

Bank of China should complete all the procedures for the establishment of a bank in Serbia by the end of the year and obtain a work permit. Governor Jorgovanka Tabakovic says she is proud that one of the five largest banks in the world is coming to Serbia. Does the arrival of Chinese banks mean that Serbia will strengthen its position in the modern Silk Road and with whom the bank will work in Serbia?

The existing banks in Serbia could have a new competition from the beginning of next year after the adoption of preliminary approval for the establishment of a bank in Serbia - the subsidiary of Bank of China.

“The arrival of such a large and serious bank, which will deal with financing of not only the economy but also citizens, is really important for us because everyone insists on competition. As long as there is a monopoly or inertia, no one is trying to be better,” said the Governor Jorgovanka Tabakovic.

In the past few years China has been financially present in Europe and Serbia. HBIS bought Zelezara Smederevo steel plant, Chinese companies are building infrastructure and financing projects in the energy sector. Local investments are significant for Serbia, but represent only a small part of China’s global investment plan for this year, which as experts estimate could reach USD 170 billion.

“Chinese banks in a way have surpassed the World Bank and IMF when it comes to loans, and Serbia is here, just a small pebble in the mosaic,” explains Bosko Korkodelovic.

For analysts, the arrival of large bank is a signal that China has serious intentions when it comes to further expansion. Chinese bank credit lines will be used by local investors, and significant work with citizens is not expected in the beginning.

“In next ten years they have in mind projects that will be measured in billions. Do not forget that they are very present in Italy. In addition, they announced expansion when it comes to purchase of high-tech companies in Germany. We are here on this way with a function of the country that has the ability to be included in the overall concept of their interest, based on infrastructure projects - not only the railway Belgrade - Budapest, but also energy facilities,” said Djordje Djukic.

One of the largest Chinese banks had a profit of more than six billion dollars during the third quarter this year.