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CHINA'S QUIET FOOTPRINT: Mapping Chinese Influence on Local Politics and the Economic Landscape in Kosovo





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I. Introduction

China's strategy to exert influence in Kosovo primarily centers on economic engagement and disinformation campaigns. However, recently, China has also shown a tendency to organize meetings with local authorities and develop cooperation across various fields, including the economy, culture, and the arts. Despite not recognizing Kosovo's independence and lacking formal diplomatic relations, China engages through indirect channels, particularly trade, with the tendency to create municipal partnerships and connections with local businesses. This approach aligns with the Tao Guang Yang Hui principle, China's grand strategy emphasizing the pursuit of national interests while avoiding overt confrontation. In contrast to Russia's aggressive approach, China quietly expands its influence through soft power mechanisms, minimizing political friction while steadily deepening its economic presence.

This approach is rooted in the Tao Guang Yang Hui principle or China's grand strategy that emphasizes maintaining a low profile while quietly pursuing national interests. Under this doctrine, China seeks incremental gains while avoiding actions that might draw suspicion, provoke resistance, or force political commitments that could undermine its domestic priorities. This stands in sharp contrast to Russia's more overtly assertive and confrontational strategy.

Although China and Russia are often grouped together as external or malign influences in Kosovo, their strategies and objectives differ significantly. Russia pursues a confrontational approach, seeking to maintain a network of allies and proxies across the Western Balkans to counterbalance Western and U.S. influence. Rather than engaging directly in Kosovo, Russia treats the country as a geopolitical flashpoint, advancing its interests through regional partnerships and political alignment. In contrast, China's approach follows its Tao Guang Yang Hui

grand strategy, emphasizing subtle, long-term influence. It utilizes tools such as foreign direct investment, trade, business partnerships, and municipal-level cooperation, depending on what is feasible. By bypassing national institutions and often engaging directly with local actors, China minimizes political pushback while gradually deepening its presence and influence.

This paper examines the contrasting strategies of Russia and China in Kosovo, with a particular focus on China's expanding role through economic cooperation and its growing engagement with local-level institutions. Drawing comparisons with China's broader involvement across Western Balkan countries - where its presence is often more visible and influential, such as in Serbia - the analysis highlights how China adapts its global grand strategy to regional and local contexts. Although China does not maintain diplomatic relations with Kosovo, lacks investments, and Kosovo is not part of the Belt and Road Initiative's 16+ framework, China remains active in trade cooperation and increasingly seeks partnerships at the local level, particularly in economic, cultural, and artistic fields. The paper explores how China builds relationships with municipalities and businesses, often operating discreetly, to expand its soft power and influence public perception, especially at the community level.

China's presence in the Western Balkans has increased steadily over the past decade, particularly through its Belt and Road Initiative, which serves as the primary vehicle for engaging countries in the region. Beyond economic motives, these investments are part of a broader geopolitical strategy that tends to shape global norms and institutions and secure support from smaller states such as those in the Western Balkans in international fora like the UN. This growing influence should also be seen in the context of rising global tensions, where a bifurcated world order, reminiscent of the Cold

War, is taking shape. With the war in Ukraine and sanctions on Russia, China has intensified efforts to challenge U.S. financial dominance. Western Balkans thus emerge not only as a strategic corridor into Europe but also as a critical region where China's expanding influence may directly challenge the EU and broader Western presence.¹

This research analyzes China's soft influence in the Western Balkans through the lens of

¹ Cristian Nitoiu & Arbnor Bajraliu, *The Western Balkans in an Unstable World Order: The Role of China, the European Union and Russia, Revisiting Balkans*, 2024.

its grand strategy, with a particular focus on Kosovo. The analysis begins by exploring how China's grand strategy is formulated at the global level and how it is adapted regionally, particularly in Kosovo, where China does not maintain diplomatic relations. A key objective is to shed light on China's approach in the region, especially its efforts to build influence through business ties and local-level engagement. By unpacking China's global strategy and examining its localized application, the study aims to inform the development of a clear, context-specific response by the government of Kosovo to mitigate China's influence, particularly that which is pursued through non-transparent means.

Methodology

This report employs a methodology centered primarily on comprehensive desk research, including a review of academic articles, reports, and news sources concerning China's influence in Kosovo and the wider region. In addition, the research incorporates nine semi-structured interviews with experts, civil society representatives, government and business officials, and Chamber of Commerce members.

These interviews aimed to explore the nature, connections, structure, and practical outcomes of cooperation with Chinese entities, to shed light on China's political and security intentions in Kosovo.

The research team also reached out to local authorities in the municipalities of Prishtina, Ferizaj, Prizren, and several others to gain insight into meetings with Chinese representatives and to determine whether any such entities had approached them. However, none of the contacted municipalities responded to the participation request.

All information collected for this report was analyzed through the lens of China's grand strategy, assessing how its global objectives are adapted to Kosovo's specific political dynamics.

II. Understanding China's Grand Strategy: Tao Guang Yang Hui

Rush Doshi analyzes China's grand strategy in his recent book, *The Long Game: China's Grand Strategy to Displace American Order*. According to Doshi,² Grand Strategy is understood as an integrated security concept that guides how a state can achieve its strategic objectives. It entails a comprehensive and coordinated approach across multiple domains, such as military, economic, and political, to pursue both national and international goals.

The concept of Tao Guang Yang Hui, often translated as "hide your strength, bide your time" and used as a guiding principle of China's grand strategy, emerged in the aftermath of the Soviet bloc's collapse in the late 1980s and early 1990s. The disintegration of the Soviet Union prompted China to view the United States as its primary strategic threat. In response, Beijing adopted a strategy of "blunting," aimed at diluting U.S. hegemonic influence while masking its ambitions as a rising power. Rather than engaging in direct confrontation, China pursued a discreet, long-term approach to expanding its influence, avoiding overt provocation. This transitional period raised critical questions about China's strategic direction and its future role in the international system. The doctrine that crystallized under Tao Guang Yang Hui emphasized restraint, strategic patience, and the

quiet cultivation of national capabilities.

This doctrine served as a foundation for China's grand strategy, allowing it to advance its national interests without appearing overtly threatening on the global stage. At its core, Tao Guang Yang Hui advocates for remaining calm, concealing capabilities, and pursuing development discreetly. It is particularly associated with a diplomatic approach that favors modesty and low-profile engagement, focusing on building a positive international image, primarily through economic partnerships, and securing incremental gains without provoking confrontation. The strategy encourages China to avoid direct confrontation, build internal strength quietly, and wait for the right moment to act internationally.

China's economic influence has been a core element of its grand strategy to expand its role on the global stage, particularly through the Belt and Road Initiative, which seeks to deepen infrastructural, financial, and normative interdependence worldwide, including in the Western Balkans. In this region, China prioritizes economic cooperation and business partnerships over overt political engagement, using trade, investment, and infrastructure projects to build goodwill and strategic leverage. This approach is designed to reshape local perceptions of China, challenge the prevailing international order and Western norms, and cultivate ties at both political and economic levels.

² Rush Doshi, *The Long Game: China's Grand Strategy to Displace American Order*, Oxford University Press, 2021.

III. China's Influence and Policy

Approaches in Kosovo and the Western Balkans

Although the term “Western Balkans” rarely appears in China’s official discourse, Beijing applies the logic of its broader “One China” policy to the entire Balkan region, with Serbia standing out as its most strategic partner.³ China maintains embassies in Albania, Serbia, Montenegro, North Macedonia, and Bosnia and Herzegovina, but not in Kosovo, whose independence it does not recognize. As a result, no formal diplomatic relations exist between Beijing and Prishtina. Nonetheless, the Chinese Embassy in Belgrade oversees a so-called liaison office in Prishtina. Given that Kosovo’s status remains a core issue for Serbia, China’s closest ally in the region, it is unlikely that Beijing will alter its position.⁴

Although China does not have an official policy specifically focused on the Western Balkans, and has historically prioritized engagement with major EU member states such as Germany, France, Italy, and the UK, its approach shifted notably in 2012 with the launch of the China-CEEC Cooperation framework. This initiative integrated Central and Eastern European countries into China’s broader diplomatic strategy toward Europe. In parallel, the Western Balkans have become a key entry point for the EU’s enlargement agenda, with the Union investing billions in infrastructure, governance, and energy projects. Meanwhile, China’s primary strategy in the region has been to cultivate close

ties with local authorities, often emphasizing economic cooperation and infrastructural projects.⁵

Many experts contend that China’s growing economic, cultural, and political influence in the Western Balkans has filled the strategic vacuum created by the European Union’s prolonged and uncertain enlargement process.⁶ While the EU Growth Plan offers reasons for optimism, EU funding remains insufficient to make a significant impact in the region, thereby opening the door for countries like China and Russia to increase their presence.⁷

The region has become a focal point where the decline of unipolarity and the emergence of a multipolar world order are increasingly apparent. Current political and security dynamics in Western Balkan countries are shaped by a mix of ongoing crises in the West, Russia’s renewed assertiveness, especially in the region, and China’s expanding footprint.⁸ China’s economic engagement, primarily through infrastructure projects and investments, is exerting growing influence on political developments. At the same time, the reduced involvement of the United

3 L. Zuokui, Present situation of China’s investments in the Balkan region and its influences under the Belt and Road Initiative: Case analysis based on field investigation. *Eurasian Economy*, 3, 2019, 42–57.

4 European Council on Foreign Relations. (n.d.). China in the Western Balkans: Kosovo. Retrieved August 2025, from <https://ecfr.eu/special/china-balkans/kosovo/>

5 Branimir Jovanović and Sonja Stojadinović, The EU’s and China’s grants and loans in the Western Balkans, Vienna Institute for International Economic Studies, 2025.

6 Danijela Jacimovic, Joel Deichman, and Kong Tianping, “The Western Balkans and Geopolitics: Leveraging the European Union and China,” *Journal of Balkan and Near Eastern Studies* 4 (2023).

7 Valbona Zeneli, Richard Grieveson, Isabelle Ioannides and Dimitar Bechev, The European Union Growth Plan for the Western Balkans: A reality test for EU enlargement, Atlantic Council Europe Center, 2025.

8 Milan Balažić, “Geopolitics of the Western Balkans 25 Years after the Breakup of Yugoslavia,” in *The One Belt, One Road: The Balkan Perspective – Political and Security Aspects*, ed. Vladimir N. Cvetković, p.173–74.

States and the EU's unclear and inconsistent enlargement strategy have further deepened this strategic void.

This strategic void has opened space not only for China but also for other malign actors, including Russia and certain Middle Eastern powers. China's role in the region is often mistakenly conflated with that of Russia. While Russia maintains deep historical, religious, and economic ties to the Western Balkans and actively exerts disruptive influence, particularly in Bosnia and Herzegovina through Republika Srpska and in the north of Kosovo by obstructing full state consolidation, China's approach is fundamentally different. Following its grand strategy, China adopts a subtler role in the region, deliberately keeping a low profile behind its economic and diplomatic tactics. Nonetheless, like Russia, China is not entirely new to the region. During the Cold War, China established diplomatic relations with both the Socialist Federal Republic of Yugoslavia and the People's Socialist Republic of Albania. Media experts note that China has especially leveraged social media platforms to highlight and reinforce the positive relations it built with the Albanian people during socialist Albania, fostering a continued sense of goodwill and sympathy towards China.⁹

Among Western Balkan states, Serbia stands out as China's most valued and visible partner, particularly in the areas of economic and security cooperation. This is especially evident in large infrastructure projects such as the Budapest–Belgrade railway, a flagship project of the Belt and Road Initiative, and the 62.5-kilometer highway section in Serbia built by the Shandong Hi-Speed Group. Other major Chinese projects in the region include the Bar–Boljare highway in Montenegro, the largest Chinese-financed infrastructure project there, and the highway between Miladinovci and Split in North Macedonia. Chinese firms have also expanded into the energy sector in Bosnia and Herzegovina, most notably through

the Stanari Thermal Power Plant. China's economic engagement in the region illustrates the close link between its investments and broader political interests.¹⁰ Serbia, in particular, continues to see China as a reliable partner and source of support, a perception that was reinforced during the COVID-19 pandemic, when Serbia became the first European country to use China's Sinopharm vaccine.¹¹

While China's primary involvement in the region has been through economic engagement, its core political narrative centers on the principle of "respect for sovereignty," positioned as a counterpoint to Western engagement, which emphasizes adherence to democratic standards and human rights. According to President Xi Jinping, China does not seek to export its governance model or import foreign political systems. Instead, its official policy stresses non-interference and the belief that each country should pursue its own development path. As the Chinese Ambassador to Montenegro stated, China has neither geopolitical ambitions in the Western Balkans nor an intention to compete with the EU for influence in the region.¹² The image China seeks to project, at least in the short term, is that of a purely economic partner - a "win-win" approach. This narrative has also been reflected in China's stance on the Kosovo-Serbia dialogue, which it frames as a European issue.

Under the pretext of focusing solely on its business interests in the region, China has treated the Kosovo issue as a European matter, allowing the EU to take the lead in the mediation process. Beijing has stated that it would accept any solution mutually agreed upon by both parties. Unlike Russia, which evidence suggests

9 Personal interview with Fitim Gashi, journalist from Sbunker, August 2025.

10 Danijela Jacimovic, Joel Deichman and Kong Tianping, *The Western Balkans and Geopolitics: Leveraging the European Union and China*, *Journal of Balkan and Near Eastern Studies*, v.4, 2023.

11 Mare Ushkovska, *China's pandemic-time diplomacy in the Balkans and the challenge to the EU's regional leadership*, *Institute of International Relations Prague*, v. 31, n.4, 2023.

12 Danijela Jacimovic, Joel Deichman and Kong Tianping, *The Western Balkans and Geopolitics: Leveraging the European Union and China*, *Journal of Balkan and Near Eastern Studies*, v.4, 2023.

has actively supported Serbia in lobbying third countries to withdraw their recognition of Kosovo, China has deliberately avoided direct involvement.¹³ This approach aligns with China's broader diplomatic strategy and underpins its presentation as a reliable, non-intrusive partner in the region.¹⁴ However, despite promoting respect for sovereignty, China has also influenced some Western Balkan countries, such as Serbia, to modify laws by lowering rule-of-law standards to accommodate the requirements of Chinese companies.¹⁵

China's strategy in the region can be summed up by the message: "We are here for business, not politics." This perception is echoed by a local businessperson in Kosovo who has imported goods from China since 2011. He remarked, "We don't have good diplomatic relations with China, but they don't care about the political situation. They don't even know where Kosovo is. All that matters to them is the business relationship, nothing else."¹⁶ As Shopov observes, China aims to establish a foothold in key economic sectors and gradually position itself as an indispensable actor in the Western Balkans. Simultaneously, it signals, especially to the EU, that its role in the region remains strictly economic.¹⁷

The relationship between Western Balkan countries and China has also become increasingly problematic in light of the obligations these countries have toward the European Union. All six Western Balkan countries have contractual relations with the EU through the Stabilization and Association Agreements, which require them to align their national legislation with the EU acquis. Serbia, in

particular, has been criticized for its reluctance to address the environmental and public health impacts of Chinese industrial investments, with the Bor copper mine and the Drmno coal mine often cited as notable examples.¹⁸ Significantly, Serbia is the only European country to have signed both a Free Trade Agreement and a strategic partnership agreement with China, aimed at building a so-called "shared future".¹⁹

Although China maintains a close partnership with Serbia, it uses the issue rhetorically to criticize the United States and NATO, under the framework of defending international law and Serbia's sovereignty. For China, Kosovo is not primarily a bilateral matter but part of a broader geopolitical contest between China and the West. In its foreign policy discourse, China frames Kosovo's independence as a legal issue, opposing what it perceives as a Western-led project and positioning itself as a defender of state sovereignty.²⁰ On the other hand, China maintains an informal liaison office in Kosovo's capital, Prishtina, staffed by five officials, while Kosovo does not have any form of governmental representation in China.

Nevertheless, Kosovo does not view China as a 'hard blocker' and values the fact that Beijing does not actively obstruct Kosovo's recognition in the same way Russia does. Although China is involved in trade cooperation with Kosovo, there is no political engagement or involvement in infrastructure projects.²¹ In parallel, Kosovo has

13 AAna Krstinovska, China's Aid in the Western Balkans: Supporting Development, Undermining, Good Governance, China Observers in Central and Eastern Europe, 2022, https://chinaobservers.eu/wp-content/uploads/2022/03/CHOICE_policy-paper_balkan_web_08.pdf

14 Ibid.

15 Personal interview with Fitim Gashi, journalist from Sbunker, August 2025.

16 Personal interview, number 1, a businessperson from Kosovo, August 2025.

17 Shopov, V., Decade of patience: How China became a power in the Western Balkans, Retrieved from European Council on Foreign Relations (ECFR).

18 Teuta Avdimetaj and Ramadan Ilazi, New Frontiers of Chinese Influence in the Western Balkans, Kosovar Centre for Security Studies, 2021, <https://qkss.org/en/publikimet/beyond-economic-considerations-new-frontiers-of-chinese-influence-in-the-western-balkans>

19 Dusan Stojanovic and Jovana Gec, "China and EU candidate Serbia Sign Agreement to Build a 'Shared Future'", May 9, 2024, <https://thediplomat.com/2024/05/china-and-eu-candidate-serbia-sign-agreement-to-build-a-shared-future>

20 Ramadan Ilazi, Dalmin Saljunovic and Matt Delvoye, How does China view the Western Balkans, Kosovo and the Normalization Dialogue?, Kosovar Centre for Security Studies, 2025,, <https://saisreview.sais.jhu.edu/china-serbia-kosovo-independence-dispute/>

21 Reactions to China in the Western Balkans countries, <https://www.clingendael.org/pub/2020/china-and-the-eu-in-the-western-balkans/2-reactions-to-china-in-the-western-balkans-countries/>

taken steps to strengthen its ties with Taiwan. For example, the Kosovo–Taiwan Friendship Group was established by the Assembly's Committee on Foreign Affairs and Diaspora. The group held its inaugural meeting online in December 2021, with the participation of 39 legislators from Taiwan's two major political parties.²²

Still, it is not unthinkable that Kosovo could serve as a bargaining chip in China's broader strategic calculus, whether in relation to Taiwan or in negotiations with the United States and the European Union.²³ Chinese officials consistently stress the importance of respecting sovereignty and resolving the "Kosovo issue" within the framework of international law. This rhetoric serves a dual purpose: safeguarding China against potential international precedents that could affect its domestic concerns, and projecting an image of principled consistency in global affairs.²⁴ While China publicly affirms its respect for Serbia's sovereignty over Kosovo, there is no concrete evidence that it has actively worked to undermine international recognition of Kosovo's independence. However, China remains highly sensitive to any developments in the relationship between Kosovo and Taiwan.

After Russia's invasion of Ukraine, China's role, particularly in the eyes of Serbia, has shifted significantly. As Russia's diplomatic legitimacy has eroded due to its growing isolation from the West, Serbia has increasingly looked toward other major powers for support in its ongoing dispute over Kosovo. Recent developments suggest that China is emerging as that partner.²⁵

22 Taiwan, Kosovo Parliamentary groups formed to boost bilateral ties, Focus Taiwan, 2021, <https://focustaiwan.tw/politics/202112210007>

23 Reactions to China in the Western Balkan countries, <https://chinaobservers.eu/what-to-expect-from-chinas-kosovo-policy/>

24 Ramadan Ilazi, Dalmin Saljunovic, and Matt Delvoe, How Does China View the Western Balkans, Kosovo and the Normalization Dialogue? (Pristina: Kosovar Centre for Security Studies, 2025), <https://saisreview.sais.jhu.edu/china-serbia-kosovo-independence-dispute/>

25 Stefan Vladislavljev, "Why China Is Serbia's New Main Ally in the Kosovo Independence Dispute," The SAIS Review of International Affairs, 2022, <https://saisreview.sais.jhu.edu/>

As an example, during the Third Belt and Road Forum in October 2023, Chinese President Xi Jinping referred to Serbia as "an ironclad friend" following his meeting with Serbian President Aleksandar Vučić. Xi emphasized that "China firmly supports Serbia in safeguarding national sovereignty and territorial integrity," and expressed China's readiness to deepen strategic alignment and translate their longstanding friendship into concrete cooperation.²⁶

While Serbia is China's most important partner in the Western Balkans, and arguably beyond, it also plays a key role in reinforcing narratives of victimization by the "West" and promoting anti-NATO sentiment, frequently invoking the 1999 NATO bombing campaign against the Milosevic regime, which also struck the Chinese Embassy in Belgrade.²⁷ In a symbolic gesture, China has allocated €45 million for the construction of a cultural center on the site of its embassy building in Belgrade.²⁸ China leverages these historical grievances to bolster its global image, positioning itself not only as a major economic partner but also as a vocal critic of Western interventionism. This aligns with its broader geopolitical ambition of asserting itself as a global superpower.

As Zou Keyuan argues, China's core policy toward countries in the region is to maintain friendly and cooperative relations while actively promoting economic development, trade, and investment.²⁹

china-serbia-kosovo-independence-dispute/

26 Ramadan Ilazi and Stefan Vladislavljev, "The Implications of China–Serbia Relations for Kosovo," *The Diplomat*, December 2023, <https://thediplomat.com/2023/12/the-implications-of-china-serbia-relations-for-kosovo/>

27 Xi Jinping Meets with Serbian President Aleksandar Vučić, Ministry of Foreign Affairs of the People's Republic of China, May 10, 2025, https://www.mfa.gov.cn/eng/xw/zyxw/202505/t20250510_11618656.html

28 Ana Krstinovska, Bledar Feta, Aleksandra Stankovic, Senada Selo Sabic, Aleksandra Davitkovska-Spasovska, and Momcilo Radulovic, *China's Influence on the Western Balkans EU Accession Process: Synergies and Obstacles* (Skopje: Konrad Adenauer Stiftung, 2023), <https://www.martenscentre.eu/wp-content/uploads/2023/10/Chinas-Influence-on-the-Western-Balkans-EU-Accession-Process-Synergies-and-Obstacles.pdf>

29 Liu Zuokui, "Present Situation of China's Investments in the Balkan Region and Its Influences under the Belt and Road Initiative: Case Analysis Based on Field Investigation," *Eurasian Economy*, no. 3 (2019): 42–57.

Simultaneously, it advances a narrative of respect for sovereignty and non-interference, which serves as an implicit critique of Western influence and aligns China with states that resist Western dominance. This approach reflects China's more subtle and long-term strategic

posture. As EU Enlargement Commissioner Johannes Hahn once noted, the EU has "overestimated Russia and underestimated China," highlighting the growing significance of Chinese influence in the region.

IV. China's Soft Power in Kosovo: Economic Influence and Local- Level Engagement

Amid shifting geopolitical orders and increasing debates among international relations scholars about a multipolar world, particularly regarding how states use geography to project power, China is leveraging its expanding economic influence to reshape global dynamics. By broadening its economic cooperation with both developed and, notably, developing countries across Asia, Europe, and Africa, China is transforming geo-economics into a modern extension of traditional state rivalry. Geo-economics, in this context, serves the goals of geopolitics, placing economic choices and objectives within a broader strategy aimed at enhancing the state's global competitiveness.

China's economic engagement in the Western Balkans has often been perceived as an attempt to substitute the EU's economic and political role in the region, but not in an aggressive way. The EU remains by far the largest provider of financial assistance to the Western Balkans, with its support firmly anchored in the region's declared path toward EU accession. Since 2007, the Instrument for Pre-Accession Assistance (IPA) has offered non-repayable grants to promote governance reforms, socioeconomic development, and alignment with EU standards. In parallel, loans through the Western Balkans Investment Framework (WBIF), established in 2009, have funded mainly major infrastructure projects. These efforts have been further strengthened by the New Growth Plan for the Western Balkans, introduced in 2023, which provides additional financial support tied to the implementation of key reforms. Between 2007 and 2023, the EU committed a total of €38 billion to the region, roughly one-third in grants and the remainder in loans, equivalent to 2.4% of the

region's GDP per year.³⁰

By contrast, China's involvement has been driven primarily by its Belt and Road Initiative, launched in 2013, positioning the Western Balkans as a strategic link between Asia and Europe. Unlike the EU, Chinese investment loans are often structured so that Chinese companies carry out the associated work. While these projects can be attractive due to their rapid execution and fewer conditions, they have also raised concerns regarding transparency, environmental standards, and debt sustainability.

The WB countries have emerged as a key destination for Chinese infrastructure investments, representing 79% of China's total investments in Central, Eastern, and Southeastern Europe.³¹ A significant driver of China's expanding presence in the Western Balkans is the region's slow progress toward EU accession, which has fueled a sense of EU fatigue among parts of the population. China's economic footprint in the Western Balkans is mainly comprised of large state-guaranteed loans for transport and energy projects. Loan terms often require at least partial use of Chinese contractors, labor, and supplies. In 2021, Balkan Investigative Reporting Network had identified 136 Chinese-linked projects in the Balkans worth more than €32 billion.³²

China-funded projects in the region are often mischaracterized as "investments." In reality,

30 Branimir Jovanovic and Sonja Stojadinovic, *The EU's and China's Grants and Loans in the Western Balkans*, Policy Notes and Reports 92 (2025)

31 Ibid.

32 China in the Balkans, BIRN, <https://china.balkaninsight.com/>

China's development assistance to the Western Balkans is primarily delivered through grants and concessional loans.³³ This framing overstates China's economic role and obscures the fact that many projects are loans, not grants, placing a future burden on WB taxpayers. Its assistance through grants is typically visible at the local level, especially in infrastructure and equipment donations in education and healthcare, but suffers from poor project selection, planning delays, and additional costs.³⁴ According to Ana Krstinovska, grants from China are minimal and primarily targeted at healthcare and education. These efforts are deliberately designed to shape public perception of China as being close to the community and supportive of its needs.³⁵

China's financing model has increased the region's dependency on China and raised concerns about the potential for a debt trap, a situation in which countries struggle to repay loans, leading to further economic and political vulnerability. This cycle of indebtedness not only enhances China's political influence through geo-economic means but also poses challenges to the region's EU integration path, particularly due to rising public debt levels.³⁶ Moreover, while China's economic engagement in the region may initially appear to be a "win-win" arrangement that avoids interference in internal affairs, in practice, it has raised serious concerns, particularly regarding its impact on governance and the rule of law. Both loan and grant agreements provide China with leverage to influence national policies by threatening to suspend grant projects or demand immediate loan repayment, which could potentially push some countries toward default.³⁷

In Serbia, for example, the 2019 amendments to the Law on Public Procurement weakened regulations concerning competition, access to public information, and environmental protection, effectively tailoring legislation to accommodate Chinese investments.³⁸ However, some experts view Chinese investments in infrastructure, alongside the region's growing need for digital development and technological modernization, as significant opportunities. They emphasize that while China may provide important prospects in these areas, such engagement must remain aligned with the legal and normative frameworks these countries have committed to under their EU integration path. Other experts interviewed for this study argue that economic cooperation with China serves to advance Beijing's hidden political agenda, undermining EU values and fostering authoritarian tendencies in the region. Moreover, such collaboration often strengthens Chinese companies and secures their long-term strategic positioning in the Western Balkans.³⁹ According to Krstinovska, there is a wishful hope that China and the EU might cooperate in their approach to the region. However, in practice, they act as rivals, and China's investments are undermining the region's path toward EU integration, particularly in areas where the EU has invested in standards related to human rights, the rule of law, and environmental protection. In Kosovo, even limited trade cooperation with China has contributed to practices that weaken the principles of a free market.⁴⁰ For instance, while Kosovo businesses are increasingly trading independently with China, some Chinese companies have reportedly issued undervalued invoices for imported goods, enabling local businesses to evade taxes in their home

33 Ibid.

34 Ana Krstinovska, *China's Aid in the Western Balkans: Supporting Development, Undermining Good Governance* (China Observers in Central and Eastern Europe, 2022), https://chinaobservers.eu/wp-content/uploads/2022/03/CHOICE_policy-paper_balkan_web_08.pdf.

35 Personal interview with Ana Krstinovska, China expert and president of ESTIMA, August 2025.

36 Jana Budova, Bronislava Kmecova, Lubica Stiblarova. *Debt trap and China's economic footprint in the Western Balkans*, *Slovak Journal of Political Sciences*, 2022.

37 Ana Krstinovska, *China's Aid in the Western Balkans: Sup-*

porting Development, Undermining, Good Governance, China Observers in Central and Eastern Europe, 2022, https://chinaobservers.eu/wp-content/uploads/2022/03/CHOICE_policy-paper_balkan_web_08.pdf.

38 Chinese investments in Serbia threaten the rule of law, RERI, 2021, <https://reri.org.rs/en/chinese-investments-in-serbia-threaten-the-rule-of-law/>

39 Ibid.

40 Personal interview, representative of Turkish Economy Chamber in Kosovo, July 2025.

countries. Kristovska notes that this issue affects the entire region and also extends to products purchased online from China.⁴¹

While China's investments and economic cooperation in the region strengthen its global role, it also pursues a hidden political agenda aimed at gaining influence in the Western Balkans. According to some experts interviewed, Western Balkan countries should exclusively follow the EU Growth Plan and avoid cooperation with China at any level, including rejecting Chinese investments in their countries.⁴² The EU Growth Plan for the Western Balkans aims to integrate the region into the EU single market, enhance regional cooperation, implement significant governance and rule of law reforms, and boost EU financial support. However, it is also recognized that the Growth Plan faces many challenges in achieving proper infrastructural transformation in the Western Balkans, and an economic boost for the region is essential. This support should also demonstrate the determination of EU countries to advance the Western Balkans' integration into the EU.⁴³

China's construction projects often experience delays and additional costs due to poor project selection and planning. Chinese infrastructure projects have raised serious concerns, not only about financial dependency, often referred to as the "debt trap," but also about safety and quality, putting people's lives in danger. One tragic example is the collapse of the newly built Novi Sad Railway Station, which resulted in fatalities and sparked outrage over construction standards. As one expert noted, "We have the example of Hungary, which maintains close economic ties with China and, in many cases, uses this relationship to pressure or even blackmail the EU, demonstrating that alternative alliances can be leveraged for political bargaining."⁴⁴

41 Personal interview with Ana Krstinovska, China expert and president of ESTIMA, August 2025.

42 Personal interview with Ramadan Ilazi, Head of Research at the Kosovar Centre for Security Studies, August 2025.

43 Personal Interview with Dren Puka, Executive Director of KCSF, August 2025.

44 Ibid.

A. China's economic engagement in Kosovo

China is expanding its presence in several Western Balkan countries, especially in Serbia, through infrastructure projects and military cooperation; however, Kosovo remains outside the 16+1 initiative and does not engage in any joint infrastructure projects with China. Nonetheless, Chinese companies have attempted to enter the Kosovar market by bidding on major projects, including a coal-fired power plant and road infrastructure developments.⁴⁵ China has also sought to provide Huawei equipment to Kosovo's main telecommunications provider, but has not been successful. Moreover, in 2019, China's Huawei offered a big loan in exchange for permission to build Kosovo's 5G network. The Kosovar authorities apparently declined this. Rising sensitivity to the security implications of such projects was a factor in the decision.⁴⁶ Nevertheless, the United States has taken a leading role in countering China's influence in the Western Balkans. This is reflected in the Washington Agreement signed between Kosovo and Serbia in 2020, where both parties committed to avoiding the use of untrusted vendors for 5G technology. Additionally, Kosovo joined the U.S.-led Clean Network Initiative, along with Albania and North Macedonia, effectively blocking Chinese 5G technology from entering their domestic markets. However, Serbia has continued its partnership, as evidenced by the inauguration of Huawei's Centre for Innovation and Digitalization Development in Belgrade the same year.⁴⁷

45 Mapping China's Rise in the Western Balkans, European Council on Foreign Relations, <https://ecfr.eu/special/china-balkans/kosovo/>

46 Reaction to China in the Western Balkan countries, <https://www.clingendael.org/pub/2020/china-and-the-eu-in-the-western-balkans/2-reactions-to-china-in-the-western-balkans-countries/>

47 Ana Krstinovska, Bledar Feta, Aleksandra Stankovic, Senada Selo Sabic, Aleksandra Davitkovska- Spasovska, Momcilo Radulovic, China's Influence on the Western Balkans EU Accession Process: Synergies and Obstacles, KAS, Skopje, 2023, <https://www.martenscentre.eu/wp-content/uploads/2023/10/Chinas-Influence-on-the-Western-Balkans-EU-Accession-Process-Synergies-and-Obstacles.pdf>

Despite limited formal cooperation, economic and trade relations between the two sides are steadily growing. A rising number of Kosovar firms are participating in trade fairs and exploring commercial opportunities in China. Online retail through platforms such as Alibaba is also becoming increasingly common. Although China does not maintain an embassy in Kosovo, it operates a local liaison office that has become more active in recent years. Chinese actors appear to be identifying more discreet ways to expand their economic influence in Kosovo, particularly at the local level, while avoiding visibility at the national level.⁴⁸

According to official data, China is now one of Kosovo's top import partners, ranking third after Germany and Turkey. In 2024 alone, out of a total import value of €6.3 billion, Chinese products accounted for over €748 million, more than 12 percent, according to Kosovo Customs. In contrast, Kosovo's exports to China remain minimal, amounting to just €426,000, or 0.1 percent of total exports (approximately €1 billion).⁴⁹ However, there are also no loans from Chinese banks. This has also been confirmed in Kosovo's Central Bank Foreign Debt Inventory.⁵⁰

According to data from the Kosovo Agency of Statistics (KAS), the trade deficit with China deepened significantly during the period from January to December 2024, increasing by 27.3 percent compared to 2023.⁵¹ The main import categories were machinery, mechanical and electrical equipment (39%), textile articles (11.7%), and base metals and articles thereof (9.5%), among others.⁵² This trade

imbalance, evident across the entire region, has strengthened China's role in the Western Balkans and created a dependency on its products, particularly secondary goods.⁵³ This dependency became especially evident during the period when the United States imposed tariffs on Chinese imports, triggering widespread concern among Kosovo businesses about the potential economic impact.

Notably, there has been an increase in visits by Kosovan companies to trade fairs and business forums in China. There is no official information available about China-organized trade fairs taking place in Kosovo, and it appears that no Chinese company has participated in such events within the country to date.⁵⁴ However, during conversations with businesspeople who cooperate with Chinese companies, it was mentioned that these companies obtain contacts from the internet and reach out to them with personal offers through WhatsApp groups.

Vladisavljev adds that another way China seeks to expand its political influence is by engaging with economic chambers and targeting individuals or business associations with potential political influence at the institutional level.⁵⁵ However, our research did not identify such cases in the context of Kosovo, suggesting the need for further investigation

It was noted that in the past, most information about business opportunities and potential partnerships was obtained at various trade fairs held in Turkey, Dubai, or Germany.⁵⁶ However, there are now visa application agencies that also serve as sources of information, informing businesses about cooperation opportunities with Chinese companies, facilitating the process, and

48 Reaction to China in the Western Balkans countries, <https://www.clingendael.org/pub/2020/china-and-the-eu-in-the-western-balkans/2-reactions-to-china-in-the-western-balkans-countries/>

49 Low prices, high tariffs: How is the US-China trade war affecting the Kosovo market?, CNN, 2025, <https://a2news.com/english/rajoni-bota/kosova/aktualitet/mime-te-uleta-tarifa-te-larta-si-ndikon-ne-tregun--1144988>

50 Ibid.

51 Oda Ekonomike e Kosoves, https://www.oek-kcc.org/wp-content/uploads/2025/04/Shifra-Fakte_Tregtia-e-Kosoves-me-Kinen-2015-2024.pdf

52 Oda Ekonomike e Kosoves, https://www.oek-kcc.org/wp-content/uploads/2025/04/Shifra-Fakte_Tregtia-e-

[Kosoves-me-Kinen-2015-2024.pdf](#)

53 Personal interview with Ana Krstinovska, China expert and president of ESTIMA, August 2025.

54 Reaction to China in the Western Balkans countries, <https://www.clingendael.org/pub/2020/china-and-the-eu-in-the-western-balkans/2-reactions-to-china-in-the-western-balkans-countries/>

55 Personal interview with Stefan Vladisavljev, China expert, August 2025.

56 Personal interview, number 1. businessmen from Kosovo, July 2025.

organizing visits to different trade fairs where they can connect with Chinese firms.⁵⁷ In recent years, there has been a noticeable increase in cooperation involving Chinese goods. This trend has also contributed to a shift in the perception of Chinese products. While a few years ago they were often seen as cheap but low-quality, there is now growing recognition that high-quality Chinese products also exist. Businesses report that although earlier imports were frequently of lower quality, more recent shipments have tended to be of higher quality.⁵⁸

According to Ana Krstinovska, who is conducting similar research in North Macedonia, the attitudes expressed by businesspeople toward doing business with China are largely the same across the region. They show little concern for human rights, regulations, security issues, or the long-term impact such cooperation may have on the region. Their primary focus is on economic profit and accessing cheap Chinese products as secondary inputs for their own production.⁵⁹

In Kosovo, businesspeople often argue that business and politics are separate and do not influence each other; therefore, they believe Chinese companies have no interest in Kosovo's political situation. This perspective reflects a lack of awareness of China's underlying agenda, which is gradually influencing the political landscape while fostering long-term dependency on Chinese products. This is evident not only in the large volume of imports from China but also in how certain products ordered from China might affect Kosovo's security. Krstinovska also notes a key difference between business practices in the region and those in the EU. While many EU companies are eager to export to China, businesses in the Western Balkans focus primarily on imports. This imbalance fuels dependency on Chinese products and ultimately

harms the regional economy.⁶⁰

Although China presents itself as a purely economic partner, Western Balkan countries often lack the mechanisms to manage or safeguard against the hidden political agendas and potential malign influence that may accompany such engagement. This is especially relevant in the case of Kosovo, where China openly supports Serbia and frequently references Kosovo in its foreign policy as an example of a violation of international law. Given this context, China's growing trade cooperation with Kosovo could serve as a channel for broader political and security interference.⁶¹

This risk is heightened by the absence of a clear, coordinated strategy at the state level in Kosovo regarding its posture toward China, despite increasing business interest in cooperation. One illustrative example is the purchase of surveillance cameras from China, which raises concerns not only about data security but also about broader political implications. Without proper oversight, growing economic ties could provide China with additional leverage over Kosovo in both political and security domains. For example, on November 20, 2019, the Ministry of Public Administration, now integrated into the Ministry of Internal Affairs, signed a contract with the group of economic operators "Enteri ShPK" and "Artech" N.Sh. for the maintenance of security equipment and surveillance cameras. Dahua and Hikvision cameras were installed in key government buildings. These cameras produce high-quality images with rich detail even in extreme low-light conditions. However, both Dahua and Hikvision are on the U.S. government's blacklist.⁶²

Kosovo has since removed these cameras, recognizing them as a serious threat to national security and the safety of its citizens, given the risk of misuse by hostile states. Vladislavlj

57 Personal interview, number 2. businessmen from Kosovo, July 2025.

58 Personal interview, representative of Turkish Economy Chamber in Kosovo, July 2025.

59 Personal interview with Ana Krstinovska, China expert and president of ESTIMA, August 2025.

60 Ibid.

61 Personal interview with Fitim Gashi, journalist from Sbunker, August 2025.

62 Under the surveillance of suspicious Chinese cameras, Sbunker, 2022, <https://sbunker.org/en/disinfo/nen-vezh-gimin-e-kamerave-te-dyshimta-kineze>.

argues that Chinese equipment in sensitive sectors can serve as a backdoor for espionage and enable control over critical infrastructure, such as traffic systems and electrical grids.⁶³ On the other hand, Krstinovska emphasized the need for close communication and cooperation between the political leadership and the business community, particularly regarding products purchased from China and their potential impact on security. While there is a lack of capacity at all levels to screen companies and products originating from China, she stressed that political actors should work closely with the EU on this matter. However, such cooperation ultimately depends on political will. She also noted that certain surveillance cameras banned in the United States are still entering the local market and being used by private companies, raising additional security concerns.⁶⁴

Such cameras have also attempted to enter Kosovo through Serbia. Given Serbia's close cooperation with China, it has facilitated efforts to install advanced and largely unregulated Chinese surveillance equipment in Kosovo communities outside Prishtina's control.⁶⁵ However, for instance, by order of the Basic Court of Ferizaj, the Kosovo Police carried out an operation to seize security cameras installed by illegal Serbian structures in the Municipality of Shtërpçë, effectively limiting the presence of these cameras brought in through parallel structures.⁶⁶

In some cases, Chinese companies have attempted to enter Kosovo's market indirectly by operating through EU-registered or EU-

branded firms, a tactic also observed in other countries where Chinese entities face regulatory or political scrutiny. According to a government official, such cases in Kosovo have occasionally been identified through close cooperation with the United States.⁶⁷ However, Kosovo currently lacks a structured mechanism, similar to the EU's Foreign Direct Investment screening framework, to systematically detect and assess Chinese companies seeking access to its free market.

In the case of Kosovo, the core issue lies in the fact that such equipment is often procured through local economic operators rather than directly from Chinese companies. This practice allows China to potentially expand its political influence and compromise national security via domestic business channels, as illustrated in this case.⁶⁸

Without strong state mechanisms to safeguard against malign foreign influence, such vulnerabilities are likely to be exploited again in the future. Experts have noted that the EU implemented its Foreign Direct Investment (FDI) Screening Regulation in October 2020, which was further strengthened following the invasion of Ukraine. The Western Balkan countries should work closely with the EU on economic security, particularly regarding FDI, while also developing strategies to reduce their growing dependence on Chinese imports.

The EU has taken necessary steps to enhance economic security by adopting a comprehensive approach to identify, assess, and manage risks, including reducing dependencies on critical products and technologies essential for Europe's future stability. In January 2024, the European Commission proposed a revision of the FDI Screening Regulation as part of its work programme, accompanied by a thorough evaluation of the existing framework.⁶⁹

63 TTeuta Avdimetaj and Ramadan Ilazi, *New Frontiers of Chinese Influence in the Western Balkans*, Kosovar Centre for Security Studies, 2021, <https://qkss.org/en/publikimet/beyond-economic-considerations-new-frontiers-of-chinese-influence-in-the-western-balkans>

64 Personal interview with Ana Krstinovska, China expert and president of ESTIMA, August 2025.

65 Radio Free Europe, *Serbia's back-Door did to embed Chinese snooping tools in Kosovo*, January 2022, <https://www.evropaelire.org/a/aksion-ne-shterpce-struktura-ilegale-serbe-/31932683.html>

66 Radio Free Europe, *Aksion ne Shtërpçë kunder strukturave ilegale serbe*, July 2022, <https://www.evropaelire.org/a/aksion-ne-shterpce-struktura-ilegale-serbe-/31932683.html>

67 Personal interview with government official, August 2025.

68 Personal interview with a representative of the Turkish Economy Chamber in Kosovo, July 2025.

69 European Parliament, https://www.europarl.europa.eu/RegData/etudes/BRIE/2024/762844/EPRS_BRI%282024%29762844_EN.pdf?utm_source=chatgpt.com

Moreover, the EU has strengthened its trade defense mechanisms to prevent unfair practices and market distortions caused by foreign countries' dumping and subsidies. The most recent major case against China concerned battery electric vehicles, while previous cases involved steel and solar panels, sectors where China seeks to export its industrial overcapacity. These instruments aim to create a level playing field for domestic and foreign producers in the spirit of free but fair trade. They include the anti-dumping instrument, the anti-subsidy instrument, and the safeguard instrument.⁷⁰

There are increasing concerns about the indirect impact of China's economic presence in the region. Chinese companies may shape civil society in Kosovo and the broader Western Balkans by operating through ostensibly local firms that are, in fact, Chinese-owned. These entities can fund regional initiatives, sponsor community programs, or support NGOs that appear domestic but ultimately advance Chinese strategic interests. In Kosovo, such influence is most likely to manifest through regional partnerships or cross-border initiatives, particularly in neighboring countries like Serbia, where China has made significant investments.⁷¹

B. Engagements at the local levels in Kosovo

The liaison office of China in Prishtina has attempted to organize meetings with central-level institutions; however, after failing to secure such engagements, it shifted its focus to local-level meetings. This appears to be part of a broader strategy to advance its political agenda while concealing its underlying objectives.

70 Aligning with the EU's economic security toolkit to enhance resilience and boost prosperity, Estima Knowledge Excellence, 2025, https://estima.mk/static/c2.2a1.15_xg-jv9t3kenqscsdmit8/s1/files/CmsDocuments/estima_economic-security_analysis.pdf

71 Personal Interview with Dren Puka, Executive Director of KCSF, August 2025.

Cheng Lei, Head of the Office of the People's Republic of China in Prishtina, has actively sought to engage with local leaders to explore potential areas of cooperation. For instance, he met with Përparim Rama, Mayor of Prishtina, who shared on his LinkedIn account that their discussion covered potential collaboration in various fields, including the economy, art, and culture. Rama also noted that 1,000 business representatives from Kosovo had been granted visas to China.⁷²

Similarly, Cheng Lei met with Agim Aliu, the Mayor of Ferizaj, in a meeting that focused primarily on economic cooperation. Mayor Aliu shared details on his Facebook page, highlighting efforts to strengthen economic ties between China and local authorities.⁷³

There are also unconfirmed reports that Cheng Lei has held meetings with other municipalities; however, none of the municipalities we contacted responded to our interview requests, and we could not find any public records or online information to verify these claims.

These local-level engagements demonstrate China's strategic approach to building influence and partnerships in Kosovo, extending its reach beyond national governments to municipalities, thereby embedding its presence more deeply in the region's socio-economic fabric. By focusing solely on economic and cultural cooperation, they emphasize tangible benefits such as investments, jobs, and development, areas that are popular and less politically sensitive. While aiming to gain acceptance from a broader audience, they also seek to avoid political controversy.

There was also a case that Cheng Lei met with Ismet Krasniqi, President of the Olympic Committee of Kosovo, who noted that the Chinese Office had been approached to facilitate cooperation between the Olympic committees of the two countries in the field of sports, an

72 LinkedIn, https://www.linkedin.com/posts/perparimrama_mir%C3%ABprita-n%C3%AB-takim-z-cheng-lei-shef-izyres-activity-718569244637271296-pA8f/

73 Facebook, https://www.facebook.com/AgimAliuPDK/posts/960458512110221?ref=embed_post

initiative to which Cheng reportedly expressed support.⁷⁴

One of China's key tactics, as part of its broader grand strategy, is the use of "hiding" diplomacy. Unlike Russia's more assertive moves, China often builds forms of cooperation that remain under the radar, for example, targeting local mayors for partnership opportunities. Experts note that this approach is especially common in countries where China lacks strong political relations at the national level, allowing it to sustain economic ties through municipal cooperation. The main goal of this strategy is to create economic dependency and establish dominance in local markets, while also offering grants in various sectors and proposing collaboration in areas such as culture, tourism, and sports. This serves as a way to penetrate communities, particularly where communication with central authorities is limited. According to Krstinovska, China and its companies are likely to continue pursuing this approach in the future, especially as a means to consolidate their presence in the region where overall cooperation is limited.⁷⁵

China's subnational diplomacy, like its broader economic cooperation, is a strategic tool, quiet yet powerful, used to build long-term economic and political influence, particularly when national-level relationships are strained. By engaging with mayors and local businesses, China is able to cultivate influence without provoking significant national-level pushback. Cooperation at the local level enables access to new markets for Chinese goods and services, facilitates investment, and fosters economic dependency in key sectors. This approach aims to make local economies increasingly reliant on Chinese trade, technology, and infrastructure.

While the activities of China's office in Prishtina

towards local governance and how trade cooperation might be used for their hidden agenda that might put at stake Kosovo's security, are concerning, particularly due to the lack of transparency regarding its exact operations, there is an urgent need for Kosovar institutions to provide more explicit guidance. This applies to both businesses, particularly when procuring sensitive equipment related to national security, such as surveillance cameras, and to local authorities in managing meeting requests or cooperation proposals from the Chinese government. Institutions should issue clear guidelines for risk assessment, with particular attention to national security implications. Businesses should be obligated to report any transactions involving Chinese vendors, particularly in the context of public tenders. Kosovo's institutions must evaluate such investments using screening mechanisms to identify potential strategic risks.

In Kosovo, China is seeking to expand its presence through subtle methods, such as fostering economic dependency and reshaping perceptions of Chinese products. Its strategy includes creating opportunities for businesspeople to visit China and highlighting the benefits of cooperation. At the local level, China targets business figures more easily while also working to influence perceptions within communities.

The local level remains particularly vulnerable to Chinese penetration, as municipalities often lack the capacity to screen companies that approach them properly. This underscores the importance of establishing clear coordination mechanisms and guidelines for both businesses and local authorities regarding their engagement with China, as well as raising awareness of China's hidden agenda.

74 Olympic Committee of Kosovo, <https://noc-kosovo.org/presidenti-i-kok-ut-ismet-krasniqi-priti-udheheqesin-e-zyres-nderlidhese-te-kines-ne-prishtine-cheng-lei/>

75 Personal interview with Ana Krstinovska, China expert and president of ESTIMA, August 2025.

V. Conclusion and recommendations

China's engagement in Kosovo represents a deliberate and calculated exercise of soft power, embedded in its broader global strategy to reshape the international order in ways that align with its national interests. Unlike Russia's confrontational and often disruptive influence, China operates through a framework of discretion and long-term investment, focusing on economic cooperation, local partnerships, and cultural diplomacy. This reflects a deeply rooted in Tao Guang Yang Hui doctrine - "hide your strength, bide your time", which prioritizes quiet accumulation of power over overt geopolitical confrontation.

While Kosovo has thus far avoided large-scale infrastructure cooperation with China and remains outside key Chinese regional initiatives, Beijing's influence is nonetheless growing through more discreet economic and commercial channels. Trade relations are expanding rapidly, with China now among Kosovo's top import partners, creating a deepening dependency on Chinese products despite minimal exports to China. Business engagement is often driven by profit considerations, with limited awareness of the long-term political and security implications.

By trying to build relationships directly with municipal governments and business actors, China effectively bypasses national institutions and avoids the political friction often associated with foreign involvement. This local-level strategy might allow China to shape the economic and political environment in Kosovo while remaining under the radar of public debate and scrutiny. The result might be a gradual entrenchment of influence that appears benign, yet could under-

mine Kosovo's strategic autonomy, its security, and alignment with democratic and Euro-Atlantic norms.

Kosovo's lack of a coordinated national strategy and limited institutional capacity to vet foreign companies leave it vulnerable to malign influence. Without stronger cooperation among political leadership at both central and local levels, the business community, civil society, and international partners, particularly the EU and the United States, China's expanding commercial footprint could translate into greater political leverage and long-term strategic dependency.

This study highlights the need for Kosovo's institutions and civil society to develop greater awareness of the mechanisms and goals of China's influence. Policymakers must recognize that China's strategy does not rely on overt political intervention, but rather on the subtle embedding of interests through soft economic power and cultural engagement. While such cooperation may offer short-term economic benefits, it must be carefully weighed against the long-term implications for transparency, sovereignty, and democratic resilience.

Ultimately, the case of China in Kosovo is not only about the presence of a rising global actor in a small state; it reflects the new modes of power projection in a multipolar world. To safeguard its democratic path, Kosovo must be proactive, not only in defending against overt threats but also in understanding and responding to the more subtle, strategic forms of influence that actors like China are increasingly employing across the region.

Recommendations

- > Kosovo should work closely with EU member states to screen Chinese companies and products that may pose strategic, economic, or security risks, including verifying ownership structures, identifying ultimate beneficial owners, and sharing information through EU networks.
- > At the same time, establishing inter-agency coordination within Kosovo, along with clear guidelines for the local level authorities and businesses, will help detect hidden foreign influence and ensure transparency, while training institutions to recognize potential risks will strengthen economic and security resilience.
- > Finally, Kosovo should develop a comprehensive state strategy to address countries or actors exerting malign influence in the region, including mapping foreign actors, assessing their methods, and identifying tools for mitigation ranging from regulatory measures to diplomatic and economic responses.



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Katalogimi në botim – (CIP)
Biblioteka Kombëtare e Kosovës "Pjetër Bogdani"

327:338.45(510:496.51)(047)

Hasani, Adelina

Gjurma e heshtur e Kinës : hartëzimi i ndikimit kinez në politikën lokale dhe peizazhin ekonomik në Kosovë /
Adelina Hasani. - Prishtinë : Qendra Kosovare për Studime të Sigurisë, 2025. - 32 f. ; 24 cm.

ISBN 978-9951-842-49-5



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About KCSS

Established in April 2008, the Kosovar Centre for Security Studies (KCSS) is a specialized, independent, and non-governmental organization. The primary goal of KCSS is to promote the democratization of the security sector in Kosovo and to improve research and advocacy work related to security, the rule of law, and regional and international cooperation in the field of security.

KCSS aims to enhance the effectiveness of the Security Sector Reform (SSR) by supporting SSR programs through its research, events, training, advocacy, and direct policy advice.

Advancing new ideas and social science methods are also core values of the centre. Every year, KCSS publishes numerous reports, policy analysis and policy briefs on security-related issues. It also runs more than 200 public events including conferences, roundtables, and debates, lectures – in Kosovo, also in collaboration with regional and international partners.

A wide-range of activities includes research, capacity-building, awareness raising and advocacy. KCSS's work covers a wide range of topics, including but not limited to security sector reform and development; identifying and analyzing security risks related to extremism, radicalism, and organized crime; foreign policy and regional cooperation; and evaluating the rule of law in Kosovo.

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The Konrad-Adenauer-Stiftung is a German political foundation that developed from the Society for Christian Democratic Educational Work that was founded back in 1955. Since 1964, it has borne the name of the first Federal Chancellor, Konrad Adenauer. We feel bound to Adenauer's political memory and legacy; his principles serve as our guidelines, mission, and commitment. We are therefore politically affiliated with the Christian Democratic Union of Germany but are financially and organisationally independent.

The promotion of liberal democracy and a social market economy, of peace and freedom, transatlantic relations, and European unification – this is what the Konrad-Adenauer-Stiftung stands for.

Although the work in Kosovo started much earlier through various projects, KAS was formally registered in Pristina in June 2007. Since then, KAS has focused on political education, civic education and strengthening of civil society, European integration, support of inter-ethnic and inter-religious dialogue, promotion of free market economy and other topics, which together with our local and international partners, we have addressed through seminars, conferences, discussions and numerous publications

ISBN 978-9951-842-49-5



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