

V. CONCLUSION

From the research conducted, we can conclude that Central and Eastern Europe countries are not only serving as a form of cooperative market but they also play a role in linking the European and Asian markets and help promote cooperation between the European Union and China. The rapidly growing cooperation between China and Central and Eastern Europe is expected to facilitate the construction of a Silk Road Economic Belt.

To answer my research question, taking in count the results of the case study of two respective companies, Wanhua in Hungary and Tri Ring Group in Poland, I state that Chinese companies are led by profit base interest to invest in CEE countries, moreover Market and Asset Seeking motivation. Pull factors such as market characteristics, available resource and more over political and economic stability are all present in cases I studied. Nevertheless, the result of analyzing trends of Chinese investment in these particular cases, meaning biggest investment both in Poland and Hungary, I found that although these companies are led by economic motives, they are still state-owned and supported by PRC government. Investment factors of these two companies can be seen through more comprehensive picture, on how these investments will have political consequences in this region. For example, FLT-Krasnik S.A., was on the edge of bankruptcy due to the financial crisis and Polish government was depending on the Chinese investor. After which, it appears that the governments of Hungary, Poland and Greece have become much more unwilling to criticize China in its territorial disputes.

While macroeconomic factors, such as labor costs, market size, and corporate taxes, had and continue to have a decisive role in investor decision making, Chinese firms seem to attach great importance to institutional factors as well. Country-level institutional factors that impact Chinese

companies' are good political relations between the host country and China. The "looking east" of CEE countries is intensifying and their wish to acquire more development opportunities from China is evident. CEE countries have unveiled measures aimed at enhancing cooperation with China and they are conducting frequent high-ranking exchanges. Even countries which previously had problems with China, such as the Czech Republic, are showing signs of improving bilateral relations.

The role of Chinese investments within the CEE region increased significantly after the crisis, and investment from China will be increasingly important for the countries of the region in the future, as the Chinese share of total inward FDI in the CEE region increases. The CEE region is attractive to China thanks to its strategic geographical position for the New Silk Road project, its high-skilled yet cheap labor, and its open trade and investment environment. We can also see that these investment decisions are in line with Chinese 16+1 policy, which brings us to conclusion that economic and political motives are in this case intertwined.

Apart from economic rationales, CEE countries are becoming an important political partner for China. The PRC is looking to gain favor among EU members, including those from Central Europe, as the European Union prepares key decisions on China: to grant (or not) the PRC market economy status (MES). Taking into account the fact that this decision will be made by the European Council, Poland's support as a one of the biggest EU members and the biggest country in Central Europe is important for China. As already mentioned in this paper, despite ongoing heated discussions within the EU on the matter, Hungary has declared its support to China's efforts already in May 2016, over half a year before the final decision must be made.¹¹⁰

¹¹⁰ "Hungary supports granting China market economy status," (2016) Budapest Business Journal, Available at: http://bbj.hu/economy/hungary-supports-granting-china-market-economy-status_116908., Accessed on: 21.06.2017

Similarly, Croatia, Hungary and Greece already supported China on the territorial disputes regarding The Hague Tribunal's verdict on the South China Sea dispute.

My final conclusion would be that Chinese investments in this region are driven and motivated by economic interest, taking into account pull factors related to advantages of specific markets. Therefore, Dunning's OLI factors are do applicable in analyzing motives of Chinese investment in Central and East Europe, but at the same time they have political background and consequences on political developments even when the investment is not coming directly from the PRC government.

The level and warmth of political relations with the host country have an increasingly important influence on Chinese companies' investments in the region. Greater cooperation among the CEE countries might therefore help to increase the chances for successful economic relations with China.

VI. LIST OF REFERENCES

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