

## The Chinese Outward Direct Investments and the New Eastern European Member States of the EU with Special regard to Hungary

(Resume)

The Chinese outward direct investments have grown in big scale and the mostly state owned Chinese companies have become important parts of the group of international investor market thanks to the planned state actions after 2000. The Chinese strategy aims to get not only the raw material and energy resources but the access to the developed technologies too. Taking into consideration that the outflow of the unemployed people from the agricultural sector requires 8 percent growth of the Chinese economy to be able to employ them it is obvious that in the era of the world economic crisis the Chinese outward investments play important role in maintaining the pace of growth by supplementing the insufficient inland demand. The huge national development program (585 billion dollar for two years) and the 40 billion dollar that China offered to the IMF are also parts of the crisis management. More interesting is the regional financial fund of 120 billion dollar initiated by China together with ASEAN10, South Korea and Japan. This fund can on the one hand promote the stability of the region and enforce the international role of Renmimbi on the other. By doing so the Asian Financial Fund would help the expansion of the Chinese direct capital in the Asian region.

The Chinese investments in Europe have very small importance for both sides at the time being. Among the 10 new Eastern-European member states it is Poland, Romania and Hungary that absorb 85 percent of the Chinese direct capital. The most Chinese investments have been attracted by Hungary in the very last years that can be thanked to efforts on the highest level of the diplomatic grade in building economic relations between the two countries. Having advantageous regional location and liberal, friendly policy toward China Hungary can become regional hub for the Chinese companies as it happened in the bank sector when Bank of China opened an affiliate in Budapest. The additional inflow of the Chinese capital to Hungary can be encouraged by offering the Hungarian research and development ability and capacity to the Chinese companies and continuing of the connection building at state level.