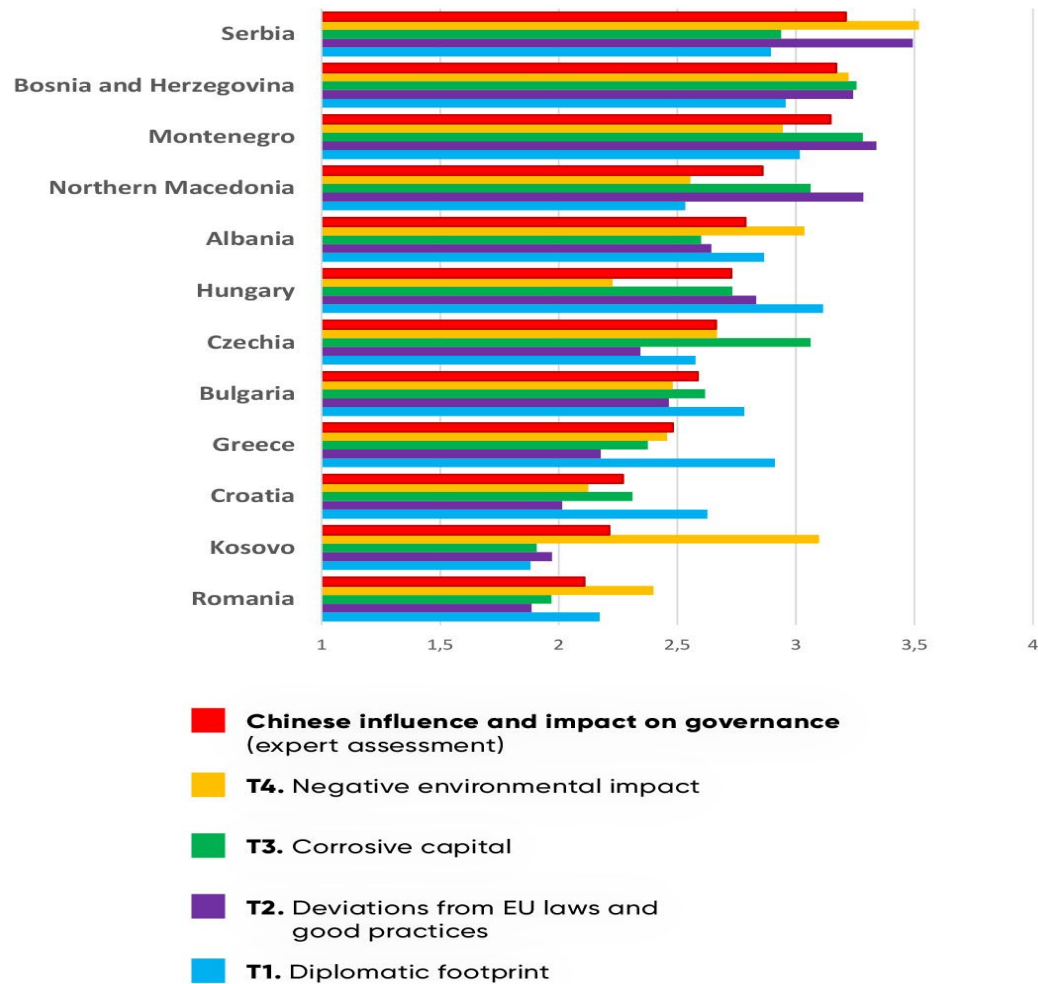
## Index of Environmental and Climate Impact in CEE (2)

Financial Flows from China and Share of Coal-fired Power Generation in the Electricity Mix



Source: CSD.

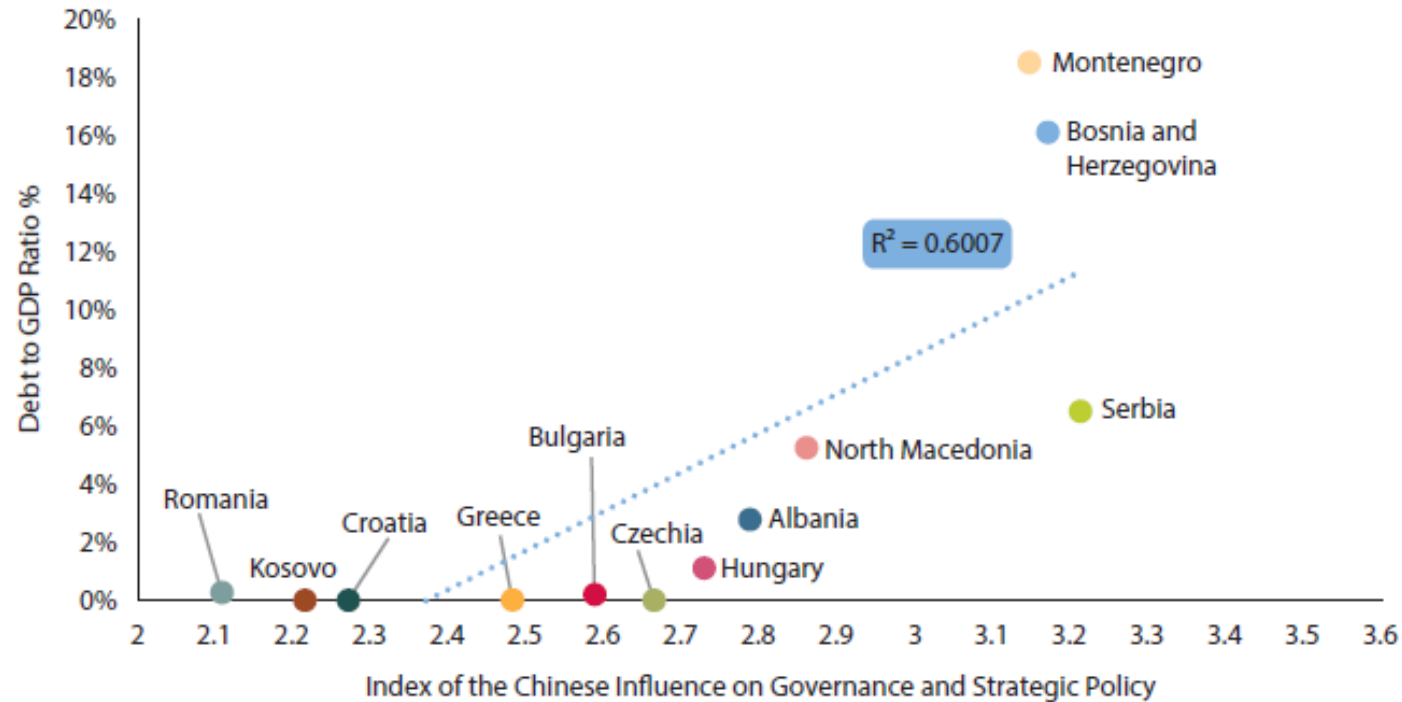
# Index of the Chinese Influence on Governance and Strategic Policy



Source: CSD.

## Index of the Chinese Influence on Governance and Strategic Policy (2)

Correlation between the debt-to-GDP % ratio and the Sub-Index of the Chinese Influence on Governance and Strategic Policy

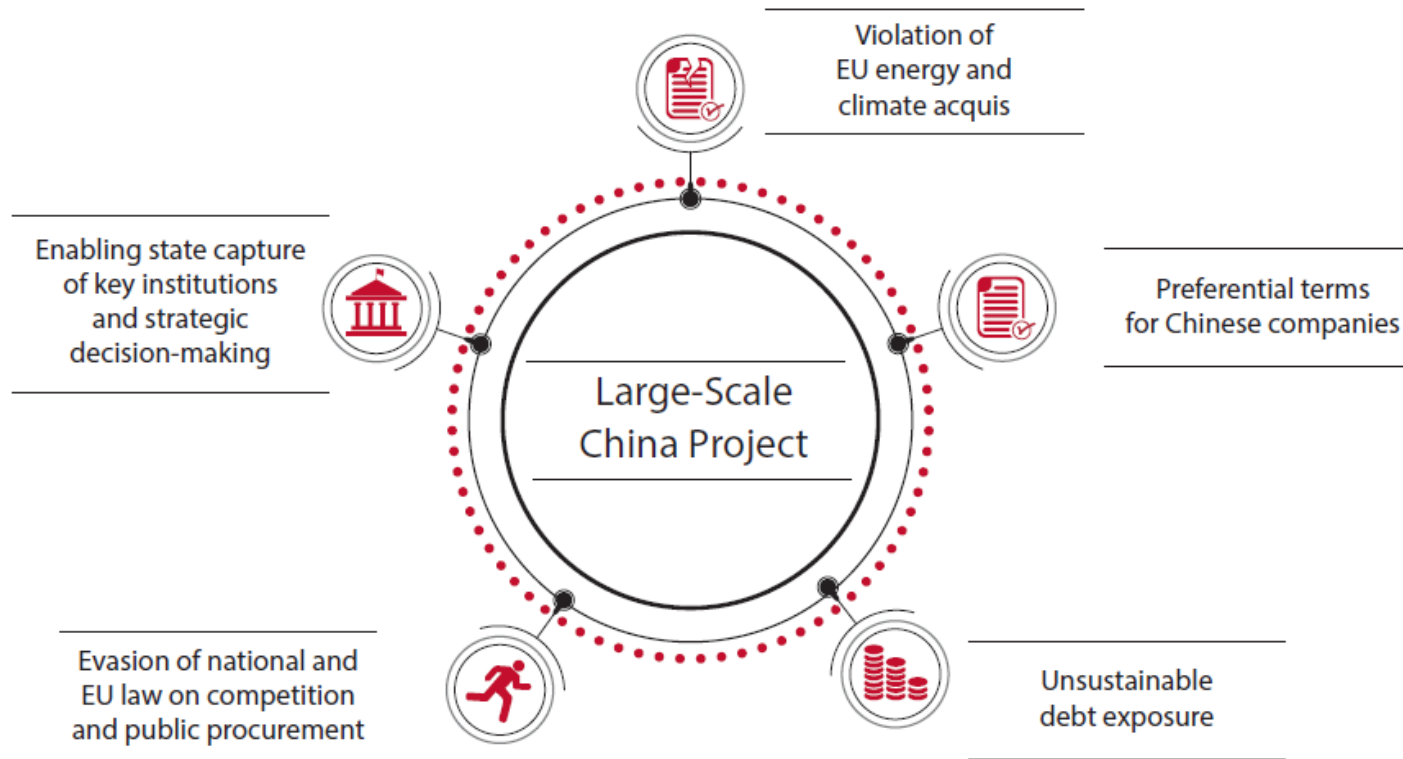


Source: CSD.



# Index of the Chinese Influence on Governance and Strategic Policy (3)

## Governance Deficits in Chinese Large-Scale Projects in CEE



Source: CSD.

## What's Next?

- There is a need for a robust U.S. and EU response using a range of economic tools
- The EU should reinforce its position as the primary driver of economic development in CEE
- The Three Seas Initiative should become an effective mechanism to attract more capital from Western Europe and the U.S.
- The Energy Community should be empowered through the expansion of its powers
- There is a need for a robust monitoring and enforcement mechanism to discontinue energy projects that might undermine the low-carbon energy transition
- The EU should introduce its strong climate and rule of law conditionality for the disbursement of its funding for the Western Balkans
- The EU needs a Europe-wide system for reviewing the security implications of investments in the energy sector by third parties
- National governments in the region should close key governance gaps that have been exploited by China to promote its investments



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**Thank you!**

