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The 21st Century Maritime Silk Road

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INTRODUZIONE

La seguente tesi si propone di analizzare e approfondire le dinamiche internazionali che hanno spinto il governo di Pechino ad affacciarsi sempre più sul panorama marittimo globale. Seguendo una tendenza che, a partire dagli anni '90, aveva già portato la Cina a maturare un certo interesse per le attività portuali e le relazioni transoceaniche, nel 2013, il Presidente cinese ha infatti annunciato ufficialmente l'introduzione della Nuova Via Marittima della Seta del XXI Secolo. Questo elaborato vuole seguire lo sviluppo di tale iniziativa che ha portato la Cina ad avviare numerosi progetti di cooperazione nell'area che si estende dalle coste asiatiche lungo l'Oceano Indiano, passando per l'Africa e sbarcando in Europa. La Nuova Via Marittima della Seta è un ampio disegno sempre in evoluzione, che continua a crescere e ad allargare il numero di Paesi coinvolti in questa rete. Spesso sono proprio gli Stati meno abbienti, e sempre lasciati indietro dai Paesi del Primo Mondo, ad essere invece scena degli investimenti cinesi che si propongono di cambiare le loro economie.

E la comunità internazionale non può che domandarsi quali siano le prospettive future. Come apparirà il panorama globale nei prossimi anni? Quali saranno le forze geopolitiche che domineranno le dinamiche mondiali? Quale ruolo avranno le economie capitalistiche che, guidate dagli Stati Uniti d'America, hanno sino ad ora dettato le regole del gioco? E la Nuova Via della Seta non è forse nient'altro che una strategia per "spremere" i protagonisti di un'economia oramai in crisi da anni?

In realtà quella cinese non è che una tendenza già in atto da anni, ma che solo di recente è stata ufficializzata e sottoposta ad una gestione sistematica, per rispondere a quelle che sono le esigenze di Pechino.

Nel primo capitolo, si vuole analizzare proprio quelle necessità che hanno spinto la Cina a "riavviare" la Via della Seta, e ancor più la sua parallela Via Marittima.

Pechino deve innanzitutto far fronte a quella che è una mancanza sempre più urgente: ovvero quella di risorse energetiche. La Cina è un Paese vastissimo, abitato dalla popolazione più ampia del mondo, ed è stata sottoposta ad un rapido sviluppo che l'ha portata, in pochi decenni, dall'essere uno Stato chiuso e avverso al consumismo sfrenato, che sembrava dovere essere il male del solo mondo Occidentale, ad essere essa stessa una Economia Socialista di Mercato. La rapidità e la vastità del fenomeno l'hanno tuttavia condotta ad essere un Paese pieno di contraddizioni, dove le grandi città simbolo di ricchezza e avanzamento convivono con piccoli centri che arrancano per stare al passo con lo sviluppo dettato dall'alto, ma che

pian piano ne seguono le orme: sempre più persone in Cina hanno una macchina, usano elettrodomestici e non rinunciano alle ultime tecnologie. E se ciò ha portato all'enorme cappa di inquinamento nota a tutti, e che è proprio una minaccia per lo sviluppo cinese, esso richiede anche un gran numero di risorse energetiche, in particolare il carbone (che rimane la prima fonte utilizzata) e il sempre più richiesto petrolio, lasciando le risorse rinnovabili in secondo piano (seppure anche questo sia un settore crescente). È per favorire l'importazione di tali fonti, in particolare dal Medio Oriente, e sempre più dai Paesi africani, che la Cina sta investendo nei porti di quegli Stati che ne dispongono o che ne facilitano l'accesso, soprattutto dal momento che oggi la maggior parte delle risorse energetiche viene spostata via nave. Le rotte seguite, tuttavia, sono spesso rischiose, poiché controllate da storici rivali cinesi (in particolare India e soprattutto Stati Uniti), o, in particolare nella zona dello Stretto di Malacca (il dilemma di Malacca), perché vessate dalle scorribande dei pirati. Lo Stretto di Malacca è una delle vie più importanti per il commercio cinese, e, tramite gli investimenti nei porti di Paesi quali il Bangladesh, il Pakistan o il Myanmar, permetterebbe alle sue navi di evitare la dipendenza da esso, nonché di accorciare il tempo necessario per raggiungere i propri confini.

Ma, entro la strategia sviluppata da Pechino, i porti non rappresentano solo un luogo in cui arrivano o partono merci, ma sono sempre più anche un centro di distribuzione logistica. La Nuova Via Marittima della Seta vuole infatti portare la Cina in quei centri che possono aiutare, velocizzare e rendere più efficienti i movimenti di merci verso le sue coste, ma anche la distribuzione dei suoi prodotti nei mercati esteri. Questo è il motivo per cui Pechino guarda a quei porti franchi in cui le sue imprese possono entrare senza pagare tasse aggiuntive (un esempio è il porto di Atene, dove la Huawei ha stretto un contratto con una compagnia locale). E per questa ragione parte integrante della politica portuale cinese è il sostegno finanziario allo sviluppo delle infrastrutture ferroviarie, stradali e fluviali interne, per facilitare le comunicazioni da e verso i porti.

La penetrazione nei mercati esteri permette inoltre alla Cina di accedere ad un bene sempre più raro e necessario per la sua popolazione, ovvero la terra. In Cina infatti, nonostante la vastità del suo territorio, stanno crescendo i fenomeni di desertificazione, e qui vi si trova solo il 9% delle aziende agricole a livello mondiale, con il 20% globale del cibo consumato entro i suoi confini. È per questo motivo che all'estero Pechino è uno di quei Paesi che nutre il fenomeno del cosiddetto "land grabbing", cioè la sottrazione di terre che avviene soprattutto da parte dei Paesi del Primo Mondo verso i Paesi più poveri o arretrati. La Cina sembra aver

perpetuato in larga misura tale pratica e i reportage giornalistici forniscono dati esorbitanti, che sono stati tuttavia smentiti da alcune recenti ricerche. Le critiche verso lo sfruttamento dei Paesi meno ricchi rimangono accese nei confronti della Cina, che comunque, nonostante l'incertezza dei dati (anche perché Pechino non dispone di registri internazionali), rimane uno dei protagonisti del fenomeno.

Nel secondo capitolo della tesi si prosegue cercando di comprendere meglio quali siano gli elementi alla base della strategia stessa della "One Belt One Road Initiative" (Una Strada Una Cintura), un programma che vuole essere una seconda apertura del Paese verso la scena internazionale, e che persegue l'integrazione economica, il coinvolgimento di quelle nazioni che erano sempre state escluse dallo sviluppo, e la crescita della domanda di mercato, intesa sia nazionalmente che internazionalmente. L'iniziativa cinese si presenta pertanto come un'iniziativa prettamente economica che vuole essere una carta vincente non solo per la Cina, ma anche per tutti gli attori che vi prenderanno parte, e a difesa di ciò richiama i cinque principi di coesistenza pacifica che sono il cuore della Carta delle Nazioni Unite. Essa viene sostenuta finanziariamente da una moltitudine di enti, ma rimane sponsorizzata in primo luogo dal Fondo per la Via della Seta, dalla Nuova Banca di Sviluppo e dalla Banca Asiatica d'Investimento per le Infrastrutture, e si basa inoltre (in Asia) su una moltitudine di corridoi economici che, collegando i porti di riferimento all'entroterra cinese, fungono da punti di collegamento tra la Via della Seta terrestre e la Nuova Via Marittima della Seta.

Come già affermato, quest'ultima prese il via nel 2013 ed è stata quindi ripresa da una risoluzione nazionale l'anno successivo. La Via Marittima ha già raggiunto più di venti stati, avviandovi progetti di amicizia e cooperazione economici, ma anche scientifici, industriali e culturali, prestando attenzione alle tematiche ambientali e alla protezione della biodiversità. Ma Pechino ha spesso dovuto confrontarsi anche con difficili condizioni politiche interne che hanno reso difficile l'avvio dei progetti stabiliti, a causa dell'avversione delle popolazioni, mentre generalmente positiva è stata l'accoglienza dei governi, che vedono nel progetto una possibilità di crescita e sviluppo. Critica è stata invece anche l'opinione degli storici avversari cinesi, ovvero gli Stati Uniti e l'India.

I primi già nel 2005, di fronte all'espansione degli interessi marittimi di Pechino, avevano già elaborato, in un report pubblicato da Hamilton dietro richiesta del Dipartimento della Difesa, la teoria della "Collana di Perle". Secondo questa teoria la Cina starebbe in realtà conducendo una politica militare internazionale, stabilendo delle basi, delle perle appunto, che, dietro un'apparente fine economico, nasconderebbero invece delle aspirazioni militaristiche.

L'espressione è divenuta di comune utilizzo, tanto che spesso la si impiega per indicare la politica estera cinese in generale. Le cronache internazionali parlano di strutture militari crescenti lungo le coste dell'Oceano Indiano, nonché in Africa, ed è stato più volte affermato di aver individuato sottomarini cinesi o avere le prove fotografiche dell'espansione cinese, soprattutto al largo del mar Cinese Meridionale, dove vengono contese ormai da anni gruppi di isole rivendicati da tutti i Paesi che si affacciano su questa parte di mondo (Brunei, Filippine, Taiwan, Malesia e Vietnam, oltre che la Cina stessa). Gli Stati Uniti, in risposta, hanno potenziato le proprie posizioni in Asia, consolidando le proprie alleanze e la propria presenza. L'India, invece, sembrerebbe aver avviato una propria collana di perle al contrario, con l'avvio di nuovi contatti con le nazioni amiche e il tentativo di contrastare l'affermazione cinese negli Stati confinanti (l'India stessa sarebbe stata invitata dalla Cina a far parte della Belt and Road). Di fatto, tuttavia, l'unica base militare stabilita ufficialmente all'estero è la base marittima in Gibuti, la cui portata strategica divenne chiara nel 2008, entro la lotta alla pirateria nella regione del Golfo di Aden e del Corno d'Africa. Nel 2015 poi, fu da qui che vennero evacuati i cittadini cinesi che si trovavano nello Yemen allo scoppio della guerra civile. Già sede di una base americana, Gibuti costituisce un ottimo luogo d'accesso al continente africano, un punto di connessione tra Africa e Asia, e stato strategico poiché vicino agli Stretti di Bab el-Mandeb e di Suez, tramite cui passa il 30% del traffico navale internazionale. Da qui, inoltre, la Cina è in grado di sostenere la propria flotta impegnata in operazioni estere, nonché di tenere sotto controllo le isole indiane nell'Oceano Indiano Orientale e i Paesi Arabi così importanti per il rifornimento energetico cinese. Nel 2014, i due governi hanno firmato un memorandum a siglare la loro cooperazione in ambito portuale, stradale e aereo, e logistico. Le critiche non si sono risparmiate nemmeno in questo caso, e il governo gibutiano ha risposto affermando che, in assenza di altri investitori (il Paese rimane uno dei più poveri al mondo), non può che accogliere positivamente la collaborazione cinese, in cui vede una prospettiva di crescita e sviluppo. Senza risposta rimangono invece le organizzazioni in difesa dei diritti umani, le quali hanno messo in risalto come il sostegno cinese stia supportando quella che di fatto è una dittatura colpevole di frequenti violazioni dei diritti fondamentali.

L'ultima parte del secondo capitolo, si chiude con un confronto con gli altri modelli di gestione logistica che sono stati presi in considerazione per interpretare la strategia cinese. Oltre alla già citata collana di perle, vengono richiamati: il *pit stop model*, il *lean colonial model*, il *dual use logistics facility*, il *warehouse model*, e il *model USA*. Il terzo modello

(assieme alla teoria delle perle) appare il più rappresentativo, nonché il più conveniente per la politica estera cinese. Esso combina molteplici strutture e attrezzature (non solo commerciali e non solo militari) per ammortizzare i costi, altrimenti troppo alti, facendo dei porti esteri cinesi non solo basi commerciali, ma anche luoghi atti a consolidare la propria presenza e rafforzare la propria immagine internazionale.

L'ultimo capitolo dell'elaborato scende invece a incontrare più da vicino alcuni dei progetti avviati da Pechino entro la cornice della via Marittima, ma che poi spesso intrecciano da vicino la stessa con la Nuova Via della Seta, combinando la modernizzazione dei porti e delle loro infrastrutture con l'avanzamento delle vie terrestri, strade e ferrovie in primis, a trasportare container e prodotti da e verso le coste.

Nella prima parte compare il porto di Gwadar, in Pakistan, con cui il dialogo è acceso ormai da vari anni. Qui sono già stati avviati diversi progetti di collaborazione, soprattutto a partire dal 2015, quando c'è stata la prima visita ufficiale cinese in Pakistan dopo dieci anni. Oltre ai progetti di carattere prettamente portuale, i due Paesi hanno dato molta importanza alle iniziative che comporranno il corridoio Sino-Pakistano, e che permetteranno di accorciare il tragitto sino alla Cina, ma soprattutto evitare il passaggio attraverso lo stretto di Malacca.

Il porto di Chittagong, in Bangladesh, si contende invece con Sonadia un supporto finanziario da parte di Pechino. Un riavvicinamento è stato avviato negli ultimi anni, e tra gli accordi firmati sembra essere probabile un ingrandimento del primo porto citato, preferibile per posizione e per strutture già esistenti (è uno dei porti più grandi del Paese). Le relazioni con il Paese rimangono tuttavia complicate, a causa della competitività con la vicina India, gli Stati Uniti d'America e il Giappone, che ha anche investito nell'economia bengalese.

In Africa, la Cina sta puntando, sulla costa orientale, sulla Tanzania e il Kenya. La Tanzania, con la possibilità di costruire un porto nell'area di Bagamoyo, rappresenta un'importante possibilità per Pechino di entrare nei mercati africani, economia in crescita. Ma soprattutto è circondato da Paesi ricchi di risorse e materie prime, che la Cina, sostenendo lo sviluppo delle infrastrutture legate ai trasporti, può facilmente trasportare verso le proprie coste.

Il Kenya è uno degli Stati oggetto dei maggiori investimenti stranieri (il quarto in Africa), soprattutto in campo infrastrutturale. Qui la Cina ha preso parte alla modernizzazione del porto di Mombasa, già significativo come porto containerizzato. In particolare, sta sostenendo l'ampliamento della rete ferroviaria per poter penetrare più facilmente nell'entroterra africano. Allo stesso tempo, più a nord, è stata progettata la realizzazione di un porto nell'area di Manda Bay (il porto di Lamu), dove la profondità delle acque e la presenza di un canale

navigabile risultano essere piuttosto favorevoli per la nuova struttura. Non mancano, tuttavia, le opposizioni sia da parte dei soliti detrattori, come possono essere gli Stati Uniti, ma anche da parte di organizzazioni dedite alla difesa dei diritti umani, e soprattutto dei pescatori locali. Come è anche avvenuto anche in Asia, la Cina è infatti stata accusata di aver allontanato dalle loro abitazioni migliaia di lavoratori, per far spazio alle nuove infrastrutture, lasciandoli senza una casa (solo raramente c'è stata notizia di un, seppur magro, risarcimento) e senza alcun lavoro.

Infine, nell'ultima parte dell'ultimo capitolo, si affrontano i rapporti di partnership nel Mediterraneo, dove tradizionalmente aveva fine l'antica Via della Seta.

Il porto del Pireo è già gestito dalla società cinese COSCO, che si è incaricata, in un primo tempo, di costruire parte del porto stesso, e, successivamente, ha preso in gestione un suo 51% (con la possibilità di acquisirne un ulteriore 16%), guardando anche all'area del porto franco, preziosa per l'ingresso in Europa delle sue merci. Inoltre Pechino sta sostenendo lo sviluppo di una rete ferroviaria che permetta di raggiungere più velocemente il cuore dell'Europa. Porta d'ingresso ai mercati europei, Atene risulta strategica per la posizione così prossima al canale di Suez.

Ma per lo stesso motivo la Cina guarda all'area dell'alto Adriatico, dove ha già firmato un accordo di collaborazione con Venezia, e dove continuano a partecipare i dialoghi attorno al porto di Trieste e al suo entroterra. La regione adriatica, oltre alla vicinanza a quello che è il canale di ingresso nel Mediterraneo (il canale di Suez appunto), offre il vantaggio di essere anche il punto più a Nord dello stesso, e quindi le merci che qui vengono scaricate raggiungono più facilmente e soprattutto velocemente i Paesi dell'Europa centrale e orientale. Inoltre, proprio la conformazione del Mar Adriatico fa sì che si possano toccare più porti in breve tempo, cosicché si sta ora sviluppando un cosiddetto multi-port gateway: cinque porti (Koper, Rijeka, Ravenna, Trieste e Venezia) che farebbero parte del medesimo sistema, e che traggono vantaggio dalle reciproche infrastrutture.

Quella cinese appare come una grande strategia, volta a realizzare un sistema di cooperazione che si estende su più continenti, ripromettendosi di portare benessere e crescita ovunque essa arrivi. Ma rimane anche un programma con i suoi limiti, che deve confrontarsi con la realtà circostante e con un equilibrio instabile proprio di un'era di transizione. Il ruolo dominante degli Stati Uniti non appare più come un dato di fatto, e essi stessi devono fare i conti con una nuova presidenza, che va ad aggiungersi al già acceso ritorno dei nazionalismi e dei fenomeni di xenofobia, nonché alla crisi finanziaria internazionale.

In particolare la Cina, lungo le sue vie, deve confrontarsi con:

- l'ostilità sempre mostrata dalla comunità internazionale, e in particolare dal mondo occidentale;
- la pericolosità di alcune delle aree attraversate, talvolta scosse da guerre o rivolte, o da povertà e fame;
- il rischio dato dall'internazionalizzazione delle compagnie cinesi, che sono l'immagine della Cina all'estero;
- il fatto che Pechino è ancora impreparata nel tutelare i suoi cittadini all'estero, nel caso si trovassero coinvolti in episodi di pirateria o di terrorismo;
- l'ineguaglianza che è protagonista nella Cina stessa, e che separa, oltre che le città dalle campagne, anche la zona dell'entroterra e le regioni occidentali dalle province costiere, le quali sono le maggiori beneficiarie della crescita economica, nonché della Belt and Road (che in questo senso privilegierebbe la via marittima a quella di terra).

In più, a livello internazionale, la Nuova Via Marittima è stata messa in discussione anche perché priva di un organo centrale o di un programma definito, ma soprattutto perché, nonostante la creazione di organi finanziari ad essa dedicati, non è chiaro dove Pechino troverà tutti i fondi necessari per completare un progetto di tale portata.

La Via Marittima del XXI secolo rimane comunque una strategia giovane, sulle cui pretese grandiose non è realmente possibile fare previsioni, mancando dati precisi da parte cinese (non ci sono report pubblici, a parte discorsi pieni di retorica sulla pace e l'amicizia internazionale), ed essendo, d'altro canto, gli articoli rilasciati al panorama internazionale spesso contraddittori.

Nonostante tutto, però, la Cina rimane uno dei grandi protagonisti della geopolitica mondiale, i cui investimenti sono indubbiamente in crescita, che continua a spostarsi verso occidente, occupando i vuoti di potere lasciati dagli Stati Uniti, trovando nuovi alleati in coloro che cercano di risalire la china dello sviluppo economico e dando valore ad una rete di porti che rimane la principale via commerciale e strategica della seconda potenza mondiale di oggi.

INTRODUCTION

China is one of the main actors in the actual international scene. Its huge growth has taken it to become the second economic power, although still facing its own struggles and internal inequalities, given by the differences between cities and countryside, between coasts and its inner provinces, and between poor and rich people. Chinese economy is nowadays tightly connected to the import-export system and to the international commercial network, in order to support what seems an unstoppable development.

Four years ago the Chinese President, Xi Jinping has introduced, for the first time, the ambitious One Belt One Road initiative, of which the New Silk Road and the 21st Century Maritime Silk Road are part. Through this last one, Beijing has promoted the beginning of a long series of dialogues and projects that have involved more than twenty Countries by now, from the Chinese coast, to Europe, following the Indian Ocean, reaching African markets, and crossing the Suez Canal. The route has been proposed as an economic instrument to help its own growth, but also to modernize ports and infrastructures of the Countries that have been taking part in it; and in this sense, the Maritime Silk Road recalls its older version, which used to see a mutual exchange all along the ways covered by the ancient ships. China's President, and the spokespersons who have represented the programme abroad, have strongly expressed the idea of a peaceful development, in which the first place is given to cooperation and friendship, as to a profit that has to benefit everyone.

This thesis intends to retrace the goals reached until now, and the future prospects, despite the Maritime Silk Road being a young initiative and lacking, in numerous cases, of certain data. It will recall the reasons that have pushed China to promote it, and to have given significant value to the sea routes (more developed than the New Silk Road, which has to face a difficult situation in Central Asia); it will therefore explained which are the characteristics of the One Belt One Road, and of the Maritime way in particular, highlighting the connections that link the two sides of the plan; and it will close with some of the undertaken, or under discussion, port development, in order to show the capacity and the aims of the plan.

But the thesis also tries to explain which limits have been met by Beijing in the realization of its 21st Century Maritime Silk Road: the instability that shakes numerous of the crossed Countries, the opposition by groups of locals and especially by the international community that sees in it a geopolitical expansion.

In fact, the international scene is nowadays in a transition phase, in which the equilibriums are moving, the United States are losing their hegemony and the Western model is called into question. China, with its grandiose One Belt One Road, has been pursuing a huge plan, sometimes interpreted as a String of Pearls or as a new Marshall Plan, through which it intends to officially support its international image of a peaceful actor and investor, but also to affirm with resoluteness its own sovereignty and exclusivity inside its borders (and in the areas historically claimed as part of China). But it is also a young project, which, according to the plan, will need various decades to be completed, and which is always in expansion and in evolution, also thanks to the new global challenges, such as the environmental protection. The thesis, therefore, cannot avoid to ask itself if the initiative will effectively build a port network, or will have to sink in the geopolitical system.

CHAPTER I:

WHY IS CHINA BUILDING UP THE MARITIME SILK ROAD?

1.1 Introduction

“China is ready to open itself wider to ASEAN countries on the basis of equality and mutual benefit to enable ASEAN countries to benefit more from China’s development. China is prepared to upgrade the China-ASEAN Free Trade Area and strive to expand two-way trade to one trillion US dollars by 2020. China is committed to greater connectivity with ASEAN countries. China will propose the establishment of an Asian infrastructure investment bank that would give priority to ASEAN countries’ needs. Southeast Asia has since ancient times been an important hub along the ancient Maritime Silk Road. China will strengthen maritime cooperation with ASEAN countries to make good use of the China-ASEAN Maritime Cooperation Fund set up by the Chinese government and vigorously develop maritime partnership in a joint effort to build the Maritime Silk Road of the 21st century. China is ready to expand its practical cooperation with ASEAN countries across the board, supplying each other’s needs and complementing each other’s strengths, with a view to jointly seizing opportunities and meeting challenges for the benefit of common development and prosperity.”¹

With these words, in 2013, Xi Jinping, President of the PRC, gave announcement of the Maritime Silk Road project. During his first trip to Southeast Asia, the President himself spoke in front of the Indonesian parliament to promote the cooperation between China and the ASEAN countries.² As it was then stated by the Foreign Ministry spokesperson, Lu Kang, the initiative was in harmony with all the regional interests and did not have any geopolitical scope.³ It just answered to the necessity of enhancing the connectivity among coastal countries, from China’s ports, through the South China Sea, the Straits of Malacca, and then along the North Indian Ocean to the Persian Gulf, Red Sea and Gulf of Aden. Following the

¹Speech by Chinese President Xi Jinping to Indonesian Parliament, 2nd October 2013, ASEAN-China Centre. Available at www.aseas-china-center.org.

² Shannon Tiezzi, *The maritime Silk Road vs the String of Pearls*, “The Diplomat”, 13th February 2014

³ Foreign Ministry Spokesperson Lu Kang’s Regular Press Conference on December 29, 2015, Ministry of Foreign Affairs of the People’s Republic of China. Available at www.fmprc.cn.

ancient routes, it will cover the shores from Asia, to the Middle East, from East Africa to Europe, mostly relying on ASEAN countries.⁴

In this way, China officialised a phenomenon that had already taken China in being involved into the development of many port activities, inside and outside the Country. In China not only sea ports, but also river ports, have been moving huge quantities of goods, with a boom of the role of containers. Only in 2010, China could boast a volume of 146,32 billion TEUs, thanks to a growing rate of about 27% per year⁵, and in fact, the top fifty container port list shows six Chinese cities among the first ten positions.⁶

Rank	Port	Volume 2014 (Million TEU)	Volume 2013 (Million TEU)	Volume 2012 (Million TEU)	Volume 2011 (Million TEU)
1	Shanghai, China	35.29	33.62	32.53	31.74
2	Singapore	33.87	32.6	31.65	29.94
3	Shenzhen, China	24.03	23.28	22.94	22.57
4	Hong Kong, S.A.R., China	22.23	22.35	23.12	24.38
5	Ningbo- Zhoushan, China	19.45	17.33	16.83	14.72
6	Busan, South Korea	18.65	17.69	17.04	16.18
7	Qingdao, China	16.62	15.52	14.50	13.02
8	Guangzhou Harbour, China	16.16	15.31	14.74	14.42
9	Jebel Ali, Dubai,	15.25	13.64	13.30	13.00

⁴ Liu Cigui, *Reflections on Maritime Partnership: Building the 21st Century Maritime Silk Road*, Chinese Institute of International Studies, 14th September 2014. Available at www.ciis.org.cn.

⁵, M.M. Cerbán, F. Piniella, Zhen L., *The Development of China's Coastal Ports in the Era of Globalization*, "Journal of Maritime Research", Vol. X, No. 2 (2013), pp. 27-34.

⁶ *Top 50 World Container Port*, available at www.worldshipping.org.

	United Arab Emirates				
10	Tianjin, China	14.05	13.01	12.30	11.59

Source: www.worldshipping.org

Chinese national plans have grouped them in different areas:

- Changjiang Delta Zone (Guangzhou, Shanghai, Shenzhen...), with a huge growth between 90s and 2000s, it has slowed down in the last years;⁷
- Southeast Coastal Area, it corresponds with the Fujian province and the close area that connects the Changjiang Delta Zone and the Pearl River Delta, faces Taiwan (the area is indeed also called Taiwan Channel East Shore Economic Zone), and borders Jianxi to the west;
- Southwest Coastal Area, the area that includes the Northern Bay Economic Zone, fundamental for the cooperation with ASEAN countries. It is seen by the government as a centre for logistics, trade, manufacturing, information and communication;⁸
- Pearl River Delta, with a growth around 15% up to a 40% before the crisis, 7% per annum after it;
- Bohai Economic Rim Zone (Beijing, Tianjin, Hebei...), the area that has seen the strongest and fastest development and has become the third container region for importance at a global level – 55,8 million TEU in 2015.⁹

Nevertheless, Chinese coast, with a length of 14000 km, is also the most vulnerable part of the Country, so that it has been a necessity to convert China into a sea power nation.¹⁰ The Communist Party has defined it as “enhancing its comprehensive power in respect to the development, utilization, protection, management and control of the ocean.”¹¹

Xi Jinping, therefore, recalled the ancient explorations of Zhang He - the famous traveller who, back in the XV century, was able to arrive up to the Middle East¹² – to launch the

⁷ Theo Notteboom, *Portgraphic: Chinese, EU & North American container port regions: 1985-2015*, 4th April 2016. Available at www.porteconomics.eu.

⁸ L. Zhen, M.M. Cerbán, F. Piniella, *The Development of China's Coastal Ports in the Era of Globalization*, “Journal of Maritime Research”, Vol. X, No. 2 (2013), pp. 27-34.

⁹ Theo Notteboom, *Portgraphic: Chinese, EU & North American container port regions: 1985-2015*, 4th April 2016. Available at www.porteconomics.eu.

¹⁰ Asiaticus, *La gara dei castelli di sabbia*, “Limes”, No. 8 (2015), pp. 193-198.

¹¹ Wu Xiaoyan, *China's “Sea Power Nation” Strategy*, Institute for Security & Development Policy, June 2014. Available at www.isdp.eu.

¹² Sabbatini-Santangelo, *Storia della Cina*, Roma-Bari, Laterza, 2010.

tripartite belt project. It is indeed supposed to develop into the: New Silk Road, South Silk Road and the 21st century maritime silk road, so then simply called “the Belt and Road”, in order to “bring the outside in (由外至内)”. The expression wants to put together a long series of investments that China has been utilizing to build infrastructures: roads, airports, railways, ports...all connected to its borders. The president and his supporters have affirmed that the initiative has been thought only to answer people’s economic needs but, has been said (by some analysts) to be a political strategy as well, pointed to use trade and incentives to stop territorial claims.¹³

In fact, China has long been looking at other Countries’ shores to penetrate their ports and reaching their land connections, pushed by various necessities:

- to search new energetic resources, in order to support its fast growing industrial economy;
- to avoid dangerous ways controlled by its historical rivals, as well as oppressed by other kinds of threats. In particular Beijing has been trying to build a network of partnerships in order to avoid the Strait of Malacca, Chinese reliant route to refurnish its lands;
- to take advantage of the port as a logistical hub, being a knot between goods coming from the sea and reaching the inner markets, but also more and more an area where to produce with favourable costs;
- to make use of ports as a door to reach foreign lands (land grabbing);
- to start new cooperative relationships where other mega-powers lack.

1.2 Searching new resources

China’s national needs has long been based on a mix of different resources, from natural gas to nuclear, from coal to oil. In general, it is possible to differentiate them in non-renewable and renewable ones. These last ones represent only a minor portion in the Chinese energetic production, although it is surely a rising field. In 2006 the “*Renewable Energy Law*” underlined the importance of investing into their development and into the research about

¹³ Bryan Eyler, *Who’s afraid of China’s One Belt One Road Initiative?*, 24th April 2015, available at www.estbysoutheast.com.

renewable technology. China disposes indeed of a good diversified environment, suited to the production and use of alternative energies, like the aeolian and solar ones.¹⁴

Nevertheless, Chinese economy keeps making use mainly of energy taken from oil and coal, which remains the main source, despite the rising demand for crude. China is still the first producer of coal, with 13% of the renowned global reserves and the 70% of the energy produced and consumed inside its borders.¹⁵ Yet, in 2007 it became an importer, in order to satisfy the requirements of the industrial production regarding the electric output. The previous year had seen the installation of 105.000 new Mw, among which 90.000 were powered by coal. In fact, during all the 2000s, there have been frequent blackouts and unforeseen lacks of fuel, during critical moments or after a climatic emergency, so to testify the internal coal shortage.¹⁶ Its exploitation reached though its own peak three years ago: from that moment on, it has been produced 8,4% of coal less than what previously done and the national interests have mostly made use of other sources.¹⁷ Chinese government, indeed, is aware of the excessive impact that coal is having on the environment.

Second for importance, the oil's demand towards the international market has grown, especially after 2001, when China became member of the WTO. From that moment on, the cars import has risen considerably, especially by the empowering middle class, and, as a consequence, the necessity of oil as well. China exported it to all the East Asia until 1993, when it became clear that the internal reserves were not enough and the petroleum self-sufficiency was lost.¹⁸ Oil supplying is today taken on by state-owned enterprises as the China National Petroleum Corporation, the Sinopec and the China National Off-shore Oil Corporation, which, inside the Country, most produce oil in the three Manchurian provinces, the Xinjiang and the off-shore reservoirs of the East China Sea (1/5 of the produced oil comes from the sea).¹⁹ Oil reserves were declared to be at 20.4 billion barrels in 2012; the same year though, domestically, the production did not reach the 5 million barrels per day in spite of a

¹⁴ Angela Pascucci, *La lunga corsa della Cina I. La politica energetica interna*, 19th November 2008, available at www.cartografareilpresente.org.

¹⁵ Virginia Marantidou, *Revisiting China's "String of Pearls" Strategy: Places "with Chinese Characteristics" and their Security Implications*, Pacific Forum CSIS "Issues and Insights", Vol. 14, No. 7 (2014).

¹⁶ Angela Pascucci, *La lunga corsa della Cina I. La politica energetica interna*, 19th November 2008, available at www.cartografareilpresente.org.

¹⁷ *Carbone: in Cina crollano produzione, consumo e importazioni*, 14th June 2016, available at: www.greenreport.it.

¹⁸ Angela Pascucci, *La lunga corsa della Cina I. La politica energetica interna*, 19th November 2008, available at www.cartografareilpresente.org.

¹⁹ Filippo Fasulo, *Cina: da produttore a importatore*, in "Energia e geopolitica: gli attori e le tendenze del prossimo decennio", edited by Matteo Verda, pp.69-81, Istituto per gli Studi di Politica Internazionale-Milano (2014).

consumption of 9,2 million barrels per day. This means that the import dependency corresponded to the 52% of the total consumption (the 62% by 2020 according to the previsions), an amount that has taken China to the top ranking of net oil importers, in second place only after the United States.²⁰ Previsions have actually stated that the Chinese demand for imported oil will soon surpass the worldwide offer.

Other sources and sectors are also growing in their demand. Natural gas has risen in its employment, not only because of the discovery of new deposits, but also for its import from abroad. Moreover, the nuclear and the hydroelectric production have been strongly incentivized, thanks to huge investments.²¹ The goal set by the government is to become the first nuclear power by 2020 and to bring the nuclear capacity from 10,8 GW in 2010 to 58 GW in 2020 to 150 GW in 2030.²² As for the hydroelectric energy, China is already the Country that most produces it worldwide, even if the system of dykes has provoked a certain amount of dissent (especially with regard to the China Three Gorges Asia Investment). The population, indeed, and the Western world as well have express their concern about the damage that it is causing to the ecosystem.²³

Between 2003 and 2014, China multiplied five times its international trade, with a focus on energetic sources, but also importing metals and necessities, especially food. Large volumes of oil, minerals and natural gases entered the borders to satisfy the internal demand from every area of the globe, from Africa, America (North and South) and the Middle East.²⁴ Moreover, the 2007 financial crisis has slowed down the Chinese development, pushing the government to look more and more at outside to get what was needed inside. In fact, Zhang Guobao (chief of the National Energy Administration) has affirmed that the global crisis is a challenge and an opportunity at the same time.²⁵ A challenge because of the difficulties and limits that it has imposed everywhere, but an opportunity for a Country as China, with a massive economic growth and a huge monetary reserve.

²⁰ Amar Causevic, *A Thirsty Dragon, Rising Chinese crude oil demand and prospects for multilateral energy security cooperation*, Peace Research Institute Frankfurt, Report No. 116 (2012).

²¹ Angela Pascucci, *La lunga corsa della Cina I. La politica energetica interna*, 19th November 2008, available at www.cartografareilpresente.org.

²² Filippo Fasulo, *Cina: da produttore a importatore*, in “Energia e geopolitica: gli attori e le tendenze del prossimo decennio”, edited by Matteo Verda, pp.69-81, Istituto per gli Studi di Politica Internazionale-Milano (2014).

²³ Angela Pascucci, *La lunga corsa della Cina I. La politica energetica interna*, 19th November 2008, available at www.cartografareilpresente.org.

²⁴ Christopher D. Yung and Ross Rustici, with Scott Devary and Jenny Lin, *Chinese Perspective 7 – “Not an Idea We Have to Shun”: Chinese Overseas Basing Requirements in the 21st Century*, Institute for National Strategic Studies.

²⁵ Zhang Guobao, *Energy sector turns crisis into opportunities*, 28th January 2010, Chinadaily, available at: www.chinadaily.com.cn.

Agreements about the supply of energetic sources have engaged Chinese companies on different sides. The China National Petroleum Corporation, the China Petroleum and Chemical Corporation and the National Offshore Oil Company – the first three for importance – have undertaken alone more than 200 projects in about fifty countries for a value of about 80 \$ billions.²⁶ The oil comes especially from the Middle East, in the Gulf Area, where Saudi Arabia (19% of the oil imported) has been the first Chinese partner since 1999, when it was signed a strategic partnership agreement. In exchange for the import of petroleum, China has granted goods and services back to the Arabic monarchy. Tight relationships also have bound China to Qatar and Iran (8% of the foreign petroleum that enters the Chinese borders).²⁷ The development promoted by Sinopec, China Petroleum and Chemical Corporation, and the oilfield of Yadaravan since 2004 and the agreement between the China National Offshore Oil Corporation and the National Iranian Oil Company (2008) are only two examples of a tight partnership,²⁸ (a partnership that has often ignored the sanctions imposed by the United States). Reciprocal businesses are also active in Kuwait, Oman (9% of the imported oil), Syria (before the bursting of the war) Yemen and United Arab Emirates;²⁹ China was the first country to make a contract after the falling of the Saddam's government in Iraq (country that is the world's second largest proven oil reserve and from where Beijing buys the 8% of the its foreign oil), with the Northern Oil Company.³⁰ In fact, in 2014 China was defined by the American president Obama as a free rider actor of the international community with reference to its behaviour towards Iraq and Syria as well.³¹

Investments in the oil economy have also increased in the African continent, together with the intensifying of mutual visits. Despite the renowned volumes do not exceed the 10% of the total, the international community has reasons to believe it much wider. Chinese economic interests are lively in many states (in fact, only nine African countries has not been affected at

²⁶ Amar Causevic, *A Thirsty Dragon, Rising Chinese crude oil demand and prospects for multilateral energy security cooperation*, Peace Research Institute Frankfurt, Report No. 116 (2012).

²⁷ Filippo Fasulo, *Cina: da produttore a importatore*, in "Energia e geopolitica: gli attori e le tendenze del prossimo decennio", edited by Matteo Verda, pp.69-81, Istituto per gli Studi di Politica Internazionale-Milano (2014).

²⁸ Angela Pascucci, *La lunga corsa della Cina II. Sicurezza energetica e politica estera*, 13th December 2009, available at www.cartografareilpresente.org.

²⁹ Filippo Fasulo, *Cina: da produttore a importatore*, in "Energia e geopolitica: gli attori e le tendenze del prossimo decennio", edited by Matteo Verda, pp.69-81, Istituto per gli Studi di Politica Internazionale-Milano (2014).

³⁰ Angela Pascucci, *La lunga corsa della Cina II. Sicurezza energetica e politica estera*, 13th December 2009, available at www.cartografareilpresente.org.

³¹ Filippo Fasulo, *Cina: da produttore a importatore*, in "Energia e geopolitica: gli attori e le tendenze del prossimo decennio", edited by Matteo Verda, pp.69-81, Istituto per gli Studi di Politica Internazionale-Milano (2014).

all by Chinese money³²): among the others Angola, Nigeria, the Democratic Republic of Congo, Tanzania, Kenya, Mali and Sudan. Here, although, China has lately been forced to renounce to take part to its interests because of the internal political problems. The import of barrels from Sudan fell from 260.000 to zero between 2011 and 2012, and it has never reached the previous levels. International companies have anyway kept exploiting other African lands, which give not only raw oil but also minerals, such as cobalt and manganese.³³ China has given them back investments for the development of infrastructures and for explorations and extractions in the continent. In China, African countries see a better partner than what America is, since it does not bound the economic cooperation to a political reform. Its actions are indeed induced by a policy of non-interference and by its five principles of pacific coexistence, which refer to what settled during the Bandung conference (1955).³⁴ Recently even China though has ended up taking part to a certain number of international issues. In 2006 it was part of the UN peacekeepers mission in Lebanon, and it has been then active in the nuclear question in Iran alongside the United States, Russia and the European Union.³⁵ It is also part of a counter-piracy mission in the Gulf of Aden. Yet, reaffirming its position, the China's 2013 White Defence Paper read: "China opposes any form of hegemony or power politics, and not interfere in the internal affairs of other countries. China will never seek hegemony or behave in a hegemonic manner, nor will engage in military expansion."³⁶

The energetic issue has been at the centre of Chinese internal and international concern for a long time now. In 2008 it created the Energy Bureau, under the control of the National Development and Reform Commission, connected to the Council of State. Two years later the National Energy Commission defined a development plan in order to guide and check the safety in the energetic sector and the international cooperation about it, and the last five-year plan have pointed out new strategies. From the development of new energies, as stated above, to the necessity to shorten the CO₂ emissions, to the promotion of the efficiency in the oil consume by Chinese companies, to the exploration of new sources and new roads. The twelfth plan has indeed highlighted the importance of reducing the dependency on the Middle East,

³² Giampaolo Visetti, *CinAfrica*, "la Repubblica", 15 December 2015.

³³ Angela Pascucci, *La lunga corsa della Cina II. Sicurezza energetica e politica estera*, 13 December 2009, available at www.cartografareilpresente.org.

³⁴ Filippo Fasulo, *Cina: da produttore a importatore*, in "Energia e geopolitica: gli attori e le tendenze del prossimo decennio", edited by Matteo Verda, pp.69-81, Istituto per gli Studi di Politica Internazionale-Milano (2014).

³⁵ Angela Pascucci, *La lunga corsa della Cina II. Sicurezza energetica e politica estera*, 13th December 2009, available at www.cartografareilpresente.org.

³⁶ Virginia Marantidou, *Revisiting China's "String of Pearls" Strategy: Places "with Chinese Characteristics" and their Security Implications*, Pacific Forum CSIS "Issues and Insights", Vol. 14, No. 7 (2014).

burdened by the political tensions and the unstoppable violence. It has as well underlined how China should instead strengthen the exploitation of off-shore sites and the partnership with Central Asia and Russia (9% of the Chinese oil).³⁷

On 17th December 2015, during a visit of the Russian Prime Minister Dmitry Medvedev, it was signed in Beijing an agreement between the two countries.³⁸ The deal covered different areas, from finance to high technology, from banking to energy, for a not well known amount.³⁹ Russia has entered into the AIIB, with the status of funding member and it has been underlined the importance of the economic development of the eastern regions. The two countries are working to improve the infrastructures in the area, with the requalification of the airport of Khabarovsk, the modernization of the railway stretch Bakal-Amuz, and the constitution of a free port area between Zarubino, Vladivostok and Nakhodka, for the docking of big container vessels.⁴⁰ Furthermore, it was finally concluded the plan that wanted the construction of a pipeline from one country to the other. After a previous agreement for gas supply in 2014, with the Ukrainian crisis in full progress, the Russian minister and the Chinese Premier of the State Council Li Keqiang, signed for a new partnership. The Power of Siberia (so it was called the project) is supposed to pump gas from the Chayanda and Kovykta gas fields in Siberia to China; it is expected to be completed by 2018, but to enter into operation only the year after.⁴¹

China is though still dependent on maritime routes to move nearly the whole goods that enter and leave the Country: 98% of all traffic travel indeed by ship (90% of the global trades). And from the coasts where they dock, wares move on riverine and coastal transport for the internal distribution, according to a system exploded since 1997.⁴² This is actually the general trend, since about 63% of the worldwide oil production moves on maritime roads.⁴³ It is indeed the necessity to secure its own business maritime trajectories (and with it the energy supply) that

³⁷ Filippo Fasulo, *Cina: da produttore a importatore*, in “Energia e geopolitica: gli attori e le tendenze del prossimo decennio”, edited by Matteo Verda, pp.69-81, Istituto per gli Studi di Politica Internazionale-Milano (2014).

³⁸ Giuseppe Masala, *Il “Pivot to Asia” della Russia*, 29th December 2015, available at: www.sputniknews.com.

³⁹ Alexander Korablinov, *Russia, China sign over 30 agreements during Medvedev’s visit*, 18th December 2015, available at: www.rbth.com.

⁴⁰ Giuseppe Masala, *Il “Pivot to Asia” della Russia*, 29th December 2015, available at: www.sputniknews.com.

⁴¹ Interfax, *Gazprom’s Power of Siberia pipeline set for 2019 launch*, 14th June 2016, available at: www.rbth.com.

⁴² Pietrucha C. M. W., *Fighting the Middle Kingdom in the Maritime Domain*, “The Diplomat”, 13 January 2016, available at: www.thediplomat.com.

⁴³ US Energy Information Administration, *World Oil Transit Chokepoints*, 10 November 2014, available at: www.eia.gov.

China has decided to make its navies stronger and to invest into port infrastructure, insisting on what has been called a peaceful development.⁴⁴

1.3 The Malacca Dilemma

The new Chinese strategy is then meant to turn the historical trading routes into a modern system of pipelines, roads, railways (Iron Silk Road) and ports, in order to circumvent naval chokepoints against risks of naval blockades or embargos.⁴⁵ Economic bilateral agreements have indeed had the role of bypassing these key-points.

Chokepoints have been defined by the Energy Information Administration as “narrow channels along widely-used global sea routes, some as narrow that restrictions are placed on the size of the vessel that can navigate through them”. They represent a “critical part of global energy security because of the high volume of petroleum and other liquids transported through their narrow straits”. Main straits for trade purposes are Strait of Hormuz, Turkish Straits, Panama Canal, Strait of Malacca, Suez Canal and Bab el-Mandeb.⁴⁶



Source: *The explainer: China’s Malacca Dilemma*, available at www.bjnocabbages.com.

⁴⁴ Wu X., *China’s “Sea Power Nation” Strategy*, “Asia Paper”, June 2014, available at: www.isdp.eu.

⁴⁵ Lin C., *The New Silk Road: China’s Energy Strategy in the Greater Middle East*, “Policy Focus”, April 2011, available at: www.whashingtoninstitute.org.

⁴⁶ US Energy Information Administration, *World Oil Transit Chokepoints*, 10 November 2014, available at: www.eia.gov.

The Strait of Hormuz represents the most important chokepoint for the worldwide movements of oil. In 2013, 17 million of barrels were crossing it every day (30% of all seaborne-trade oil) towards Asian markets: China, India, Japan and South Korea. Nowadays, it is not possible to bypass the Strait yet, and only Saudi Arabia and the United Arab Emirates are making use of pipelines capable to avoid the Strait of Hormuz. The Suez Canal and the Bab el-Mandeb strait are as much important for Asian economics; the first one takes most of its gas and oil (74%) to Asian markets; whereas the second strait, linking the Horn of Africa and the Middle East, is a strategic route for trades between countries that face the Mediterranean Sea and the Indian Ocean. Yet, the most important way for Chinese international businesses is the Malacca Strait. Chokepoint between Indonesia, Malaysia and Singapore, it connects the Indian Ocean to the Pacific Ocean and the South China Sea. It is indeed the shortest of the sea ways that supply East Asia from the Persian Gulf, and through which huge quantities of oil travel towards China. It is, though, quite a critical point, since its width of only 1,7 miles means a natural risk for collisions, oil leaks and grounding. Furthermore, it is an area that have always known frequent aggressions by pirates, even if they have lessened since 2005, according to the International Maritime Bureau's Piracy Reporting Centre. The worldwide cooperation has indeed increased in security matters and the international community has promoted jointed patrolling to protect the coasts by the attacks.⁴⁷

The strait of Malacca transfers the 80% of the oil that reaches from abroad the PRC, so does the Chinese export towards Europe, and the 60% of the ships that go across it are bound for Chinese shores.⁴⁸ Though, to bypass this chokepoint China has projected the building of ports and infrastructures linked to each other, in key-cities along the Indian Ocean, connected to an inner network of roads, railways and pipelines (economic corridors). Li Chengyang, in 2004, said: "Most of China's oil imports come from the Middle East and Africa, given the current situation in the Malacca Strait, we feel that we should come up with a suitable alternative."⁴⁹

A meaningful example part of this project is the centre of Gwadar, in Pakistan; to pump oil from here would mean to shorten its trip from Saudi Arabia of 18.000 km, and to lessen the maritime risks. The project would also support the development of the area, unstable

⁴⁷ US Energy Information Administration, *World Oil Transit Chokepoints*, 10 November 2014, available at: www.eia.gov.

⁴⁸ Angela Pascucci, *La lunga corsa della Cina II. Sicurezza energetica e politica estera*, 13th December 2009, available at www.cartografareilpresente.org.

⁴⁹ Petro Energy Information Network, *Will Sino-Burma Pipeline Project Free China From The Malacca Strait?*, 11 August 2004, available at: www.shana.ir

politically. Even more significant is the development of the port of Kyaukpyu, in Myanmar, and of a pipeline that would take the oil from Africa and Middle East to China, crossing from here the Yunnan and Chongqing provinces.⁵⁰ The project, taken up by a partnership between the Myanmar's Ministry of Energy and the CNPC (China National Petroleum Corporation), provides to develop the parallel Sino-Myanmar Oil and Gas Pipelines with capacity of 440 kb per day, needing an investment of \$ 1,5 billion; the completed terminal will guarantee to shorten the oil trip of 1200 km, cutting the Malacca strait reliance. The oil imported will still be coming from the same places, but the quantities of goods crossing it will fall from the 77% to the 54%: it is indeed supposed to transport 440.000 barrels per day and 12 bcm (billion cubic metres) of natural gas per year. Nevertheless, China's policy has attracted the international disapproval because of the violation of human rights.⁵¹ In fact, Burmese villagers have tried to call for attention about the confiscation of their lands, but have met the firm opposition of the local authorities and of Chinese investors. The police have first arrested most of the protesters, then the protesters themselves have received a poor compensation for their lost properties.⁵²

Other alternative to the Malacca dilemma would be the construction of the Kra Canal (or Thai Canal), which would go to support the "strategy of the two oceans".⁵³ On the model of the Suez Canal and the Panama Canal, it is an ancient idea: a channel that would cut in its narrowest point (44 km) the isthmus of Kra, in the Malay peninsula. The goal would be again to link the Indian Ocean and the Pacific Ocean, from the Andaman Sea to the Gulf of Siam. The channel, placed between the Thai provinces of Satun and Songkhla, would be large 400 metres and deep 25, and would require an investment of \$ 28 billion. For Thailand, this would mean to become a logistic hub, but it would require also the building of land bridges to connect the two sides with rails, roads and oil pipelines. Most of all, it would need the creation of new ports.⁵⁴ The project has been objected by the United States, Malaysia and Singapore, and was supported by China, Myanmar, Vietnam and Thailand itself, even if the

⁵⁰ Angela Pascucci, *La lunga corsa della Cina II. Sicurezza energetica e politica estera*, 13th December 2009, available at www.cartografareilpresente.org.

⁵¹ Jiang J., Sinton J., *Overseas investments by Chinese National Oil Companies*, "International Energy Agency", February 2011, available at: <https://www.iea.org>.

⁵² Holland H., *In Myanmar, China's Scramble for Energy Threatens Livelihoods of Villagers*, "National Geographic", 5 September 2014, available at: <http://news.nationalgeographic.com>.

⁵³ Dian M., *Mari disputati: un test di potenza per la Cina in ascesa*, "Limes", 11 December 2012, available at: www.limesonline.com.

⁵⁴ Panu W., *Kra Canal project not on government agenda: Thai PM*, "Channel NewsAsia", 13 January 2016, available at: www.channelnewsasia.com.

national political issue has recently distracted the government's attention.⁵⁵ So that, nowadays, China is still obliged to rely on the Strait of Malacca, in spite of the strong American naval dominance. The US Navy, together with the coordinated Singapore, Indonesia and Malaysia, is one of the risk for China to see choked its energy supply through the Strait itself.

1.4 Port as a logistic hub

According to Mathe H. and Tixier D., “the function of logistics is to provide the coordination between supply and demand at a minimum cost”. In this way, the logistics is strictly interconnected to the marketing and transportation and distribution are parts of it. Its role has grown a lot in the last decades, because of the markets' globalization and the need for international communication that it brings with itself. In front of the transformation of the global economy, the port, though, has changed its part in it, losing somehow its independent importance. In fact, it does not attract commercial traffic by itself, since it is not just a landing place, but it represents, instead, more and more a meeting point, a hub, between maritime and land trades. This, despite seeming a retrogression, takes advantage from the possibility of working inside a network, which connects the containerization with the different means of transport.⁵⁶

Containers' traffic can include the exchanging of boxes from one quay wall to another towards local or regional markets: these ports are known as gateway ports or hinterland ports and usually make use of roads and railways for their carriages. A second type of container ports, more recent in their formation, normally chooses strategic positions between major markets. From here, big ships transfer the containers they carry to smaller vessels to reach the final destination ports, with less deep waters. Usually called simply transshipment ports, they have more and more extended their activities to gateway ports (the term hub has been used interchangeably to refer to both kinds of ports).⁵⁷

Yet, the ports' development, as well as making of it point of connection, has also taken to a new reality. It has indeed been followed by the so called phenomenon of the Maritime

⁵⁵ Dian M., *Mari disputati: un test di potenza per la Cina in ascesa*, “Limes”, 11 December 2012, available at: www.limesonline.com

⁵⁶ Vallega A., *Geografia delle strategie marittime*, Milano, Mursia, 1997.

⁵⁷ Gouvernal E., Slack B., *Container Transshipment and Logistics in the Context of Urban Economic Development*, “Growth and Change”, 10 November 2015, available at: www.onlinelibrary.wiley.com.

Industrial Development Area, that is the establishment of industrial structures along the docks. Analysts have indicated the evolution of three stages of such areas, with the last one emerging in the 90s. The third phase of the MIDAs has corresponded with the investments abroad into port terminals settled in developing Countries, in order to take advantage of lower taxes and cheaper workers. Its most famous example is the Export Processing Zone, the carriage freight with free shipping, which requests: the identification of an area suitable for industrial structures, close to the port itself; the application of the free taxation related to the export, in the given space; the attraction of foreign investors, so to promote the internationalisation of the port; the signature of specific agreements between the local governments and the overseas financiers.⁵⁸

Deciding in which area and port to invest is indeed a fundamental choice for Chinese companies, which will have to consider those cities that can represent an opportunity to enter other communications routes and foreign markets. Ports have always represented a centre for the economic life, a natural attraction for import and export activities, and their capacity depends on the port's position. A port in a peripheral area more probably will attract second-order projects, and it will also make trades more expensive, since it is more difficult for foreign producers to reach them. At the same time, investments from other countries will interest more often core region, where higher-order projects will remain focused.

Indeed, ports development is often followed by investments in roads, railways or internal water routes that could take goods to different and smaller ports (as it will be better explained in the third chapter). And together with them, Chinese investors also make contracts with national companies, especially related to port activities and shipbuilding industry. In 2009, the government's website was showing 442 infrastructural projects undertaken overseas, providing goods and materials, giving technically support, engaging into human resources development, providing humanitarian aid, and sending medical teams and volunteers.⁵⁹

The Chinese strategy abroad can be better explained through some examples showing Beijing's engagement in improving its distributive network.

From 2010, fourteen commercial deals have been activated between Beijing and Athens, among which a contract that has linked OTE and Huawei, both leaders in the information and communication sector, in Greece and China respectively. In 2013, the Chinese giant Huawei

⁵⁸ Vallega A., *Geografia delle strategie marittime*, Milano, Mursia, 1997.

⁵⁹ Devonshire-Ellis C., Solstand S. U., *China – The Great Infrastructure Developer*, "China Briefing", 27 March 2013, available at: <http://www.china-briefing.com>

(the products of which reach more than one-third of the worldwide population in 140 countries and regions) inaugurated a distribution centre in the Piraeus Port in Athens, after the investments from the Chinese multinational shipping conglomerate COSCO.⁶⁰ Thanks to this mutual project Huawei has been able “to distribute its products to European markets through Greece”, increasing its incomes, 66% of which arrives from abroad. In exchange, Hatzidakis, Development and Competitiveness Minister in those days, stated that the investment was seen as a “confidence vote for Greece by a robust multinational company”. Zhou Jun, managing director of Huawei Technologies Greece, replied: “We believe that our presence in the country will contribute to the Greek economy. With the launch of this program, we will confirm the potential for future expansion”.⁶¹

At the same time, Chinese container’s companies have activated many agreements with international partners to ease the penetration into foreign markets and facilitate the transshipment of bigger and wider ships that require deep depths and suitable structures (Panamax and, since 2009, New Panamax).

COSCO Shipping Bulk Company is working for becoming the third wider container line, aiming to reach a total of 382 self-operated and controlled bulk vessels and a capacity of 34,58 million deadweight tons. Sun Jiakang, COSCO general manager, affirmed: “As many countries and regions along the Belt and Road Initiative need natural resources and commodities to support their ongoing urbanization and industrialization, the company is keen to build more partnerships with both governments and businesses along these trading routes”.⁶² Apart from the agreements with six other Chinese companies, COSCO is engaged in many projects: it is recent a joint-venture with PSA Corp (Singaporean Port Authority Corporation), which will see three new mega container berths in Singapore by 2017.⁶³ In 2016, COSCO has as well entered into a \$ 738 million deal with Abu Dhabi, for the construction of a new container terminal in Khalifa Port. Al Shamsi, Abu Dhabi Ports Chief Executive Officer, welcomed the initiative commenting: “It’s important because Khalifa port

⁶⁰ Annicchiarico A., *L’Europa spende per salvare la Grecia, la Cina compra porti, cantieri e olio*, Il Sole 24 Ore, 15 June 2010, available at: www.ilsole24ore.com.

⁶¹ Mao, *Huawei Inaugurates Pilot Distribution Center at Piraeus Port*, “crienglish.com”, 13 December 2013, available at: www.english.cri.cn.

⁶² Zhong N., *COSCO Shipping Bulk sets sail*, “China Daily”, 17 June 2016, available at: www.europe.chinadaily.com.cn.

⁶³ *COSCO Pacific, PSA to Invest in Mega Berths in Singapore*, “World Maritime News”, n. d., available at: www.worldmaritimenews.com.

will be the hub for Cosco within the region, and this is part of the initiative of the Silk Road”.⁶⁴

1.5 Land grabbing

If investments abroad are useful to penetrate new markets, Beijing is certainly looking as well at foreign lands. Despite the width of the Chinese surface, the PRC owns only the 9% of the world’s farmlands, with a population that eats nearly the 20% of the worldwide food.⁶⁵ Moreover, the Chinese diet is changing, as the population is becoming more prosperous and is getting to eat more protein and less cereals (this means that China needs more grains to feed animals).⁶⁶ And the situation is doomed to get worse, since, also because of the environmental degradation, it is dramatically growing the phenomenon of desert lands, especially in the north of the country. The lack of cultivable areas has pushed China to search for a solution: the acquiring of foreign lands, from countries that do not need them, or, more probably, think to be able to make better use of the money that they are going to receive instead.⁶⁷ The phenomenon has taken the name of *land grabbing*, and it is rising internationally, not only from China, but usually from industrialized and industrializing countries towards the so-called “third world”.

This rising practice, simply defined as the engrossing of a wide amount of lands, has though divided the international opinion. First the FAO, then NGOs and human rights movements have seen in the phenomenon a negative trend, basically a new form of colonialism to exploit other people’s sources. Most of all because, making a leasing deal, the local government does not safeguard the rights of those people who live or work on those lands. And this can happen since in many African countries the common law is still prevalent and the land is considered to be a public property: it means that the government might expropriate a portion of it without caring of the community (regular contracts of property are often totally absent). Inhabitants, peasants and shepherds, after having used those territories for generations, might be

⁶⁴ Habboush M., *COSCO Shipping Signs \$738 Million Deal to Expand U.A.E. Port*, “Bloomberg”, 28 September 2016, available at: <https://www.bloomberg.com>.

⁶⁵ Stone D., *Why China Wants (and Needs) Foreign Farmland*, “National Geographic”, 25 September 2013, available at: www.voices.nationalgeographic.com.

⁶⁶ Sy A., *What do we know about the Chinese land grab in Africa?*, “Brookings”, 5 November 2015, available at: <https://www.brookings.edu>.

⁶⁷ Stone D., *Why China Wants (and Needs) Foreign Farmland*, “National Geographic”, 25 September 2013, available at: www.voices.nationalgeographic.com.

compelled to let foreign investors to have them. On the other hand, countries, like China, and international financial institutions have defended the process as a development opportunity. It would indeed bring with itself chances of employment, technologies and infrastructures. Foreign investors have said: “The purchase of lands is a way to start comparative advantages into the production of selected goods, as well as to understand the opportunities of profit from the increase in the price of provisions”. At the same time, the spokespersons of governments that are selling lands have stated to see in the phenomenon a good chance of growing. Yoweri Musereni, president of Uganda, in 2013, said that agricultural initiatives are the guidelines to follow.⁶⁸

The land-grabbing has taken China to invest mostly in Asia and Africa; yet, the example of Iceland is quite emblematical: in 2011, the estate society Huang Nubo discussed the negotiations to buy 300 km² to use for an eco-tourism project. Moreover, the sold land is close to ports and melting glacier, which would mean new trade routes towards Europe and North America. In 2011 again, Beijing was said to have bought 80.400 hectares in Russia, 70.000 in Laos and 7.000 in Kazakhstan, but also 43.000 in Australia, 5.000 in Cuba and 1.050 in Mexico. Large investments seemed to have interested Africa as well: in Congo, where a good 2.800.000 hectares were supposed to have been sold to Chinese investors; in Zambia (2.000.000 hectares), in Cameroon (10.000 hectares), in Uganda (4.046) and Tanzania (300).⁶⁹ Nevertheless, recent researches, and the studies of Deborah Brautigam in particular, have shown a different prospective. The scholar has pointed out as the phenomenon of land grabbing in Africa from China has in fact been nourished by journalistic reportages and even by simple rumours, frequently exaggerated or wrongly translated (however, it is necessary to take into account that Beijing often lacks of official data). According to the press, there would have been a boom in the transfer of African lands between 2007 and 2008, especially after the rising in international food prices, and in exchange Beijing would have brought corruption and would have forced the population to be resettled. Yet, Brautigam has stated that this would be more a myth than the actual reality and has introduced a new interpretation.⁷⁰ During a seminar, she has affirmed that it would be more correct to talk about agricultural investments than real land grabbing, because of the actual limited dimensions of the

⁶⁸ Martiniello G., *Il “land grabbing” fra mito e realtà*, “Limes”, 30 December 2015, available at: www.limesonline.com.

⁶⁹ Franci L., *Land grabbing e nuove colonie. La Cina si compra un pezzo d’Islanda*, “Scatti di gusto”, 5 September 2011, available at: www.scattidigusto.it.

⁷⁰ Sy A., *What do we know about the Chinese land grab in Africa?*, “Brookings”, 5 November 2015, available at: <https://www.brookings.edu>.

phenomenon.⁷¹ Her opinion – laying between the view of the land grabbing as an opportunity of jobs and new technologies, and the one seeing in it the violation of human rights and the exploitation of the local populations and their profits – considers a middle way, which involves agreements between large buyers and small holder farmers. And she continues highlighting three key elements that should be taken into consideration in order to have success in the promotion of agriculture abroad: Chinese (and other foreign) investors should take advantage of “engaging local communities and adopting corporate social responsibility practices”; African governments receiving investments should use them to fill the gap of lacking infrastructures; and African governments should also gain from the Chinese previous experience “in dealing with foreign investors in agriculture”.⁷² Basically, Brautigam has rescaled the Chinese interests in foreign land, bringing the numbers to 240.000 hectares during a period of thirty years, from 1987 to 2014.⁷³

Another research, conducted by Sigrid Ekman on the relationship existing between Chinese investors and Mozambican farmlands, has shown that Chinese interests had been exaggerated. In 2006/2007, after a Memorandum of Understanding had been signed between the two governments, reporters talked about \$ 800 billion invested in large-scale farming; Ekman though could only find a \$ 50 billion loan from China to the Zambezi Valley for four agro-processing factories.⁷⁴

These conclusions have not stopped the springing up of critics towards China. In 2009, “The Economist” entitled an article “Cornering foreign field: Chinese and Arabs are buying poor countries’ farms on a colossal scale”; a couple of years later, a German official even stated that “Chinese companies had robbed African farmers of their land to such an extent that China was indirectly responsible for the famine on the Horn of Africa”. And American presidency has been quite harsh on Chinese investment policy as well, accusing Beijing to exploit the local reality without sharing the benefits received from African lands.⁷⁵

⁷¹ An, *China’s agricultural investment in Africa not “land grabbing”*: expert, “Xinhuanet”, 17 May 2014, available at: www.news.xinhuanet.com.

⁷² Sy A., *What do we know about the Chinese land grab in Africa?*, “Brookings”, 5 November 2015, available at: <https://www.brookings.edu>.

⁷³ Cuscito G., *Perché la Cina punta ancora sull’Africa?*, “Limes”, 10 December 2014, available at: www.limesonline.com.

⁷⁴ Olsson M., *Chinese “land grabs” in Africa – the reality behind the news*, “Policy brief”, 4 May 2014, available at: <https://www.google.it>.

⁷⁵ Olsson M., *Chinese “land grabs” in Africa – the reality behind the news*, “Policy brief”, 4 May 2014, available at: <https://www.google.it>.

1.6 The security dilemma

“The security dilemma can exist when the military forces that a state deploys to increase its security are also useful for attacking a potential adversary. In such a case, the state’s efforts will reduce the adversary’s ability to defend itself, which can make the adversary less secure”.⁷⁶

The building of the nation as a maritime superpower has not been seen in peaceful terms. Investments in ports over the shores from Asia to Europe have instead been often explained as a political and military manoeuvre, directed to rise China as an imperialist power, but hiding it as an economic action. The investments into overseas ports and into Chinese maritime capacity has been matched with the strengthening of the military navy, fact that has been justified as a duty to defend their own citizens and interests, but interpreted abroad as a means for building a military supremacy. The Maritime Silk Road has in a certain way contributed to the competition with the United States (and, with it, to the Western model) and India, for the monopoly of the seas.

China has proposed itself as an alternative development model to the countries where it is investing in order to promote their port economics.

To provide foreign assistance, the PRC has based its politics on the five principles of pacific coexistence: mutual respect, equality, keeping promise, mutual benefits and win-win approach. These same pacific values recall the safeguard of the core interests (核心利益), or those fundamental interests that Beijing would resort to force for; first of all, the respect of the sovereignty and of the territorial indivisibility.⁷⁷ China’s foreign aid is basically making use of three means to financially support other countries: grant, interest-free loans and concessional loan. Grants, which in fact correspond to free aid, are used to support small or medium-sized projects, human resources development cooperation, technical cooperation, material assistance and humanitarian emergencies. Interest-free loans are instead helping the building of public facilities and projects generally engaged to the improvement of people’s livelihood. Concessional loans are then used by receiving countries to start manufacturing projects with economic and social benefits.⁷⁸

⁷⁶ Collins A., *Contemporary Security Studies*, 2010, New York, Oxford University Press.

⁷⁷ Dian M., *Mari disputati: un test di potenza per la Cina in ascesa*, “Limes”, 11 December 2012, available at: www.limesonline.com.

⁷⁸ Lu Hui, *Full Text: China’s Foreign Aid*, “Xinhuanet”, 10 July 2014, available at: www.news.xinhuanet.com.

In fact, China, through strategies as the Belt and Road, but also with structures as the AIIB (Asian Infrastructures and Investment Bank), is seeking to construct new institutions, in which China would represent an alternative to the development sustained by the Western countries.⁷⁹ An alternative to that support that was prerogative only of the big institutions such as the IMF (International Monetary Fund): the Asian Infrastructure and Investment Bank itself was entered into force in 25 December 2015 to finance projects of development in Asia instead of the IMF.⁸⁰ The PRC is, moreover, trying to consolidate its influence also through coalitions of non-Western countries, like BRICs (Brazil, Russia, India, China) or NAM (non-aligned movement).⁸¹

China, though, as often been criticized for its cooperation with countries where the power is hold by totalitarian regimes. Fundamental in Chinese international *modus operandi* is indeed the principle of non-interference, policy that wants to defend its own sovereignty in internal affairs.⁸² The PRC generally asks as only condition the acknowledgement of the One-China Policy, so that China is an attractive political (and economic) partner for authoritarian regimes in the Middle East and Africa.⁸³ In Muslim countries, for example, it has helped the governments to silence internal movements that fight for the democracy. This has given form to what has been called Beijing Consensus, in opposition to the Washington Consensus: “only political liberalization will lead to economic growth”. “Africa belongs to the Africans. It is not anyone’s else”, Zhai Jun, deputy of Foreign Ministers of China, has also affirmed talking about its foreign transitions.⁸⁴

For these reasons, Chinese way of doing business has been strongly criticized by the international community. Especially United States and India see in the PRC a dangerous competitor in the worldwide economy and look with fear at the expansion of China as a maritime power. In fact, they explain with military terms the Maritime Silk Road and are criticizing Chinese ties with their historical enemies. In an Indian article appeared online, it was stated that “the purpose of China’s naval expansion is precisely to create strategic space

⁷⁹ Hoàng A. T., *Se nell’Asia-Pacifico torna la guerra fredda*, “Limes”, 1 August 2015, available at: www.limesonline.com.

⁸⁰ Angela Pascucci, *La lunga corsa della Cina I. La politica energetica interna*, 19th November 2008, available at www.cartografareilpresente.org.

⁸¹ Lin Christina, *China’s Strategic Shift towards the Region of the Four Seas: the Middle Kingdom arrives in the Middle East*, “ISPSW”, April 2013, available at: <https://www.files.ethz.ch>.

⁸² Panda A., *China Invites India To The “Maritime Silk Road”*, “The Diplomat”, 15 February 2014, available at: www.thediplomat.com.

⁸³ Grieger G., *China’s role in development in Africa – Challenging the EU approach –*, “Library Briefing”, 8 May 2013, available at: <https://epthinktank.eu>.

⁸⁴ African Research Institute, *Between extremes – China and Africa*, “Briefing Note 1202”, October 2012, available at: www.africaresearchinstitute.org.

for itself in Western Pacific and then more into Indian Ocean gradually, in preparation for which China is learning to operate far from its shores”.⁸⁵ Obama has also accused the PRC not to have hired local workers but to have exported their own employers, not really investing in foreign economics. Taking about Angola, the former American President has said: “You produce the raw materials, sell them cheap and then all the way up the chain somebody else is making the money and creating the jobs and the value”. And this ignoring that surveys have actually shown that locals are the most in the 400 Chinese enterprises and projects that Beijing has activated in more than forty African countries.⁸⁶ On its side China has indeed strengthened its friendship and partnership abroad also to answer to what appears as a “shaped-ring of encirclement”: an alliance that gathers Japan, South Korea, Thailand, the Philippines and Australia, and Singapore, Taiwan and Indonesia, countries that act within the orbit of American policy. This is reason of worry for China, which is afraid that the United States and its allies in the Asian-Pacific Ocean area might lay an embargo on the maritime route in order to do harm to its maritime trades. And the USA see into Chinese strengthening of its relationships along the “Maritime Silk Road” a threat to its global role and look at its naval capacity as a danger for the international peace.⁸⁷

1.7 The South China Sea issue

Taking about maritime security it is not possible to ignore the tensions that have involved China and the other countries that overlook the South China Sea.

In the last few years, this portion of the Pacific Ocean, settled between the Karimata and Malacca Straits, and the Strait of Taiwan, has indeed been at the centre of international attention because of territorial claims. Different archipelagos, or part of them, have been point of contention by China, Vietnam, the Philippines, Taiwan, Malaysia and Brunei, and have as well called for the involvement of the international community, first of all the United States.⁸⁸

China is fighting to defend its sovereignty over the islands and their surrounding area and its right into the exploitation of them. Since 2010, Beijing has announced the region as part of its core interests, and has persisted on the validity of its nine-dash line (in the past also referred

⁸⁵ Sibal K., *China's maritime "silk road" proposals are not as peaceful as they seem*, “Mail Online India”, 24 February 2014, available at: www.dailymail.co.uk.

⁸⁶ Yan H., Sautman B., *Localizing Chinese Enterprises in Africa: from Myths to Policies*, “Thought leadership brief”, February 2015, available at: www.iems.ust.hk.

⁸⁷ Asiaticus, *La gara dei castelli di sabbia*, “Limes”, No. 8, August 2015, pp. 193-198.

⁸⁸ Taylor K. W., *La Cina val bene un paio di arcipelaghi*, “Limes”, 1 August 2015, available at: www.limesonline.com.

to as the ten-dash line or the eleven-dash line),⁸⁹ laying claim as on islands as on outcrops, atolls, sandbanks and reefs of an area that goes up to hundreds of miles south and east from Hainan. Meanwhile, China has also started the construction of artificial platforms and, according to satellite images, airstrips, military ports and military basis.⁹⁰



Source: www.chinausfocus.com

These claims have been defined as a Monroe doctrine with Chinese elements: the statement of its freedom in the exclusive using of the 80% of the South China Sea, despite the fact that past of these waters are common to other countries.⁹¹

The Philippines call for their right on the Scarborough Shoal (Huangyan Islands in Chinese), far 100 miles from their coast and 500 miles from China, as on the Spratly Islands. Brunei and Malaysia lay claim on what they have stated being part of their EEZ (exclusive economic zone).⁹²

An exclusive economic zone has been defined by the United Nations Convention on the Law of the Sea as “an area beyond and adjacent to the territorial sea, subject to the specific legal

⁸⁹ Dian M., *Mari disputati: un test di potenza per la Cina in ascesa*, “Limes”, 11 December 2012, available at: www.limesonline.com.

⁹⁰ BBC News, *Why is the South China Sea contentious?*, 12 July 2016, available at: www.bbc.com.

⁹¹ Dian M., *Mari disputati: un test di potenza per la Cina in ascesa*, “Limes”, 11 December 2012, available at: www.limesonline.com.

⁹² *The China-Philippines dispute in the East Sea*, “Vietnamnet”, 7 July 2014, available at: www.english.vietnamnet.vn.

regime...under which the rights and jurisdiction of the coastal State and the rights and freedoms of other States are governed by the relevant provisions of this Convention”. “In the exclusive economic zone”, the coastal State has: sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, ...and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from water, currents and winds; jurisdiction, ...other rights and duties”.⁹³

Malaysia lays claim on a small part of the Spratly Islands as well, which are claimed by Vietnam together with the Paracels.

The sovereignty over the Spratly islands (with a 10 km² extent) means to be able to control the trading ways that connect the Pacific Ocean to the Indian Ocean. This route is indeed crossed by the 50% of the worldwide commercial exchanges and by the 80% of the oil that travels towards East Asia; moreover, the surrounding area is renowned as a fishing basin, and for the presence of oil (there seems to be 18 billion ton) and gas.⁹⁴ Part of the Paracels are instead thirty islands between China, which calls them Xisha Islands, and Vietnam, which calls them Hoang Sa Archipelago. The waters around them have also caught the attention of the neighbouring state, because of their richness in natural gas and oil, and for the abundance of fish. In the last decades, in particular China, Vietnam and the Philippines have been involved in armed disputes: with an escalation in 1988, and between 2011 and 2012.⁹⁵

Beijing has justified its claims with an historical right, making also use of a 1947 map that shows the territories as included in its sovereignty. It has also repeated its will to resolve the controversy with its neighbours through bilateral agreements, in spite of the insistence to negotiate with the ASEAN organisation. The other countries have all answered negatively to these statements; the Philippines have boasted a right of geographical proximity; Malaysia, as Brunei, has declared that the islands would be part of its EEZ; Vietnam has instead affirmed the falsity of Chinese historical claims. Vietnam would have ruled over the Spratly since the XVII Century and would have the documents to prove it.⁹⁶

The dispute, and Chinese actions, has pushed the United States to defend the navigation right for themselves and the ASEAN countries, invoking the UNCLOS (although America has not

⁹³ United Nations Charter, “Exclusive Economic Zone”, available at: www.un.org.

⁹⁴ Dian M., *Mari disputati: un test di potenza per la Cina in ascesa*, “Limes”, 11 December 2012, available at: www.limesonline.com.

⁹⁵ BBC News, *Why is the South China Sea contentious?*, 12 July 2016, available at: www.bbc.com.

⁹⁶ BBC News, *Why is the South China Sea contentious?*, 12 July 2016, available at: www.bbc.com.

ratified it yet) and presenting themselves as guarantor of freedom.⁹⁷ Former President Obama has declared to have suggested during the last G20 to his Chinese counterpart Xi Jinping that “the United States has arrived at its power, in part, by restraining itself”.⁹⁸

In 2013, the Philippines have finally taken the PRC in front of the Hague-based Permanent Court of Arbitration, and in July 2016 has declared that “there was no evidence that China had historic rights to the water or resources that fell within its nine-dash line”. The sentence has been welcomed by the United States as a peaceful success, but the Chinese government has declined the resolution. The national agency Xinhua has reported that the panel would have no jurisdiction according to Chinese law (despite the fact that the PRC has signed the Convention) and has even stated that its Supreme Court is working to arrange its own international maritime “judicial centre”.⁹⁹

1.8 Conclusion

During all the 2000s, China has been taken on a maritime strategy, that has been growing, financially but also in space. Its initiative, generally well welcomed, especially from governments collaborating with it, has been instead criticized by part of the population that had to make space for the building of new giant infrastructures. The judgment of the international community (first of all of the United States) has often been negative and pessimistic on Chinese foreign policy, often generating false rumours and news.

Beijing has actually pursuing an economic development to be able to satisfy its massive and fast economic growth, having to support a wide and still unequal population. The Country has been investing in search of new resources and new trading ways, and doing so it has been filling the gap left by the transformation of the geopolitical situation.

In fact, the United States is trying to leave its engagement in the Middle East and the Arabic Countries to strengthen its presence in the Pacific, even if the actual unstable circumstances make this resolution quite difficult. At the same time, Russia has working to substitute the American strategical role in the same area, lacking, although, of the adequate economic basis. Beijing instead, even if silently, has been intensifying its presence in those regions that are

⁹⁷ Dian M., *Mari disputati: un test di potenza per la Cina in ascesa*, “Limes”, 11 December 2012, available at: www.limesonline.com.

⁹⁸ Philipps T., *G20: Obama warns Beijing against South China Sea aggression*, “The Guardian”, 3 September 2016, available at: <https://www.theguardian.com>.

⁹⁹ BBC News, *South China Sea: China defiant as tribunal backs Philippines*, 12 July 2016, available at: www.bbc.com.

rich of oil, exporting goods to the Middle East and North Africa for a total of \$ 120 billion in 2014 (against the \$ 6 billion of Russia), and importing \$ 128 billion of products from the same areas (against the \$ 2 billion of Russia).

It is therefore possible to state that, through the 21st Century Maritime Silk Road (and the New Silk Road as well) the PRC has been supporting its own growth but, inevitably, it has also been influencing the future global balance, which is going to be based on the capacity of providing energetic resources.¹⁰⁰

¹⁰⁰ Dacrema E., *Perché per capire il medio oriente ora è più utile osservare la Cina piuttosto che la Russia*, “Il Foglio”, 6 June 2016, available at: www.ilfoglio.it.

CHAPTER II:

THE 21ST CENTURY MARITIME SILK ROAD VS. THE STRING OF PEARLS

2.1 Introduction

2013 can be thought as a turning point in Chinese international policy. That same year, during a series of visits abroad, the President Xi Jinping introduced the idea of what would then be called “One Belt, One Road” (or the Belt and Road, or The Belt and Road Initiative).

In September, during a visit in Kazakhstan, for the first time, it was announced the possibility of a new cooperation between China and Central Asia and it was mentioned the New Silk Economic Road initiative. One month later, being in Indonesia to discuss a tighter collaboration with ASEAN countries, President Xi presented its idea of building a 21st Century Maritime Silk Road, in order to broad that economic cooperation to maritime countries. In the same occasion, it was launched the AIIB, Asian Infrastructure Investment Bank, a bank indeed that should support the building of infrastructures and the economic integration.¹⁰¹

With the Belt and Road project Beijing has intended to recall the ancient trade routes that used to take goods (silk, spices, horses, metals, glass...) from and to China. The two ways (the old and the new one) have in common the leading role of economic exchanges with a peaceful and humanistic approach: cultural contacts are as important as monetary ones.¹⁰² The main difference between the ancient road and the 21st century-one belt one road is the calling into question of totally free and independent circulation and navigation. Nowadays, China has indeed to face the international law and the Maritime and Silk Roads cannot ignore the boundaries set by conventions and regulations.¹⁰³

¹⁰¹ Tian S., *Chronology of China's Belt and Road Initiative*, “Xinhuanet”, 28 March 2015, available at: www.news.xinhuanet.com.

¹⁰² Liu C., *Reflections on Maritime Partnership: Building the 21st Century Maritime Silk Road*, “China Institute of International Studies”, 15 September 2014, available at: www.csii.org.cn.

¹⁰³ Abbasi F., Iftikhar M., *A comparative view of the Ancient and 21st Century Maritime Silk Roads*, “Center for International Maritime Security”, 3 March 2016, available at: <http://cimsec.org>.



Source: www.silkroutes.net

Beijing's intentions were to intensify connections between Asia, Europe and Africa through five ways, three by land: a road from China to Europe that would cross Central Asia and Russia; a second road that, through Central Asia, would connect China to Middle East, and a route that would ease communication between China, Southeast Asia, South Asia and Indian Ocean; and two by sea: a way from China, through South China Sea and Indian Ocean, until Europe, and a last one that would connect China to the Pacific Ocean, crossing the South China Sea. Through the promoted initiative, Beijing has been supported the integration and the communication with the Nations joining the belt or the road.¹⁰⁴

If the initiative has represented for China a prospect of development, it has also brought with itself a series of questions out of the worldwide panorama.

Beijing's strategy often lacks of transparency, which is the element that most raises doubts in the international community. The partners involved all along the Belt and Road Initiative need to know the actual intentions of China, where their money and their properties are going to be invested and which money return is going to enter their economies, as well as the role they are going to have in this transnational strategy.¹⁰⁵

The initiative also questions the role that the first economies will have in the future. It is not clear if Countries such as the United States and Japan will benefit from the international plan

¹⁰⁴ Wong B., *The Belt and Road Initiative*, "HKTDC", 21 January 2016, available at: www.china-trade-research.hktdc.com.

¹⁰⁵ Ngai J., Sneader K., Zecha C. M., *China's One Belt, One Road: Will it reshape global trade?*, "McKinsey and company", July 2016, available at: www.mckinsey.com.

and there is in progress a “geopolitical tension in terms of who gets in first and who gets a say in it”.¹⁰⁶

The third question raised by “the Belt and Road” concerns Beijing’s capacity. While it proposes itself as a support for many Nations fighting for a developing future, China is itself facing its own economic evolution. Yet, its huge growth has met a slowdown and its own capitals have suffered after the worldwide financial breakdown.¹⁰⁷

Furthermore, Beijing has also to cooperate with its domestic challenges. In spite of its openness towards the outside, Beijing is still confronting a sharp difference between big metropolis and backward countryside, the internal movements calling for independence in area as the Xinjiang and Tibet, and the eternal struggles with Hong Kong and Taiwan, to which the modern reality has added new problems, as the mass migration towards the urban centres and the extreme pollution, due to an unrestrained industrial growth.

2.2 One Belt One Road

It has been a few years by now that the international community has been talking about The Belt and Road project, where the “belt” has been explained as a group of economic and transport links, connecting China-Central Asia-Europe, and the “Road” would be the network of maritime routes that crossing the Indian Ocean reaches the European shores.¹⁰⁸ Internationally, it has been often assimilated to the Marshall Plan that followed the end of the World War II, with the purpose of regenerating the Europe destroyed by the conflict. Yet, the Plan was only one-twelfth of the actual One Belt One Road, which stands out for its huge ambition, both in geographic and in monetary terms.¹⁰⁹

Through the initiative, Beijing has started what it has been often called the “second opening” ((新一轮对外开放, new round of opening to the world) of the Country, after the first one in 1979.¹¹⁰ The strategy has been following three aims: the economic integration in the developing world, the opening of the global market to those countries that had been always

¹⁰⁶ Ngai J., Sneader K., Zecha C. M., *China’s One Belt, One Road: Will it reshape global trade?*, “McKinsey and company”, July 2016, available at: www.mckinsey.com.

¹⁰⁷ Ngai J., Sneader K., Zecha C. M., *China’s One Belt, One Road: Will it reshape global trade?*, “McKinsey and company”, July 2016, available at: www.mckinsey.com.

¹⁰⁸ Cheung F., Lee A., *A Brilliant plan – One Belt, One Road*, n. d., available at: www.clsa.com.

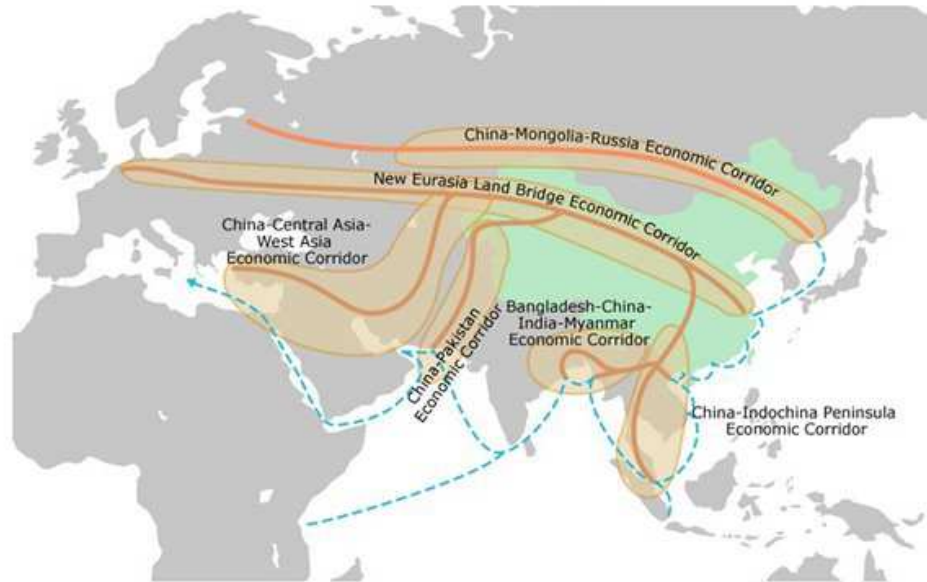
¹⁰⁹ Cohen D., *China’s “second opening” : Grand ambitions but a long road ahead*, in “One Belt, One Road’: China’s Great Leap outward”, June 2015, available at: www.ecfr.eu.

¹¹⁰ Godement F., *Introduction* in “One Belt, One Road”: China’s Great Leap Outward, June 2015, available at: www.ecfr.eu.

excluded, and, in this way, to increase the market demand and the national and international economy.¹¹¹

Making use of key ports and cities, the strategy is going to create six economic corridors (which will run from Chinese lands to the sea ports involved in the OBOR):

The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa



Source: www.china-trade-research.hktdc.com

- New Eurasia Land Bridge Economic Corridor (or Second Eurasia Land Bridge); a railway that goes from the Jiangsu province, in the East of China, through Kazakhstan, Russia, Belarus and Poland, until Rotterdam in Holland. On this way, Beijing has invested for a network connecting Chongqing and Duisburg, Wuhan, Mělník and Pardubice, Chengdu and Lodz, Zhengzhou and Hamburg. The train convoys travelling along these routes answer to the “convenience of one declaration, one inspection, one cargo release”.¹¹²
- China-Mongolia-Russia Economic Corridor; three countries linked by several bonds, because of their geographic proximity. In 2014, in occasion of the Shanghai Cooperation Organisation Dushanbe Summit, the three countries settled a tripartite system of partnerships, that is China-Russia, China-Mongolia and Russia-Mongolia.

¹¹¹ Wong B., *The Belt and Road Initiative*, “HKTDC”, 21 January 2016, available at: www.china-trade-research.hktdc.com.

¹¹² Wong B., *The Belt and Road Initiative*, “HKTDC”, 21 January 2016, available at: www.china-trade-research.hktdc.com.

During the same meeting, the authorities agreed to work for the One Belt One Road strategy, but also to strengthen the investments about Russia's Eurasia Land Bridge and the Mongolia's Steppe Road. The following year, in Russia, the three partners adopted the “Mid-term Roadmap for Development of Trilateral Cooperation between China, Russia and Mongolia”.¹¹³

- China-Central Asia-West Asia Economic Corridor, from the Xinjiang province in north-western China, through Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Iran and Turkey, until the Mediterranean coast in Europe. China has been supporting several projects with all the country along the corridor, such as the “Road to Brightness” in Kazakhstan and the “Energy, Transport and Food” plan in Tajikistan.¹¹⁴
- China-Indochina Peninsula Economic Corridor, developed in Thailand in 2014, during the Fifth Leaders Meeting on Greater Mekong Sub-regional Economic Cooperation, when Beijing's Premier pronounced “three suggestions” in order to widen the relationship with the region of Indochina. The suggestions were: “jointly planning and building an extensive transportation network, as well as number of industrial cooperation projects; creating a new mode of cooperation for fundraising; promoting sustainable and coordinated socio-economic development”. The five countries have already projected (and partly realized) nine highways crossing their borders.¹¹⁵
- China-Pakistan Economic Corridor; numerous projects are under construction along the route running from Kashgar, in Xinjiang, to Gwadar, on the coast of Pakistan: highways, pipelines and optic fibre networks. Furthermore, in 2015, China and Pakistan announced the intention of increasing the mutual cooperation, working for example on the Karakorum Highway, for the building of a new airport, a superhighway connecting Karachi to Lahore and one passing close Gwadar Port.¹¹⁶
- Bangladesh-China-India-Myanmar Economic Corridor; discussed during several meetings undertaken in 2013, the Bangladesh-China-India-Myanmar Economic Corridor Joint Working Group gathered its members for the first time during that same

¹¹³ Wong B., *The Belt and Road Initiative*, “HKTDC”, 21 January 2016, available at: www.china-trade-research.hktdc.com.

¹¹⁴ Wong B., *The Belt and Road Initiative*, “HKTDC”, 21 January 2016, available at: www.china-trade-research.hktdc.com.

¹¹⁵ Wong B., *The Belt and Road Initiative*, “HKTDC”, 21 January 2016, available at: www.china-trade-research.hktdc.com.

¹¹⁶ Wong B., *The Belt and Road Initiative*, “HKTDC”, 21 January 2016, available at: www.china-trade-research.hktdc.com.

year in China. The representatives of the four Countries have positively considered the future cooperation perspectives and signed mutual agreements to promote the connection, economic, cultural and infrastructural, between the governments.¹¹⁷

The Belt and Road initiative has grown into the context of the globalization, where cultural diversity and financial crisis crash into each other. China's international idea is “to achieve economic policy coordination and carry out broader and more in-depth regional cooperation of higher standards [...] jointly creating an open, inclusive and balanced regional economic cooperation architecture that benefits all”.¹¹⁸ Xi Jinping has claimed, more than once, that the project has been created for everyone and is open to every Country, region and international and regional organizations, because everyone has to share in the profits gained from the mutual cooperation. In a meeting occurred in Singapore in 2015, undertaken to discuss the role of ASEAN inside the China's project, Tommy Koh (chairman of Governing Board, Centre for International Law, National University of Singapore), arrived to state “China should listen to the region...the best outcome is for the proposal to evolve from being a Chinese project to being the region's project. It is desirable for China to obtain the region's ownership of its proposal”.¹¹⁹

The One Belt One Road was born inside the frame of the principles of the UN Charter, and the already-mentioned Five Principles of Peaceful Coexistence; it has been declared to be harmonious and respectful of market's rules. The project has to develop the connection between actors taking part in it, working together to improve safety and circulation efficiency, as well as to advance communication between partners, building up an “Information Silk Road”. It is for this purpose that China has invested into “cross-border optical cable networks”, “transcontinental submarine optical cable projects”, and “spatial information passageways”.¹²⁰

One of the major challenges for Beijing is to be able to move and communicate without obstacles. It has been indeed engaged in promoting the elimination of trade barriers and to make easier trading exchanges, through bilateral and multilateral dialogues, and benefiting from the WTO Trade Facilitation Agreement. As stated by the official documents, it is

¹¹⁷ Wong B., *The Belt and Road Initiative*, “HKTDC”, 21 January 2016, available at: www.china-trade-research.hktdc.com.

¹¹⁸ Ashraf M. M., *The CPEC opportunity*, “Aurora”, January-February 2017, available at: www.aurora.dawn.com.

¹¹⁹ *Professor Tommy Koh's keynote address at the Singapore Regional Business Forum 2015*, 27 July 2015, available at: <https://tembusu.nus.edu.sg>.

¹²⁰ National Development and Reform Commission, *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, 28 March 2015, available at: www.en.ndrc.gov.cn.

necessary to implement common legislation and safeguarding operations, but also promoting a major transparency and a reduction of monetary and non-monetary impediments. Moreover, Beijing is conscious of the potentialities of the Internet and of the growing phenomenon of the e-commerce.¹²¹

Furthermore, the PRC has underlined the importance of the financial integration, and, to support the project, Beijing has designated the Silk Road Fund and the AIIB, and it is relying on the New Development Bank as well.

The Silk Road Fund (丝路基金) was officially launched in Beijing on the 29th December 2014, after Xi Jinping announced it on the previous 8th November, during the Dialogue on Strengthening Connectivity Partnership. On that occasion the Chinese President declared it was ready an investment of US \$ 40 billion from the State Administration of Foreign Exchange, China Investment Corporation, Export-Import Bank of China and China Development Bank. As stated on the official website: “following a philosophy of openness, inclusiveness and mutual benefit, the Fund mainly provides investment and financing support for trade and economic cooperation and connectivity”; “in collaboration with domestic and international enterprises and financial institutions, the Fund is designed to promote common development and prosperity of China and other countries.”. It is also reported that it “is a medium to long-term development and investment fund,” which “is dedicated to supporting infrastructure, resources and energy development, industrial capacity cooperation and financial cooperation”, and that it “makes investment decisions based on market principles, international practice and professional standard”. The Fund follows the Company Law of the People’s Republic of China (adopted in 1993 and updated the last time three years ago) and is constituted by a board of directors, a board of supervisors and a management team.¹²²

Like the previous institution, the Asian Infrastructure Investment Bank intends to contribute to the investments for the building of infrastructures and the development of other sectors (energy, transportation, environment, logistics...) into the frame of the One Belt One Road initiative. The Bank is formed by a Board of Governors, a Board of Directors, a Senior Management and an International Advisory Panel.¹²³ Its ruling philosophy, according to the official sources, calls for an association that has to be “lean, clean and green: lean, with a

¹²¹ National Development and Reform Commission, *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, 28 March 2015, available at: www.en.ndrc.gov.cn.

¹²² Silk Road Fund, *Overview*, n. d., available at: www.silkroadfund.com.cn

¹²³ Asian Infrastructure Investment Bank, *Our Organizational Structure*, n. d., available at: <https://www.aiib.org>.

small efficient management team and highly skilled staff; clean, an ethical organization with zero tolerance for corruption; and green, an institution built on respect for the environment.”¹²⁴ The funding document was signed in 2014 by twenty-one countries, to which other members have been added in the past two years, for a current total number of fifty-seven. The Bank is seeking to carry an idea of sustainable development, providing its policy with knowledge, modernization, financial resources, union and integrity. After having become operational at the end of 2015, the AIIB has approved six projects: one in Myanmar (the Myingyan Power Plant Project), two in Pakistan (the Tarbela 5 Hydropower Extension and the National Motorway M-4 Projects), one in Bangladesh (the Distribution System Upgrade and Expansion Project), Tajikistan (Dushanbe-Uzbekistan Border Road Improvement Project) and Indonesia (National Slum Upgrading Project).¹²⁵

The New Development Bank was first discussed during a summit in New Delhi in 2012, by Brazil, Russia, India, China and South Africa, the so called BRICS. In 2014, during a following meeting in Brazil, the funding members - the BRICS Countries themselves - signed the Articles of the Agreement of the new Bank, depositing a capital of \$ 100 billion. One year later, a first meeting gathered the Board of Governors in Moscow, where the organism came officially into being, after the election of President (the Indian K. V. Kamath) and Vice-Presidents. The Bank’s Headquarters has been significantly placed in Shanghai, a city that has faced an enormous and incredibly fast development in the last two decades.¹²⁶ The New Development Bank, whose values are agility, transparency and innovation, was formed with two main purposes: to promote and support an infrastructural and sustainable development, together with the already existing bilateral and multilateral institutions.¹²⁷ In the official website it has indeed been declared: “We, at NDB, strive to identify the gaps between ‘needs’ and ‘funding’. Our mission is to bridge these gaps and be a partner in bringing about truly holistic development.” and “We are committed to be partner in bringing about sustainable development. We are looking forward to partner with initiatives that drive growth and employment while ensuring environmental protection”.¹²⁸

¹²⁴ Asian Infrastructure Investment Bank, *AIIB Energy Sector Strategy: Sustainable Energy for Asia Discussion Draft for Consultation*, January 2017, available at: <https://www.aiib.org>.

¹²⁵ Ministry of Foreign Affairs of the People’s Republic of China, *Speech by Ambassador Qu Xing at the China-Belgium Cooperation Forum on Belt and Road*, 21 July 2016, available at: www.fmprc.gov.cn.

¹²⁶ New Development Bank, *Formation of the New Development Bank*, n. d., available at: www.ndb.int.

¹²⁷ New Development Bank, *The visual mark*, n.d., available at: www.ndb.int.

¹²⁸ New Development Bank, *Formation of the New Development Bank*, n.d., available at: www.ndb.int.

According to a Chinese report, published by the China International Trade Institute, the countries involved until August 2015 amounted to a total of sixty-five (China included), but the One Belt One Road initiative remains open to every nation that would like to give a contribution. All the participants together would represent the 62.3 % of the world's population, the 30.0 % of the GDP and the 24.0 % of the global household consumption.¹²⁹

In order to realize these mechanisms of cooperation, the Action Plan on the China-proposed Belt and Road Initiative, released by the Ministry of Foreign Affairs, has suggested to strengthen bilateral relations and multilateral partnerships. To do so, it has promoted the dialogues inside international organizations, such as the Shanghai Cooperation Organization, the AECAN (with which Beijing has been undertaking strong relations), the Asia-Pacific Economic Cooperation, the Asia-Europe Meeting, the Asia Cooperation Dialogue, the Conference on Interaction and Confidence-Building Measures in Asia, the China-Arab States Cooperation Forum, the China-Gulf Cooperation Council Strategic Dialogue, the Greater Mekong Sub-region Economic Cooperation, and the Central Asia Regional Economic Cooperation. At the same time, the document has underlined the strategical role of international forums held along the lands participating to the Belt and Road initiative: some examples are the China-ASEAN Expo, the Euro-Asia Economic Forum, the China-Arab States Expo, the China International Fair for Investment and Trade and the China-Russia Expo. These have all been opportunities for China to explain the Belt and Road initiative abroad and to search new partners for its strategy.¹³⁰

Moreover, in the development of the transnational One Belt One Road strategy, Beijing's government has claimed the importance of taking advantage of its internal diversity. It has taken consciousness of the potentiality of the Provinces bordering the Country, which represent a strong connection with its neighbours. In spite of the control that areas as Tibet and Xinjiang have been submitted to, the authorities have underlined the necessity of opening them up and to involve them in the process of internationalization. Moreover, it has been recognized the key role of the fluvial and coastal cities and regions: point of encounter and of

¹²⁹ Cheung F., Lee A., *A Brilliant plan – One Belt, One Road*, n. d., available at: www.clsa.com.

¹³⁰ Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China, in the Hong Kong Special Administrative Region, *Full text: Action plan on the Belt and Road Initiative*, 21 July 2016, available at: www.fmcofprc.gov.hk.

lively economic activities, they are the beginning of the 21st Maritime Silk Road and the connecting knot with the New Silk Road.¹³¹

2.3 The 21st Century Maritime Silk Road



Source: www.xinhuanet.com

Through the Maritime Silk Road, China has recognized the importance of the Ocean in the worldwide geography, and in its own economies.

The Resolution of the Third Plenum, in 2014, reported that China “needs to enhance opening-up in coastal regions and boosts the connectivity construction with neighbouring countries and regions to spur all-round opening-up”.¹³² Because, as written in an article appeared on *The Diplomat*, Beijing has learnt that “control of the maritime domain is not a luxury for a

¹³¹ Office of the Commissioner of the Ministry of Foreign Affairs of the People’s Republic of China, in the Hong Kong Special Administrative Region, *Full text: Action plan on the Belt and Road Initiative*, 21 July 2016, available at: www.fmcofprc.gov.hk.

¹³² Liu C., *Reflections on Maritime Partnership: Building the 21st Century Maritime Silk Road*, “China Institute of International Studies”, 15 September 2014, available at: www.ciis.org.cn.

modernized nation with global interests. The maritime domain is indeed the middle domain, which can reach out to others and be reached by them”.¹³³

The development of the project has renewed the ancient maritime routes from the South China Sea to the Eastern Mediterranean Sea, and, even if more slowly than its parallel land way, has already reached more than twenty countries and regions, receiving general positive reactions (by the involved governments). It is expected to be completed in thirty-five years, that is in 2049, in occasion of the 100th anniversary of the birth of the People’s Republic of China. It will therefore mark the beginning of what has been defined the “new thirty years”, a new stage in the Chinese recent history, after the era of Mao Zedong and the one of Deng Xiaoping. In fact, Huang Yiping has said that the launch of the maritime strategy would correspond with the overturning of Deng’s policy, according to which it is necessary “to hide your capabilities and bide your time”.¹³⁴ The Road has been declared to be purely an economic initiative, being interested in investments and developments in international trades, infrastructural innovations and cultural partnerships. In fact, the countries parts of the project have undertaken plans to facilitate mutual people exchanges, with the inauguration of new and more numerous ship and airplane lines, and the cooperation between universities (with scholarships and two-way students). The Chinese government has indeed announced the start of a mutual plan that will take 10.000 students from countries along the Belt and Road to study every year in China; while 2.500 Chinese scholars will travel abroad to complete their education. Furthermore, the same programme expects the funding of schools and the training of future teachers.¹³⁵

Beijing has worked to strengthen friendship and cooperation with its neighbours and those countries that have been involved in the initiative through three steps. Firstly, reaching consensus, and this has been possible only intensifying the dialogues with its partners, putting the Maritime Silk Road at the centre of bilateral discussions; for this purpose, for example, Chinese leadership has established the China-ASEAN and China-Indonesia Maritime Cooperation Fund. In the second place, a more pragmatic cooperation has to follow, with the signing of agreements and industrial, infrastructural and economic projects, in order to intensify the volume of exchanges between the involved countries. Finally, it is important that

¹³³ Pietrucha C. M. W., *Fighting the Middle Kingdom in the Maritime Domain*, “The Diplomat”, 13 January 2013, available at: www.thediplomat.com.

¹³⁴ Cohen D., *China’s “second opening”*: *Grand ambitions but a long road ahead*, in “‘One Belt, One Road’: China’s Great Leap outward”, June 2015, available at: www.ecfr.eu.

¹³⁵ The State Council – The People’s Republic of China, *Full text: Action plan on the Belt and road Initiative*, 30 March 2015, available at: www.english.gov.cn.

all the governments work together over environmental changes (related to climate and ocean), for the prevention of ocean and sea disasters and to protect the marine biodiversity. For this reason, last years have seen growing the number of institutes, such as the Indonesia-China Centre for Ocean and Climate (2010) and the China-Thailand Climate and Marine Ecosystem Joint Lab (2013). China has in fact insisted on the necessity of a technological and scientific development, which has to benefit all the parts.¹³⁶

Beijing has underlined that its strategy has a win-win approach, which does not have to let anyone out of the returns that can come from it.¹³⁷ As said by the Chinese Foreign Ministry spokesperson, Hua Chunying, “this initiative is just an idea for cooperation. It is an open ended platform. The purpose is to integrate all kinds of ongoing cooperation, especially cooperation on connectivity in the spirit of [ancient] Silk Road, so that they can connect with each other and promote each other and accelerate regional countries’ common development.”¹³⁸ To which Yang Baoyun, Professor at the Peking University has added: “the New Maritime Silk Road will bring tangible benefits along the route, and will be a new driving force for the prosperity of the entire East Asian region”.¹³⁹ The Maritime Silk Road has taken benefit to foreign companies and have brought new investments in China at the same time. Shen Danyang, delegate for the Ministry of Commerce, stated in 2015 that China was having part in seventy cooperatives zones with an investment of more than \$ 8 billion by Chinese companies.¹⁴⁰ In return, the PRC has received back \$ 6,12 billion during the first nine months of the last year, with an increase of the 18,4 % compared to the previous one. Most of the investments came from Malaysia, Singapore and Saudi Arabia, and were directed towards financial, leasing and business services.¹⁴¹ Moreover, the Belt and Road has been seen as an advantageous strategy to support the RMB internationalization. China has today the widest foreign currency reserves in the world, and a high saving rates. The liberation of the Chinese retains has corresponded with an expansion of the RMB offshore market, and all the involved

¹³⁶ Liu C., *Reflections on Maritime Partnership: Building the 21st Century Maritime Silk Road*, “China Institute of International Studies”, 15 September 2014, available at: www.csii.org.cn.

¹³⁷ Office of the Commissioner of the Ministry of Foreign Affairs of the People’s Republic of China, in the Hong Kong Special Administrative Region, *Full text: Action plan on the Belt and Road Initiative*, 21 July 2016, available at: www.fmcoprc.gov.hk.

¹³⁸ Li Y., *Modern idea for linking nations rooted in China’s history*, “China Daily”, 12 March 2014, available at: www.chinadaily.com.cn.

¹³⁹ Wu J., Zhang Y., *Xi in call for building of new maritime silk road*, “China Daily”, 4 October 2013, available at: www.chinadaily.com.cn.

¹⁴⁰ Xinhua, *China’s Belt and Road Initiative benefit foreign companies*, 29 April 2015, available at: www.english.gov.cn.

¹⁴¹ Xinhua, *Belt and Road countries invest more in China*, “The State Council – The People’s Republic of China”, 5 November 2015, available at: www.english.gov.cn.

countries has had the possibility of benefiting from the liquidity that will be used for enterprises and institutions.¹⁴²

Nevertheless, Beijing's strategy has often had to face the domestic political instability that characterizes many developing countries in Asia and Africa: drastic changes in local governments and popular uprisings, as happened in Myanmar and Thailand, and with the election of the new President in Sri Lanka.¹⁴³ Moreover, a major risk for China has been represented by the so called blind-investments, when, for example, it has been promoted the construction of roads in Countries where only a very small section of the population owns a car.¹⁴⁴

Beijing has strongly insisted on the peaceful intentions of the project and the idea of a peaceful development. Xiao Hanqiang stated: "Our minds should move forward. We should get rid of the idea of seeking hegemony and dividing the ocean. The ocean is the belonging of all human beings." China's hope is to create a network of harmonious relationships all along the route, a community that would share concerns, interests and expectations, and doing so restraining external risks, also cooperating on maritime security.¹⁴⁵ Chinese government has emphasized the importance of reaching a political stability overseas, as much as inside its borders, in order to guarantee the safety of its companies' investments. The sea strategy would be part of the concept of "peaceful rise" as declared by Zheng Bijian in 2003, under the Presidency of Hu Jintao, and would not be a way to answer to US geopolitical policy in the area of the Asia-Pacific. Foreign Minister Wang Yi has warned that China's intentions have to be interpreted out of the "Cold-war mentality", and it was then added that they respect and are part of the international system (Zhang Yesui, Vice Foreign Minister). The Chinese Press has supported the idea of China having learnt by recent global history and not wanting to pursue a geopolitical confrontation; it would be now "giver, not a taker", and, thanks to the historical lessons, wants to help and guide underdeveloped and developing realities. The Huanqiu Shibao read that "no country is being forced to join China's initiative, even though China's neighbours will most probably join because of the attractiveness of the initiative. As the

¹⁴² Kratz A., *China's AIB: A triumph in public diplomacy*, in "One Belt, One Road": China's Great Leap outward", June 2015, available at: www.ecfr.eu.

¹⁴³ Cohen D., *China's "second opening": Grand ambitions but a long road ahead*, in "One Belt, One Road": China's Great Leap outward", June 2015, available at: www.ecfr.eu.

¹⁴⁴ Godement F., *Introduction* in "One Belt, One Road": China's Great Leap Outward, June 2015, available at: www.ecfr.eu.

¹⁴⁵ Wu X., *China's "Sea Power Nation" Strategy*, "Asia Paper", June 2014, available at: www.isdp.eu.

engine of global development, China is aiming to share the benefits of its economic growth”.¹⁴⁶

For these reasons, the 21st Maritime Silk Road has been given a positive reaction by the countries that have taken part into it until now.

In the Action Plan published after the meeting of the Forum on China-Africa Cooperation (in Johannesburg, at the end of 2015), it was stated that “the African side welcomes the 21st Century Maritime Silk Road”, and it “will promote mutually beneficial cooperation in the blue economy, sharing in offshore aquaculture, marine transportation, shipbuilding, construction of ports and port industrial parks, the surveying and exploitation of offshore oil and gas resources, marine environment management, marine disaster prevention and reduction, marine scientific research, blue economy development, and support mutually beneficial cooperation between Chinese and African enterprises”. Successively, the report also read that: “the African side appreciates China’s counter-piracy efforts in the Gulf of Aden, the Gulf of Guinea and in waters off the coast of Somalia in accordance with the relevant resolutions of the UN Security Council”.¹⁴⁷

The former Egyptian Ambassador to China, Mohamed Noman Gala, has claimed: “The 21st Century Maritime Silk Road and the new Suez Canal project launched by Egypt in 2014 can work together to promote Arab-Chinese trade and cultural relations. [...] The Chinese and the Arabs represent two pillars of the 21st century global economy. [...] The new global civilization will be promoted in the 21st century by China and Egypt as one that is based on harmony, cooperation and reconciliation rather than wars and cut-throat competition that prevailed in the XIX and XX centuries under Europe and America. This new civilization will be a reflection of the Arab Muslim intrinsic ingredient of a peaceful approach and Chinese traditional culture based on the concept of harmony. It should be noted that neither the Egyptians nor the Chinese have a missionary history. [...] Some Arab countries today are facing political unrest that affects their economy development. They are in need of Chinese support.”¹⁴⁸

And in November 2016, Ravi Karunanayake, the Finance Minister of Sri Lanka, pronouncing the 2007 budget speech in Parliament, highlighted the importance of Chinese investments into

¹⁴⁶ Bondaz A., *Rebalancing China’s geopolitics*, in “‘One Belt, One Road’: China’s Great Leap outward”, June 2015, available at: www.ecfr.eu.

¹⁴⁷ Forum on China-Africa Cooperation in Economic and Social Development, *Programme for China-Africa Cooperation in Economic and Social Development*, n. d., available at: www.focac.org.

¹⁴⁸ Galal M. N., *Visions of the Maritime Silk Road*, “Beijingreview.com.cn”, 5 February 2015, available at: www.bjreview.com.cn.

its economy and of cooperating with China and other countries. “We are in the centre of the Asian Growth Story” he said “with tremendous potential for integration with markets such as India, China, Japan and Korea consisting of more than one third of the world’s growth in the medium term. Such market access is being actively pursued while efforts are also being to exploit further integration opportunities with the ASEAN Economic Community, and Trans Pacific Partnership and China’s One belt one Road Initiative.”¹⁴⁹

One of the most urgent issues that China (and the other countries on the Road) has to face is the emerging of new security challenges, or non-traditional security issue. Piracy, maritime terrorism and cross-border crimes are some examples of the new dangers connected to sea lanes, so that it has become fundamental for Beijing to widen the cooperation along the Maritime Silk Road to fight against these changes. This has taken the PRC to invest into naval operations and military basis.¹⁵⁰ In 2015, the Bi-annual Defence Paper has depicted the Chinese Military Strategy of the past year as an active participation in national and international security coordination in order to protect its overseas interests. It also stated that Chinese armed forces had been deployed for missions in the Gulf of Aden and other regions, and that it was going on to strengthen the naval mutual cooperation to secure the international scenario.¹⁵¹

In this international context, Djibouti has become the Chinese “first permanent naval base in the Indian Ocean”. Beijing had already considered the country as a logistic hub back in 2008, but it has fully realized its military potential in 2015, when in the April of that year it faced the necessity to evacuate Chinese citizens from Yemen through Djibouti itself, because of the bursting of the Civil War. Already in 2014, the Defence and Security Agreement had made of Djibouti ports a base for the PLA (People’s Liberation Army) Navy. From here, China is able to have a view onto the Arabian Sea and on the India’s territories out of its Western Coasts.¹⁵² At the same time, the project undertaken in Myanmar for the realization of a gas pipeline has been interpreted as a possibility to change the region into a “land bridge for the People’s Liberation Army Navy” for it to arrive at the Indian Ocean, crossing the country and shorten

¹⁴⁹ Silva W., *Growth Story*, “The Sunday Leader”, 13 November 2016, available at: www.thesundayleader.lk.

¹⁵⁰ Pitlo III L. B., *China-Southeast Asia Connectivity: Opportunities and Challenges for the Maritime Silk Road*, “China US Focus”, 15 August 2016, available at: <http://www.chinausfocus.com>.

¹⁵¹ Singh M., *Port de Djibouti: China’s First Permanent Naval Base in the Indian Ocean*, “Institute for Defence Studies and Analyses”, 22 February 2016, available at: www.idsa.in.

¹⁵² Singh M., *Port de Djibouti: China’s First Permanent Naval Base in the Indian Ocean*, “Institute for Defence Studies and Analyses”, 22 February 2016, available at: www.idsa.in.

its supposed voyage.¹⁵³ These maritime missions have been included in the Chinese PLAN MOOTW (military operations other than war), and have been defended as a tool of protecting Chinese citizens and interests overseas. Zhan Bo has said: “China has only two purposes in the Indian Ocean: economic gains and the security of the sea lines of communication”.¹⁵⁴

Internationally, though, Chinese economic strategy has often been accused of hiding a military and political purpose.

Especially Western analysts have seen in economic investments a political weapon, also given the often lack of differentiation between the civilian and military ships and corps.¹⁵⁵ It has been also stated that COSCO itself would have been used to disguise military actions. COSCO, one of the main companies investing abroad, was actually born as a “branch of the PLAN”, and, according some theories, there would be evidences that the Chinese Navy had employed warships (战舰), covering them as civilian ships, and had secretly conducted military operations.¹⁵⁶ The Belt and Road Initiative has been explained as a simply propaganda to justify Chinese manoeuvres as a peaceful project to the international community.¹⁵⁷ The real aim would instead be the establishing of military bases and the dominance over foreign territories.¹⁵⁸ As it has been claimed by some scholars: “One belt One Road is part of a political strategy for China to placate its neighbours over territorial disagreements with trade incentives and cash.”¹⁵⁹

2.4 The String of Pearls theory

In 2005, in the United States, it was produced an internal report entitled “Energy Futures in Asia”. The document was written by defence contractor Booz Allen Hamilton after the

¹⁵³ Singh T., *China and Myanmar: The Great Game of the Gas Pipeline*, “IPCS”, 30 August 2013, available at: www.ipcs.org.

¹⁵⁴ Zhou B., *The String of Pearls and the Maritime Silk Road*, “China US Focus”, 11 February 2014, available at: www.chinausfocus.com.

¹⁵⁵ Tiezzi S., *The Maritime Silk Road vs the String of Pearls*, “The Diplomat”, 13 February 2014, available at: www.thediplomat.com.

¹⁵⁶ Marantidou V., *Revising China’s String of Pearls Strategy: places with Chinese characteristics and their security implications*, “Issues & Insights”, June 2014, available at: <https://csis-proud.s3.amazonaws.com>.

¹⁵⁷ Sibal K., *China’s Maritime Silk Road proposals are not as peaceful as they seem*, “Mail Online India”, 24 February 2014, available at: www.dailymail.co.uk.

¹⁵⁸ *China’s strategic interests in the Middle East*.

¹⁵⁹ Eyler B., *China’s new silk roads tie together three continents*, “chinadialogue”, 17 April 2015, available at: <https://www.chinadialogue.net>.

request of the Defense Secretary Donald H. Rumsfeld,¹⁶⁰ and was then submitted by the Office of Net Assessment.¹⁶¹

In the report it was stated: “China is building strategic relationships along the sea lanes from the Middle East to the South China Sea in ways that suggest defensive and offensive positioning to protect China’s energy interests, but also to serve broad security objectives”.¹⁶² And it went on highlighting that China was building military facilities in the South China Sea and that the proofs laid on the sighting of Chinese submarines in the Indian Ocean.¹⁶³ For the first time, in the text composed by Hamilton, the author introduced the theory of the “String of Pearls”.

According to the theory, China’s strategy of sea development responded to the plan of constructing a string of military basis and diplomatic ties to support Chinese territorial claims; therefore, investments in international ports would mask Beijing’s real aspirations. In fact, each port would represent a pearl and would be useful to cover infrastructures, such as munitions stockpiles, that could be useful in case of military activities. In an article appeared on the Internet “a pearl” was defined as “a sphere of influence seeded, secured and maintained through the use of economic, geopolitical, diplomatic or military means”.¹⁶⁴

A similar theory had already appeared in a previous report back in 1990s, when China was accused to seek to secure its oil supply militarizing the chokepoints fundamental for its transshipment. Before the advancing of threats such piracy and sea terrorism, it was reported that “China [...] is looking not only to build a blue-water navy to control the sea lanes, but also to develop undersea mines and missile capabilities to deter the potential disruption of its energy supplies from potential threats, including the US Navy, especially in the case of a conflict with Taiwan”. Following the line of this document, the new tensions in the Middle East and last years’ disputes would be the cause of a relighting of Chinese security strategies.¹⁶⁵

¹⁶⁰ *China builds up strategic sea lanes*, “The Washington Times”, 17 January 2005, available at: www.washingtontimes.com.

¹⁶¹ Devary S., Lin J., Rustici R., Yung C., “*Not an Idea We Have to Shun*”: *Chinese Overseas Basing Requirements in the 21st Century*, “China Strategic Perspective”, October 2014, available at: www.ndupress.ndu.edu.

¹⁶² *China builds up strategic sea lanes*, “The Washington Times”, 17 January 2005, available at: www.washingtontimes.com.

¹⁶³ Baker B. D., *Where is the String of Pearls in 2015?*, “The Diplomat”, 5 October 2015, available at: www.thediplomat.com.

¹⁶⁴ Lele A., *China’s “String of Pearls” in Space*, “Institute for Defence Studies and Analyses”, 21 March 2013, available at: www.idsa.in.

¹⁶⁵ *China builds up strategic sea lanes*, “The Washington Times”, 17 January 2005, available at: www.washingtontimes.com.

The strategy undertaken with the String of Pearls model would benefit with some advantages the PRC's international plans. The "shield" of trading investments could guarantee a low international profile, not attracting a negative reaction by the international community. In the second place, through commercial partnerships it would be easier to build political relationships to open bases in foreign territories. And finally, most of all, it would be convenient on a cost level. The building of commercial contacts is indeed less expensive than the realization of an actual military bases networks, since, contrary to this last, the first one would produce an economic return, in exchange for the economic investment. At the same time, the employ of trading ports for security purposes would have its difficulties: commercial ports do not have the necessary facilities for armed forces and military operations, so not giving an efficacious security prospect. Furthermore, in the occurrence of a military emergency, Chinese naval forces would be divided in the different terminals and too far from Chinese shores.¹⁶⁶



Source: www.china-briefing.com.

In the picture of a String, the main Pearls composing it are:

- **Cambodia:** Beijing and Phnom Penh have a very tight relationship. Back in 2003, the two countries signed an agreement in order for China to give the partner

¹⁶⁶ "Not an Idea We Have to Shun": Chinese Overseas Basing Requirements in the 21st Century, "China Strategic Perspective", October 2014, available at: www.ndupress.ndu.edu

training and equipment. China supplies Cambodia with economic investments and military support, and the two governments have always been loyal to each other, also in front of international pressures.¹⁶⁷ In 2009, Cambodia repatriated twenty-two Chinese citizens of Uighur ethnicity, gaining a suspension of American investments, but receiving \$ 1,2 billion by the PRC. In June 2015, Beijing and Phnom Penh signed an official agreement for the cooperation about the development and management of the Sihanoukville Port, consolidating its position against the American presence in the country.¹⁶⁸

- **Thailand:** Thailand would be also part of the so-called String of Pearls; Beijing was ready to fund with \$ 20 billion the digging of a canal in the peninsula of Kra to cut its reliance on the Strait of Malacca. Strictly opposed by the United States, the project is still under consideration, especially because of the instable internal political situation.¹⁶⁹
- **Myanmar:** China has always been very close to the military regime, so much so that the international community often talks about the former Burma as a satellite of the PRC.¹⁷⁰ Beijing is present in the Country in the port of Kyaupkyu, important for the transshipment of gas towards China; Beijing would have also set a base in Coco Islands, which would represent a shortcut, to avoid the Malacca Strait,¹⁷¹ and would be a good monitoring place over Indian naval operations. In fact, in the report, it is said that Beijing is building here naval bases and settling electronic intelligence gathering facilities; moreover, an actual military alliance would be supported assisting the armed forces with billions of dollars.¹⁷²
- **Bangladesh:** according to American news, Beijing seems to have been investing for seven years in Chittagong, main port and second city in the Country. The PRC is working to strengthen commercial ties in order to have a closer relationship with the Bengali government. According to international sources, China would be

¹⁶⁷ *China builds up strategic sea lanes*, “The Washington Times”, 17 January 2005, available at: www.washingtontimes.com.

¹⁶⁸ Dahles H., *Why China charms Cambodia*, “EastAsiaForum”, 24 August 2013, available at: www.eastasiaforum.org.

¹⁶⁹ *China builds up strategic sea lanes*, “The Washington Times”, 17 January 2005, available at: www.washingtontimes.com.

¹⁷⁰ *China builds up strategic sea lanes*, “The Washington Times”, 17 January 2005, available at: www.washingtontimes.com.

¹⁷¹ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, “E-international relations”, 26 July 2015, available at: www.e-ir.info.

¹⁷² *China builds up strategic sea lanes*, “The Washington Times”, 17 January 2005, available at: www.washingtontimes.com.

settling a naval basis in the port city, particularly close to India, and that for this reason could represent a strategic area in case of a conflict. Moreover, China would be supporting the construction of deep-sea facilities on Sonadia Island, out of Bangladesh's shores, in the Chittagong district.¹⁷³

- **Sri Lanka:** China is the second commercial partner of the island country and the first one for investments in infrastructures. Beijing is engaged in projects undertaken in the Colombo and Hambantota ports, both important for strategic motives. Chinese submarines were seen off the Colombo port in 2014, where the PRC was participating in the realization of an artificial island. Nevertheless, with the election of the new Sri Lankan President, Maithripala Sirisena, who has beat Mahinda Rajapaksa last year, the relationship between the two countries has changed.¹⁷⁴ The new government has stated its will of maintaining equal contacts with China and India, in spite of Chinese interests in the area, which are facing the possible cancellation of the projects related to the island.¹⁷⁵
- **Maldives:** Chinese interest in the archipelago has been strong since 2009, and in 2014 Xi Jinping was in the Country for an official visit to negotiate the support in the realization of a bridge that was going to reach the island of Hulhulé from the island of Male. In the same year, it was held the first meeting of the China-Maldives Joint Committee on Trade and Economic Cooperation and Maldives is faithful that Chinese tourism into the islands would grow during the nest years. Beijing has invested \$ 97 million in grant assistance and 3,2 million in security cooperation. The archipelago would be a great help to the PRC because of its potential access point to Pakistan and the Gulf of Aden area. It is, though, quite unlikely that the Maldives would conduct unique negotiations with China, since other powers, such as India and the United States are, have a too important role in the developing of the country's economy.¹⁷⁶
- **Seychelles:** Chinese military ships have visited the group of islands different times since 2010 and, after an official visit by the Defense Minister Gen Liang Guanglie,

¹⁷³ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 July 2015, available at: www.e-ir.info.

¹⁷⁴ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 July 2015, available at: www.e-ir.info.

¹⁷⁵ *Ports & Power in the Indian Ocean*, "Asia Maritime Transparency Initiative", 18 June 2015, available at: <https://amti.csis.org>.

¹⁷⁶ *Ports & Power in the Indian Ocean*, "Asia Maritime Transparency Initiative", 18 June 2015, available at: <https://amti.csis.org>.

at the end of 2011, China signed an agreement with the Seychelles' government to constitute its first military basis in the Indian Ocean on the island of Mahe. Beijing has also agreed to take part to anti-piracy missions to protect the commercial routes and the Chinese community on the archipelago is getting wider. According to what has been written in some reports, China would like to build in the area a stable base for military ships and planes.¹⁷⁷

- **Pakistan:** Beijing has won in 2015 the right to cooperate in the port of Gwadar, strategical centre because of its proximity to the Persian Gulf and to Indian waters.¹⁷⁸ From here Beijing has the possibility to survey Indian's actions and through the port China would be able to avoid the Strait of Hormuz for transporting oil and gas supplies. In fact, the PRC is contributing to a pipeline that will take natural gas from Iran to Pakistan, and from here the gas can be delivered to China. Pakistan is getting back dollars that can help its development, and a supporter against India's pressure.¹⁷⁹
- **South China Sea:** it has been at the centre of the international attention because of the contention about the archipelagos by China, the Philippines, Taiwan, Vietnam, Malaysia and Brunei. Beijing has always claimed an historical right, even if the report stated that the real concern of the PRC was about avoiding the passage of tankers through the South China Sea. In fact, the international opinion has strongly condemned the militarization of the area. In last years, China has indeed built landing fields, ports and military and civilian infrastructures, and small land formations have been broadened to become artificial islands. In 2014, Beijing installed a platform for oil's extraction in an area still internationally competed, causing a strong reaction on a worldwide level. The control over the islands would help China to "improve the safeguard of its own sovereignty, its maritime rights and interests, [...] the prevention of disasters, the research and the science, [...] the security of navigation" through these routes, according what stated by Hua Chunying, spokesperson of the Foreign Ministry. Some analysts think that the construction of military structures on the artificial islands are directed to the

¹⁷⁷ *Ports & Power in the Indian Ocean*, "Asia Maritime Transparency Initiative", 18 June 2015, available at: <https://amti.csis.org>.

¹⁷⁸ *Ports & Power in the Indian Ocean*, "Asia Maritime Transparency Initiative", 18 June 2015, available at: <https://amti.csis.org>.

¹⁷⁹ Abbi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 June 2015, available at: www.e-ir.info.

realization of an Air Defense Identification Zone, as already happened on the Diaoyu-Senkaku islands.¹⁸⁰

Despite the fact that the Chinese government has many times underlined the peaceful purposes of its Maritime Silk Road, the international opinion is often very strong about a different reality.

The expression “String of Pearls” has frequently been used as a matter of fact and an actual strategy undertaken and announced by Chinese foreign policy. Numerous analysts have employed it speaking of any operations conducted by the Chinese navy out of the area of Asia-Pacific, any development about the blue water navy, any policy directed to the secure transshipment of oil and other goods coming from the Middle East and Africa. The general idea is that China is seeking to dominate the Indian Ocean. In the report released for the Pentagon, it was stated that “China is looking not only to build a blue water navy to control the sea lanes, but also to develop undersea mines and missile capabilities to deter the potential disruption of its energy supplies from potential threats, including the US Navy, especially in the case of a conflict with Taiwan”.¹⁸¹ At a global level, the String of Pearls policy has caused a hostile reaction, especially among those countries that, historically, have been Chinese competitors.

The United States have worked to widen their naval presence and to strengthen their relationships with overseas alliances in the Indian Ocean.

The administration of Barack Obama had conducted a strong policy in East Asia, with the so-called “pivot to Asia”, finalized to place its assets in a strategic role in the Far East, in order to create an order in its favour. The American strategy is directed to consolidate old historic alliances and new partnerships, with the aim to promote a major Asia-Pacific integration.¹⁸² To do this, it has focused on enhancing the cooperation among countries, inside of new big systems, such as the US-Korea FTA, with South Korea, the Expanded Economic Engagement project, integrating the US with the Asian nations part of the ASEAN community, and the ambitious Trans-Pacific Partnership.

¹⁸⁰ Asiaticus, *La gara dei castelli di sabbia*, “Limes”, No. 8 (2015), pp. 193-198.

¹⁸¹ *New Chinese Submarine Base In Indonesia*, “rense.com”, n.d., available at: www.rense.com.

¹⁸² Andrews B., Campbell K., *Explaining the US “Pivot” to Asia*, “Chatham House”, 1 August 2013, available at: <https://www.chathamhouse.org>.

The first one was signed in 2012, when the US-Korea Free Trade Agreement has allowed the two countries to drastically cut the cost of mutual exports.¹⁸³ The same year, with the intensifications of dialogs between the US and ASEAN members it was launched the Expanded Economic Engagement initiative (E3), directed to increase the activities between the eleven partners, through investments and commercial exchanges, favouring new job opportunities, as well as new negotiations.¹⁸⁴ The last TTP (Trans-Pacific Partnership), signed at the beginning of 2016 by twelve nations, intends to be a commercial community that could benefit all the countries facing the Pacific - from both sides - now parts of the agreement¹⁸⁵ (despite the fact that new American President Donald Trump claimed that the partnership will not take place).

At the same time, Washington's administration has been engaged for renewing friendships from the past: apart from South Korea, with which bilateral agreements are numerous, the US continues to strongly support Japan, and has recently visited Thailand to reaffirm its constant assistance and to negotiate new bilateral agreements. Japan as well, always considered a "strategic opponent", has been substantially supported after the 2011 disaster and it keeps an important role in America's hopes to counterbalance the growing power of China, thanks especially to the capacity of its own navy. Moreover, the United States are trying to start a major presence in the economies of developing countries.¹⁸⁶ A growing attention has been pointed towards the Philippines, also because of the South China Sea issue. Washington has been involved by the archipelago in navy patrols for security purposes. Worried by Chinese activities close to Philippine shores, the two nations have been cooperating for security purposes, trying to counterbalance the Asian power. It is a recent news the investment of \$ 40 million by the United States for military assistance to the Philippines, which has also given the authorization to build five bases inside the archipelago's borders.¹⁸⁷ Washington has also increased dialogues with India, one of the key players in Asia. The Indian government is very concerned about Chinese strategy and its growing presence in regions all along Asian coasts. The US have been active in intensifying dialogues with the Indian counterparts; they have both been working for new partnerships in economic sectors and security assistance. In

¹⁸³ Office of the United States Trade Representative, *New Opportunities for US Exporters Under the US-Korea Trade Agreement*, n. d., available at: <https://ustr.gov>.

¹⁸⁴ *The US – ASEAN Expanded Economic Engagement (E3) Initiative*, "U.S. Mission to ASEAN", n. d., available at: <https://asean.usmission.gov>.

¹⁸⁵ *TTP: What is it and why does it matter?*, "BBC News", 23 January 2017, available at: www.bbc.com.

¹⁸⁶ Fabbri D., *Anticinese ma non militarista: così gli Usa vogliono il Giappone*, "Limes", 1 June 2016, available at: www.limesonline.com.

¹⁸⁷ *US reveals rare joint navy patrols with Philippines*, "BBC News", 14 April 2016, available at: www.bbc.com.

August 2016, they both signed an agreement to share military logistics, and the United States announced its will of sharing information about carrier aircraft technology. They have also been attending trilateral conversations with Japan on energetic, strategic and economic areas: the three of them have stated the relevance of cooperating about maritime security, basing it on the freedom of navigation, and planning joint naval exercises.¹⁸⁸

On the other hand, India has been extremely worried about the Chinese growing presence and its developing power along sea and land routes. The increasing of Beijing's relationships, especially in Eastern Asia, represents a threat to the Indian role in the same area and to its position at a worldwide level. Chinese dialogues with Indian historical partners, and even more with its historical enemies, has been perceived as a danger to New Delhi's policy.

China has invited India to take an active role into its Maritime Silk Road, but the reaction of Modi's government has not been positive. He does not have a good opinion about the economic and strategic impact of the initiative and seems to think that the name would only be an alternative to the String of Pearls theory. The previous Prime Minister, Manmohan Singh (in charge from 2004 to 2014), to the contrary, had a better disposition towards the cooperation inside the frame of One Belt One Road, and showed interest and participation when the project was announced in 2013.¹⁸⁹ Yet, Modi was never well disposed about it, and in 2015 he visited three Indian Ocean countries, showing its wish to oppose the Chinese plan with a parallel and asymmetrical initiative, relaunching a reverse "String of Pearls", trying to keep an influencing role over chokepoints' area and developing or consolidating a network of partnerships.¹⁹⁰

¹⁸⁸ Torbati Y., Wilkes T., *India, US reach preliminary agreement on sharing military logistics amid China challenge*, "Reuters", 13 April 2016, available at: www.in.reuters.com.

¹⁸⁹ Liu Z., *India's political goals hinder cooperation with China on "Belt, Road"*, "Global Times", 3 July 2016, available at: www.globaltimes.cn.

¹⁹⁰ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 June 2015, available at: www.e-ir.info.



Source: <https://www.youtube.com/watch?v=RGz5BuBaOX8>

Modi's idea is to counterbalance Chinese presence starting cooperative projects along the same Asian shores.

- India has increased dialogues with Myanmar, taking advantage of meetings during the ASEAN and regional summits.¹⁹¹ In spite of China being an historical partner, in order to oppose its strong role in the country and in the Bengal Bay, India has been strengthening military cooperation with Myanmar and has planned to promote the modernization of Myanmar Armed Forces and Navy.¹⁹²
- In Sri Lanka, the steady support of Chinese 21st Maritime Silk Road has been call into question after the election of the new president Sirisena. In 2015, Modi visited the country for the first time since 1987. During the historical tour the two countries signed four bilateral treaties over visas, customs, development and about the realization of a memorial in honour of the writer Rabindranath Tagore. An important signal towards the Sri Lankan community was the backing for the fulfilment of the thirteenth Amendment to the Sri Lankan constitution (about the Tamil issue), which realized a Provincial Council and upgraded Sinhala and Tamil as official languages.

¹⁹¹ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 June 2015, available at: www.e-ir.info.

¹⁹² Himfact, *India's Plan to Counter China's "String of Pearls"*, 2 October 2015, retrieved from: <https://www.youtube.com/watch?v=RGz5BuBaOX8>.

Sirisena has announced the suspension of agreements with China and their examination, after the pending of corruption's charges.¹⁹³

- New Delhi has widened bilateral relationships with Bangladesh as well: the two government have signed an agreement for Indian cargo vessels to have access to Mongla port and to Chittagong harbour, one of "China's pearls".¹⁹⁴
- China and Vietnam do not have a good relationship: Beijing has been holding an historical grudge, since 1979, when it was forced to leave the country after having invaded it; furthermore, the two of them are nowadays opponents in the contention about the South China Sea and Vietnam considers China to have assaulted its sovereignty.¹⁹⁵ Thanks to its position as well, Vietnam's role is quite important in the balancing Chinese capacity, and through it, India has been capable of controlling China's explorative activities related to oil and other sources, and its military practices in the South China Sea area.¹⁹⁶
- Nepal was well supported by China after the 2015 earthquake and the two countries maintain a collaborative relationship. Nepal is though quite close to New Delhi, for cultural and geographical reasons, and the Indian neighbour sees in it a strategical partner because of its difficulties into power shortages. GMR, a significant Indian infrastructure company, has already signed a \$ 1.4 billion agreement in order to realize a 900 MW dam that will take hydro power to India.¹⁹⁷
- At the centre of Chinese and Indian interests, the Maldives do not seem to wish the pursuing of an exclusive partnership with neither of them. The archipelago and New Delhi have a past of tight ties, and India has been assured by the nation that it will not allow China to realize a military base on its territory. India and the Maldives have conducted together military naval exercises with the prospect of widen their mutual cooperation, and India is helping the counterpart to secure its waters with its Helicopters and Navy.¹⁹⁸

¹⁹³ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 June 2015, available at: www.e-ir.info.

¹⁹⁴ Himfact, *India's Plan to Counter China's "String of Pearls"*, 2 October 2015, retrieved from: <https://www.youtube.com/watch?v=RGz5BuBaOX8>.

¹⁹⁵ Himfact, *India's Plan to Counter China's "String of Pearls"*, 2 October 2015, retrieved from: <https://www.youtube.com/watch?v=RGz5BuBaOX8>.

¹⁹⁶ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 June 2015, available at: www.e-ir.info.

¹⁹⁷ Abbhi A., *String of Pearls: India and the Geopolitics of Chinese Foreign Policy*, "E-international relations", 26 June 2015, available at: www.e-ir.info.

¹⁹⁸ Himfact, *India's Plan to Counter China's "String of Pearls"*, 2 October 2015, retrieved from: <https://www.youtube.com/watch?v=RGz5BuBaOX8>.

- India is also working with Australia and Japan, two countries that have a strong presence in the Indian and Pacific Ocean, and that are concerned about Chinese actions. Even though China and Australia do not have a past of enmity, Australia is still worried for Chinese violation of human rights, and China and Japan are historical rivals. Moreover, India has met Fijian authorities in order to build up a new partnership, taking advantage of long ethnic relations between the two populations.¹⁹⁹

2.5 China's Overseas Bases

Voices of China being building overseas military bases have been followed one another in the last few years, and so have the news about Chinese naval exercises. In spite of this, until now, there has been noticed only the actual realization of a basis in the state of Djibouti.

Djibouti entered in China's eye in 2008, when Beijing realized the strategic potential of the country in the contrast of the piracy in the Gulf of Aden and the Horn of Africa; and in 2015 it was through the coastal nation that China evacuated its citizens from Yemen by ships and air planes. This emergency underlined the necessity of supplying points where to support the PLAN far from Chinese borders, in order to protect Chinese interests and citizens.²⁰⁰

PRC's analysts have reported what Beijing has been looking for in the building-up of foreign bases. They have said that: "We must choose a region where our strategic interests are important and concentrated and then select a country that has a friendly, solid relationship with us. Not only can our overseas commercial fleets obtain timely replenishment once we have this kind of base, but our commercial interests in the countries and regions around our base, but our commercial interests in the countries and regions around our base will also have a stable support point. This type of support can not only encourage domestic enterprises to take further steps toward going global, but can also deepen our friendship with the host countries and promote cooperation on other issues" (Dai Xu). And about the legal and political conditions it has been stated: "Bases establishes by other countries appear to be used to protect their overseas rights and interests. As long as the bases are set up in line with international laws and regulations, they are legal ones. But if the bases are established to harm other countries, their existence becomes illegal and they are likely to be opposed by other

¹⁹⁹ Himfact, *India's Plan to Counter China's "String of Pearls"*, 2 October 2015, retrieved from: <https://www.youtube.com/watch?v=RGz5BuBaOX8>.

²⁰⁰ Singh M., *Port de Djibouti: China's First Permanent Naval Base in the Indian Ocean*, "Institute for Defence Studies and Analyses", 22 February 2016, available at: www.idsa.in.

countries” (Shen Dingli); whereas it was then claimed, about international reactions, “China also needs to make the international community aware of the fact that overseas bases are needed for two purposes: China’s own interests and the country’s assumption of more international responsibilities. There is no need to conceal these goals. Some countries expect China to undertake more international responsibilities but object to China’s plans for overseas bases, which are necessary for bearing such responsibilities. This is unreasonable.” (Liu Zhongmin).²⁰¹ After the visit to Djibouti by general Fang Fenghui in 2015, the bi-annual Defense Paper was stating: “In response to the new requirement coming from the Country’s growing strategic interests, the armed forces will actively participate in both regional and international security cooperation and effectively secure China’s overseas interests”.²⁰² Settled in the Horn of Africa, facing the Red Sea, Djibouti represents an optimal point of access from and to East Africa through the Indian Ocean, and a connecting channel between Bab el-Mandeb Straits and the Suez Canal, an area that sees the 30% of the global transshipment traffic. The Country has already been hosting an American basis, that guarantees a wide payment for the rent to Djibouti: in 2014, the United States announced to be ready to deposit \$ 20 million a year, nearly the double of the amount previously paid. The Djiboutian President Guelleh (still in power after having won the elections for the fourth time) significantly gave to China its consent to build up a basis on its territory just one-day after Kerry, the American Secretary of State, had visited the Country. Later on, interviewed, the Djibouti’s Foreign Minister would state: “The Americans have enough technology, enough fighter aircraft, enough drones to control each and every piece of this land and even beyond. Why should the Chinese not have the right to also use those materials...to preserve and protect their interests in the Strait of Bab el-Mandeb?”.²⁰³

In 2014, the General Manager of the port of Djibouti, Saad Omar Guelleh, signed a Memorandum of Understanding with the Sinotrans (one of the main Chinese logistics company) vice-minister Yu Jianmin in Shanghai. The deal engaged the two partners in cooperating, following a win-win approach, in various sectors: maritime, road and aerial

²⁰¹ Devary S., Lin J., Rustici R., Yung C., “*Not an Idea We Have to Shun*”: *Chinese Overseas Basing Requirements in the 21st Century*, “China Strategic Perspective”, October 2014, available at: www.ndupress.ndu.edu.

²⁰² Singh M., *Port de Djibouti: China’s First Permanent Naval Base in the Indian Ocean*, “Institute for Defence Studies and Analyses”, 22 February 2016, available at: www.idsa.in.

²⁰³ Manson K., *China military to set up first overseas base in Horn of Africa*, “Financial Times”, 31 March 2016, available at: <https://www.ft.com>.

transports, supplying and logistics services.²⁰⁴ The same year, China and Djibouti signed the Defence and Security Agreement, which marked the assignment of one port to the PLA Navy; Djibouti gained in exchange the securing of the adjacent sea lanes. The contract provided to China the area of Obock, a small port town facing from North on the Gulf of Tadjoura.²⁰⁵



Source: www.weather-forecast.com

The China's Military Strategy, included in the above mentioned 2015 bi-annual Defence Paper, underlined that “the armed forces have been directed to continue to carry out escort missions in the Gulf of Aden and other sea area as required, enhance exchanges and cooperation with naval task forces of the countries, and jointly secure international SCOCs (sea lines of communications).”²⁰⁶

The choice of Djibouti has been due to the advantages that the region offers: its position can support the refurbishing and maintenance of Chinese fleet engaged in overseas operations; secondly, thanks to its non-stop flying distance, the Country is “easily” accessible by Chinese air planes. From Djibouti, China has also the possibility to supervise the political situation and the actions of the India's islands in the Western Indian Ocean and of the Countries facing the Arabian Sea. Furthermore, the region is a strategical area in order to protect the growing

²⁰⁴ *Djibouti – Chine: Le port de Djibouti signe un protocole d'entente avec Sinotrans*, “La Nation”, 17 November 2014, available at: www.lanationdj.com.

²⁰⁵ Singh M., *Port de Djibouti: China's First Permanent Naval Base in the Indian Ocean*, “Institute for Defence Studies and Analyses”, 22 February 2016, available at: www.idsa.in.

²⁰⁶ Singh M., *Port de Djibouti: China's First Permanent Naval Base in the Indian Ocean*, “Institute for Defence Studies and Analyses”, 22 February 2016, available at: www.idsa.in.

Chinese investments in East and sub-Saharan Africa; and an alternative way to avoid the critical chokepoints for the transshipment of energetic resources.²⁰⁷ Despite being a small Country, Djibouti is the safest region in the area, cooperating with the United States in the fight against the terrorism and hosting Western bases since 2001. Its key role has been due to it being a strategical crossing point more than it being a strategical Nation. China has been supporting the construction of a network of railways and roads in order to bring goods to the PRC from East Africa and Chinese ones to Africa and Europe. Indeed, the route that connects China and Europe is nowadays the most important for the container traffic: in 2011, it grew to reach a rate of 11,4% more than the previous year, carrying raw materials, but also consumption goods, wood, paper and wheat. According to the analysts, Beijing intends to transform the area in an African-Dubai: articles highlight the similarities with the Arabian city, born as well in the middle of the desert. Even if Djibouti has denied the comparison with the United Arab Emirates, the PRC has been supported the renovation of infrastructures, from water mains to the sewage system, to the development of wind and sun systems for the production of energy.²⁰⁸

At the beginning of 2016, Chinese authorities confirmed the realization of the project in the Horn of Africa, announcing that the building up of “support facilities” for the PLAN had already started. Even if it has not been declared which kind of facilities are under construction – and no one has officially talked about any military naval base -, Wu Qian, spokesperson for the Chinese Defence Ministry, stated that the “facilities will mainly be used for logistical support and personnel recuperation of the Somali coast, peacekeeping and humanitarian assistance”.²⁰⁹ The new partnership granted a payment of \$ 20 million per year, with an initial 10-year lease (as reported in an article appeared online). To this amount Beijing has added at least \$ 20 million invested every year, for the building of new ports and airports, and for the realization of a projected free trade zone in Africa.²¹⁰

This new relationship has been strongly criticized by the international community. The establishment of a Chinese base is seen with suspect by the “Western world”, but the secretary-general of the Foreign Ministry, Mohammed Ali, has replied saying: “We've been

²⁰⁷ Winsor M., *With China's Naval Base, Djibouti Could Become "Africa's Singapore"*, “International Business Times”, 2 April 2016, available at: www.ibtimes.com.

²⁰⁸ *Chinese companies help Djibouti to build "Dubai of east Africa"*, “Xinhua Silk Road Information Service”, 24 June 2016, available at: www.silkroad.news.cn.

²⁰⁹ Braude J., Jiang T., *Why China and Saudi Arabia are building bases in Djibouti*, “Huff Post”, 2016, available at: www.huffingtonpost.com.

²¹⁰ Singh M., *Port de Djibouti: China's First Permanent Naval Base in the Indian Ocean*, “Institute for Defence Studies and Analyses”, 22 February 2016, available at: www.idsa.in.

criticized for working with the Chinese, but they are doing business everywhere, it's not just with us. And if other countries are not investing here, what do you want us to do?"²¹¹

In fact, Djibouti is still one of the poorest country in the world: 42% of the population lives under the poverty threshold, nearly half of it do not have an employment, and there is no prospect of sharing the benefits of the overseas investments. The government has been accused of violation of human rights, and of being interested only in the accumulation of wealth: the current presidency has been often defined a centralized autocracy, if not a dictatorship; Ismail Omar Guelleh – nephew of the President who run the country since its independence in 1977 – has indeed been in office for seventeen years now.²¹²

In China, the development of the partnership with Djibouti has been welcomed with optimism and confidence. The Chinese Foreign Minister has positively said that “Friendly cooperation between China and Djibouti has achieved constant growth and cooperation in various fields”; Hua Chunying (spokeswoman for the China's Ministry for Foreign Affairs) added: “It should be emphasized that regional peace and stability serve the interests of all countries and meet the shared aspirations of China, Djibouti and other countries around the world. China is prepared and obliged to make greater contributions to that end”.²¹³

In spite of Chinese worlds of reassurance, the United States are looking with suspicion at Beijing’s actions, and are monitoring the operations in the Indian Ocean waters, where the PRC are powering Shang-class and Song-class submarines. The idea of Washington is that, if these submarines get closer to Djibouti’s shores, it will be necessary an intervention in order to stop Chinese military expansionism. India is as much as worried about China's agreements and has been powering its Navy to safeguard the sea lanes crossing the Pacific Ocean and the Malacca Strait.²¹⁴

2.6 Other five logistics models

The “String of Pearls” model is just one out of a total of “six possible logistics support models that Chinese civilian and military leaders may consider to support expanded overseas

²¹¹ Jeffrey James, *China is building its first overseas military base in Djibouti – right next to a key US one*, “PRI”, 3 May 2016, available at: <https://www.pri.org>.

²¹² Jeffrey James, *China is building its first overseas military base in Djibouti – right next to a key US one*, “PRI”, 3 May 2016, available at: <https://www.pri.org>.

²¹³ Ministry of Foreign Affairs of the People’s Republic of China, *Foreign Ministry Spokesperson Hua Chunying’s Regular Press Conference on May 11, 2015*, 11 May 2015, available at: www.fmprc.gov.cn.

²¹⁴ Panda A., *Confirmed: Construction Begins on China’s First Overseas Military Base in Djibouti*, “The Diplomat”, 29 February 2016, available at: www.thediplomat.com.

operations”. Analysts and scholars have indeed elaborated them to explain Chinese maritime policy conducted by the PLAN to develop in the best way its presence in foreign bases and to maintain it. The report *Not an Idea We Have to Shun: Chinese Overseas Basing Requirements in the 21st Century* tries to illustrate and to compare the above mentioned models, taking also inspiration from the past expansions undertaken by world powers abroad.

– *The Pit Stop Model:*

depending on this model, commercial ports would represent pit-stops to be used for PLAN ships for facilities like “refuelling, provisioning, electrical power, and waste disposal”. Because of the lack of actual military bases, commercial ports would be useful for PLAN operations as well, but doing so, it becomes necessary for the Chinese government to negotiate specific agreements with foreign countries. As quoted in the above-mentioned report: Zhang Deshun, PLAN Deputy Chief of Staff, stated that China was in no need to establish effective military ports; Yan Baojian, Senior Captain and South China Sea Fleet commander, added that “the naval force can work extensively with China’s business operations worldwide for military supplies”, and Zhang Zhaozhong, retired Rear Admiral, underlined that “the commercial use of regular supply points for rest and entertainment, food and water, ship and equipment maintenance, and medical treatment should suffice” and that “both the international community and host nations would welcome these kinds of activities because the supply stops support United Nations-mandated missions”.

– *The Lean Colonial Model:*

this model was used between the XIX and the XX centuries by colonial nations, in order to sustain their own economic interests and defend their policy abroad, more than to pursue a military role. The Lean Colonial Model makes use of overseas bases at a sailing distance from each other, without the protection of fortifications or any kind of infrastructures against possible aggressions from the sea. As reported, it “can advance national commercial interests but cannot support a naval presence strong enough to preserve sovereignty when challenged”. The report refers to the example of German colonies, that included small parts of China, Australia and New Zealand, to show that German investments into commercial sectors over the area did not help to stop foreign aggressions. The total lack of defensive projects made the colonies being lost to Australia, Japan and New Zealand at the beginning of the World War I, in a very short time.

– *Dual Use Logistics Facility:*

the model, according to analysts and officers, would provide more facilities to a lower cost. The bases on foreign lands should be “equipped with medical facilities, refrigerated storage space for fresh vegetables and fruit, rest and recreation sites, a communication station, and ship repair facilities to perform minor to intermediate repair and maintenance”. Overseas ports with appropriate logistics and supply facilities could represent a major proficiency and minor costs than simply commercial equipment. The former PLA Air Force colonel Dai Xu has claimed that Beijing “needs to have power adequate to protect world peace before it will be able to effectively shoulder its international responsibilities and develop a good image”.

– *Warehouse Model:*

it was formulated by England between the Word War I and II with the purpose of keep its own ships far from its shores. During this period, the British individuated some “defensible ports with large oil supplies and fully capable repair facilities were the best method to support naval operations in the Far East”. Nevertheless, after the bursting of the World War II, England had various complications in naval provisions. Even though the chosen ports were located in strategical sites over lines of communication, they were too far from each other for reinforcements during the conflict itself. Moreover, the falling of one of the bases made the supportive actions even more challenging. The model gives though some profits: the main one is its low international profile and the low reliance on other allies; secondly, it requires a much inferior cost, because of the more limited number of big well-equipped bases, instead of an extended network of smaller operational areas; lastly, those few large bases can have defensive facilities, but can also represent a good centre in case of offensive necessities.

– *Model USA:*

considered the most successful model in order to build overseas large-scale military bases and is the one undertaken by the United States for its expansion abroad. This logistics model “combines large bases with minor bases/port access agreements to support U.S. naval and air forces and allow for flexible resupply”. To these network, US adds the most powerful auxiliary ship fleet: doing so, Washington is capable to refurnish ships in progress and to maintain continue land operations from the sea. The

United States have nowadays a large system of operative centres in all the important ocean and sea, so that it is able to intervene almost in every part of the world, for military purpose but also in the occurring of a humanitarian emergency. Yet, the Model USA has a main drawback: it is indeed extremely expensive to support needed infrastructures, ports and ships, especially from not so wealthy countries; moreover, the system requires solid diplomatic and political ties. Finally, it might raise a certain international concern, because of the danger of interventionist actions.

	Pit Stop	Lean Colonial	Dual Use Logistics Facility	String of Pearls	Warehouse	Model USA
Does threaten China's "peaceful rise" Image	No	Yes	No	No	Yes	Yes
Does pose a risk to China's relationship with host nation	No	No	No	No	Yes	Yes
Neighboring countries will feel threatened	No	No	No	No	Yes	Yes
Helps China address a wide range of military contingencies	No	No	Yes	Yes	Yes	Yes
Helps China protect its overseas economic interests	No	No	Yes	Yes	Yes	Yes
Relatively inexpensive	No	Yes	No	No	No	No
Satisfies	No	No	Yes	Yes	Yes	Yes

expectations of ordinary Chinese Citizens						
Does generate excessive friction with the United States	No	No	No	Yes/No	Yes	Yes
Protected against external attack	No	No	No	No	Yes	Yes
Does require large amounts of transportation assets	No	No	Yes	Yes	No	Yes

Source: *Not an Idea We Have to Shun*, www.ndupress.ndu.edu

According to the report, the Dual Use Logistics Model, together with the String of Pearls Model, is the most representing one and the most profitable prospective for the future Chinese policy. Both of them combine military and commercial competencies; yet, the String of Pearls needs stronger relationships with specific countries and can also respond more efficiently in case of military emergencies and conflicts. The Dual Logistics Model would be instead more useful to respond to non-traditional threats such as terroristic attacks.²¹⁵

2.7 Conclusion

In conclusion, the above analysis has showed as China is pursuing an international economic strategy.

Its foreign policy wants indeed to take advantage of the phenomenon of the globalization and of the internationalization of the trading business. American thesis of the building up of a network of military bases, in order to impose its domain over the Indian Ocean, does seem to have no grounds. In fact, China is proven to have nowadays only one basis in Djibouti,

²¹⁵ The sub-chapter refers to: “*Not an Idea We Have to Shun*”: *Chinese Overseas Basing Requirements in the 21st Century*, “China Strategic Perspective”, October 2014, available at: www.ndupress.ndu.edu.

strongly affirmed to have been built only to protect its own citizens and interests. The Road simply pursues the aim to reach, together with the Belt, the European shores, gaining economic revenues on the way.

Chapter III:

CHINESE INVESTMENTS IN OVERSEAS PORTS

3.1 Introduction

In the following section, some of the projects parts of the 21st Century Maritime Silk Road will be analyzed, in order to give some examples of China's strategy.

After having introduced the area, it will then explained as Beijing has being involved in local economies, and in which ways it is working to develop other Country's ports, making them more modern and efficient, capable of faster and more voluminous transshipments. Following what already affirmed in the previous chapters, it will also showed as the PRC is not supporting an improvement of ports in themselves, but also the connected area made of industries and transports' lanes. The participation of China involves especially the modernization and widening of railways and roads, the routes that will have to distribute Chinese goods to internal markets and vice versa, moving on trains or trucks the containers docked through sea.

The chapter will take into consideration some of the Asian ports, on the way that runs along the traditional commercial routes: the port of Gwadar, in Pakistan, and, in Bangladesh, the possible development of the port of Chittagong or of Sonadia. Both the investments will be strategical because of the shortcut that would allow to avoid the Strait of Malacca. Secondly, it will analyze the project of a port at Bagamoyo, in Tanzania, and the ports of Mombasa and Lamu, in Kenya. Through them, Beijing has the intention to affirm its presence in a Country rich of natural resources and with a growing economy. Eventually, it will explain the collaboration undertaken with the port of Piraeus, in Greece, the door towards Europe. It will end with the possibility of a network developed in Italy, on the North Adriatic Sea, where Beijing has already launched some initiatives of cooperation and seems to be still involved in dialogues linked to the extension of the Italian ports.

3.2 Pakistan: Gwadar

Placed in the province of Balochistan, in the Western part of Pakistan facing the Arabian Sea, Gwadar is heading towards becoming the third deep-water port of the Country, after Karachi Port and Port Qasim, with the help of Chinese investments.²¹⁶ Its importance relies on the fact that it looks at the Strait of Hormuz, a strategical route for the transshipment of energetic resources, not far from the Iranian border.²¹⁷



Source: www.pakistancargo4u.co.uk

The port, which can promote an economic growth in the region, is seen as an important opportunity of connections between countries in the area, from the East Asia to the Middle East, and vice-versa.²¹⁸

With the already mentioned China-Pakistan corridor, it would be possible for China to shorten massively the transshipment of goods, and energetic resources are among them, avoiding dangerous ways, firstly the Strait of Malacca. In fact, the area has a significant value for its geostrategic position: according to the words of Zhao Gancheng (director of South Asia

²¹⁶ *Gwadar's Accession to Pakistan*, "The Pakistani Nationalist", 5 January 2013, available at: www.thepakistaninationalist.blogspot.it.

²¹⁷ *Why Pakistan's Gwadar port is important for China*, "The Times of India", 18 November 2016, available at: www.timesofindia.indiatimes.com.

²¹⁸ *Why Pakistan's Gwadar port is important for China*, "The Times of India", 18 November 2016, available at: www.timesofindia.indiatimes.com.

Studies at Shanghai Institute for International Studies): “The Gwadar port will also guarantee China’s naval ships’ maintenance and supply in the Indian Ocean. The move is widely seen as crucial for China, especially as it is unlikely that Sri Lanka will open its ports to Chinese naval ships”. The corridor, and the investment in Gwadar Port in general, also means for China a fast and direct route for the thousands Chinese citizens who work in the Middle East and Africa, engaged in development’s projects in those countries. Finally, it represents a prospect of growth for Chinese region of Xinjiang, settled in the north-eastern part of the Country, without any maritime access, often shaken by internal tensions against the central government.²¹⁹

On the Pakistani side, instead, the Country will be also strongly benefiting from the Chinese presence and assistance. On the website of the Gwadar Port authority, the chairman Khan Jamaldini wrote: “Gwadar Port [...] is near to the key shipping routes used by the mainline vessels in the region with connections to Africa, Asia and Europe and enjoys high commercial and strategic significance. The development of Gwadar could bring economic gains to Balochistan and potentially capable to act as industrial power house, a suitable transit and transshipment hub. [...] Economic benefits of Gwadar port are: capitalizing the opportunities for trade with landlocked Central Asian Republics and Afghanistan; promotion of trade and transport with Western China; transshipment, essentially of containerized cargo; unlocking the development potential of the hinterland; socio-economic uplift of the province of Balochistan; establishment of shipping-related industries, oil storage, refinery and petro-chemical, export processing industrial zones and many more avenues. [...] Gwadar could emerge as a key shipping point, bringing Pakistan a much-needed income, and when combined with the surrounding areas could become a trade hub.”²²⁰

The idea of constructing a port in the area was raised for the first time in 1954, after a survey conducted by Worth Condrick, working for the United States Geological Survey on Pakistani request. In 1958 the Country reached the annexation of Gwadar city, until that point still under the control of Oman. “The Government of Pakistan has issued a communiqué stating that the administration of the Port of Gwadar and its hinterland, which had been in the possession of His Highness the Sultan of Muscat and Oman since 1784, was today taken over by Pakistan with full sovereign rights. The people of Gwadar have joined the people of Pakistan and the

²¹⁹ Ghazali A. S., *Pakistan’s Gwadar Port Is Now Operational As First Chinese Ship Docks*, “Countercurrents.org”, 17 October 2016, available at: www.countercurrents.org.

²²⁰ Dostain Khan Jamaldini, *Chairman Message*, “Gwadar Port Authority”, n. d., available at: www.gwadarport.gov.pk.

whole of Gwadar now forms part of the Islamic Republic of Pakistan” announced the Prime Minister at the radio. Pakistan gained though a still small region, constituted by a simple fishers’ village and had to wait until recently to build a deep water port, thanks to the support of the near China.²²¹

The Chinese interests in Pakistan date back to 1999, when Beijing started to offer its support and assistance, both in technical and financial fields. Yet, at the time the two Countries did not arrive to a real agreement, and two years later, the possibility of an actual cooperation came out again during an official visit of the Pakistani President to China. On this occasion, Musharraf brought out the topic and gained the approval of the Chinese Prime Minister at the time, Zhu Rongji. Together the two politicians agreed upon building a port in the area, setting the inauguration of the works at the end of 2001, after the realization of the master plan by Chinese engineers. Although, the ceremony was suspended because of the American actions in Afghanistan, after the terroristic attack that stroke New York on 11th September 2001. Fearing an exploitation of the region as an access point (towards Afghanistan for the US troops), Beijing stopped the project. Pakistan had to wait until the next year to discuss again its development: in March 2002, a delegation arrived from Islamabad to Beijing in order to sign the deal once more. In a few days, a ceremony was taken to set officially a starting point for the works, which were expected to end in 2005.²²²

Things went differently because of what were defined as the typical four phases of a “mismanaged project”: “the euphemism of start-up and the realization of ground realities” that brought to a delay. It followed the “identification of a scapegoat”: the project could not have been completed because of subversions and terroristic actions. And therefore the “correction of the course”, thanks to an implementation of Chinese monetary supports “for the immediate dredging of the channel and purchase of additional cargo handling equipment and floating crafts”. In 2007 the Port was inaugurated under the supervision of the Gwadar Port Authority and the following year a first cargo left the area’s shores.²²³

In the same period, the Pakistani government signed an agreement with the Port Singapore Authority for a forty years’ concession, involving an investment of \$ 750 million. Nevertheless, the deal lasted only a few years: the Port was indeed lacking of transparency, since, for security reasons Singapore was unable to have clear news about the employment of

²²¹ *Gwadar’s Accession to Pakistan*, “The Pakistani Nationalist”, 5 January 2013, available at: www.thepakistaninationalist.blogspot.it.

²²² *Gwadar port: “history-making milestones”*, “Dawn”, 14 April 2008, available at: www.dawn.com.

²²³ *Gwadar port: “history-making milestones”*, “Dawn”, 14 April 2008, available at: www.dawn.com.

its monetary investment.²²⁴ Moreover, because of a public petition, the Supreme Court released a stay order over the assignment of the Port's area.²²⁵ Afterwards, in front of the uncertainty of the situation, the PSA decided to give up the involvement in Gwadar. The Port was therefore taken over by China's control, after a series of visits of the President Asif Ali Zardari.²²⁶ At the beginning of 2013, it was signed a new contract that marked the transfer of Gwadar itself to the China Overseas Port Holding Company. Yet, the new deal has been accused to violate Pakistani law and the principles of federalism and the process that had taken to the signature of the agreement was criticized because lacking of transparency towards Balochistan's administration and society. In front of the request to make public the contracts signed, there has been no positive response, and it was instead replied that "without China's permission no agreement on the CPEC, including Gwadar, can be made public or shared with the government of Balochistan".²²⁷ In an article appeared on the Internet, Sanaullah Baloch, former senator from Balochistan, has written: "Our Chinese brothers and sisters must not forget that land and coast are sacred to each and every nation. In the South China Sea, China and Japan are sparring over five tiny islands. If the small Diaoyu Islands are a matter of pride and principle for China and Japan, then Gwadar is also a matter of life and death for the Baloch".²²⁸

The population from the area has also expressed an explicit discontent. Previously a region inhabited of simple fishers, after the agreements of the last years, they are expected to be moved out of the city, while other people employed in port's activities will move in, together with 20.000 new residents coming from China. One of the fisher regarded by the ambitious project, Elahi Bakhsh, has stated "This is all being done for China, not the people" and "The whole area has been captured by the government with local people pushed aside". Moreover, critics have went sharply against the central government, accused by separatist movements of

²²⁴ Khan Z., *Singapore port operator on way out of Gwadar*, "The Express Tribune", 9 August 2012, available at: <https://tribune.com.pk>.

²²⁵ Syed Fazl-e-Haider, *China set to run Gwadar port as Singapore quits*, "Asia Times", 5 September 2012, available at: www.atimes.com.

²²⁶ Khan Z., *Singapore port operator on way out of Gwadar*, "The Express Tribune", 9 August 2012, available at: <https://tribune.com.pk>.

²²⁷ Baloch S., *The Gwadar deal*, "The News International", 13 February 2016, available at: <https://www.thenews.com.pk>.

²²⁸ Baloch S., *The Gwadar deal*, "The News International", 13 February 2016, available at: <https://www.thenews.com.pk>.

treating Balochi people as slaves: “In their mind we are not a province of this country, we are a colony; in the name of development they want to turn us into a minority in our own land”.²²⁹

For the first time in ten years, a Chinese President entered in Pakistan for an official visit in April 2015. This occasion saw the official announcement that the two partners intended to expand the port and its surrounding area inside the frame of the Economic Corridor, according to the recently announced Belt and Road strategy.²³⁰

China has been further cooperating for the completion of a certain number of initiatives (that are today at different stages) inside the Port to ease its connection to the CPEC:

- Construction of East-Bay Expressway;
- Construction of Breakwaters;
- Dredging of Berthing Areas and Channels;
- Pakistan-China Technical and Vocational Institute;
- Infrastructure Development for Free Zone and EPZs;
- Necessary Facilities of Fresh Water Treatment;
- China-Pakistan Friendship Hospital;
- Coal-based Power Plant;
- Construction of Gwadar International Airport.²³¹

Concerned authorities asserted that the works of expansion are nearly over and that the containers’ traffic will reach one million tons in 2017.²³²

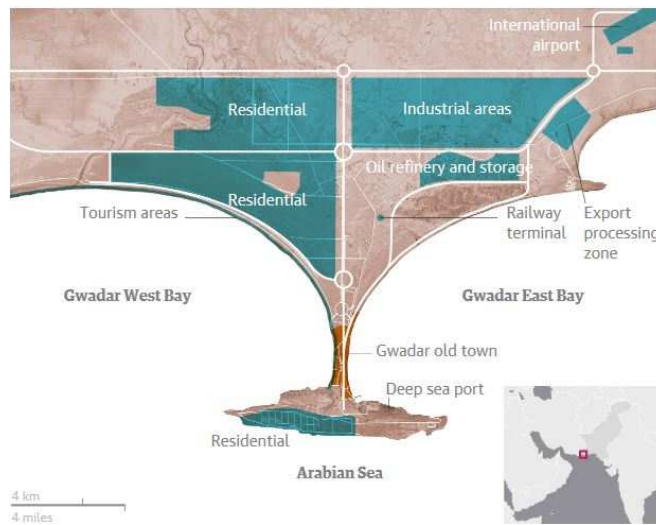
²²⁹ Baloch K., Boone J., *A new Shenzhen? Poor Pakistan fishing town’s horror at Chinese plans*, “The Guardian”, 4 February 2016, available at: <https://www.theguardian.com>.

²³⁰ Cervellera B., *Con 45 miliardi di dollari Pechino “compra” il Pakistan*, “AsiaNews.it”, 22 April 2015, available at: www.asianews.it.

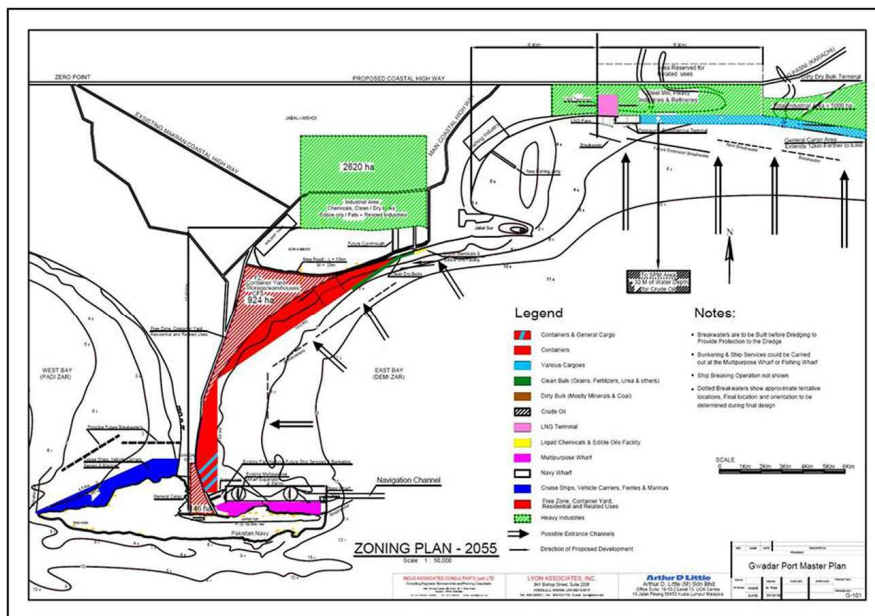
²³¹ Gwadar Port Authority, *China Pakistan Economic Corridor (CPEC)*, n.d., available at: www.gwadarport.gov.pk.

²³² MarEx, *China’s Gwadar Port Nears Completion*, 14 April 2014, “The Maritime Executive”, available at: www.maritime-executive.com.

Gwadar city master plan



Source: www.theguardian.com



Source: www.gwadarport.gov.pk

Xi Jinping and the Pakistani Prime Minister, Nawaz Sharif, have activated fifty-one projects connected to the Belt and Road initiative for an amount of \$ 45 billion invested by China into energetic and infrastructural projects, all along the economic corridor, which, developing from Gwadar Port – the crown of the CPEC²³³ –, reaches the Chinese territory.²³⁴

²³³ Bokhari S., “Crown of CPEC” to bring prosperity, “The Nation”, 14 December 2016, available at: www.nation.com.pk.

²³⁴ Cervellera B., Con 45 miliardi di dollari Pechino “compra” il Pakistan, “AsiaNews.it”, 22 April 2015, available at: www.asianews.it.



Source: www.bbcnews.com

China's investors have been strongly engaged into the financing of wind, solar and hydroelectric powers along the route, as well as into the building of roads, railways and electric centrals. By 2020, it is expected to complete the project of a big dam in the region of Punjab, along the border with India: the Karot Hydropower Project, highly assisted by the China Three Gorges South Asia Investment Limited (an investment company specialized over renewable resources plans that has deposited \$ 5 billion in the growth of Pakistan).²³⁵ Nowadays, in Pakistan there are around seven hundreds Chinese companies, of different sizes and importance, working to implement the Belt and Road, together with the AIIB, the Silk Road Fund and the New Development Bank. They have been engaged into a wide range of sectors: "electronics, automotive, education exchange programs, insurance, agriculture, textiles, shoe manufacturing, chemicals, battery recycling plant and real estate".²³⁶ Less than one month later, Zhao Lijian, China's Ambassador to Pakistan, announced that his country would be ready to settle a steel factory at Gwadar: "Both China and Pakistan would very soon sign an agreement to establish the steel factory, three times bigger than the free economic zone being set up in Gwadar city", and added that "After completion of energy projects, transport infrastructure and development of Gwadar Port, industrial cooperation between China and Pakistan will be the main topic at the next Joint Cooperation Committee".

²³⁵ Cervellera B., *Con 45 miliardi di dollari Pechino "compra" il Pakistan*, "AsiaNews.it", 22 April 2015, available at: www.asianews.it.

²³⁶ *More Chinese firms to invest in Pakistan in future*, "Dawn", 5 October 2016, available at: www.dawn.com.

In the same occasion, the Ambassador stated the China's main concern regards the coal production in the area, being China still largely dependent on this source for its economy: China would be supporting the HUBCO power plant, based indeed on the usage of coal in order to provide to its necessities. In spite of this, Beijing would still be concern and well engaged in the development of alternative and renewable production systems, but will consider only in a following moment the environmental issue: "the environmental concerns will be taken into consideration during the completion of these power stations".²³⁷

In November 2016, authorities from Balochistan declared to be near the signature of a deal with China for the promotion of a SEZ (Special Economic Zone) in the area of Gwadar. According to the agreement Beijing would gain 900 hectares of land exempt from the payment of transnational taxes, for a forty years period. The chief of Gwadar Port Authority has referred that the company involved in the project is the China Overseas Port Holding Company. In exchange, the PRC will invest \$ 1.6 billion into the realization of roads, railways and power centrals.²³⁸

One of the most urgent plan of renovation concerns the railways taking from Gwadar to China, along the CPEC. New railroads will get to Jacobabad, crossing Besima: it has been projected to build 560 km from Bostan to Kotla Jam, and 682 km from Havelian to Khunjrab.²³⁹



Source: www.defence.pk

²³⁷ *China to set up large steel factory at Gwadar: Envoy*, "Associated Press of Pakistan", 19 December 2016, available at: www.app.com.pk.

²³⁸ *China To Sign Deal On Developing Pakistan's Gwadar Port Area*, "Radio Free Europe Radio Liberty", 11 November 2015, available at: www.rferl.org.

²³⁹ *New railway tracks planned under CPEC: report*, "Dawn", 20 December 2015, available at: www.dawn.com.

Simultaneously the corridor will be crossed by a pipeline, that has been projected to carry one million barrels per day of oil, transshipped to China from the Middle East (the 17 % of the Chinese imported oil): the works will start in 2017 and are expected to be completed in maximum five years.²⁴⁰

²⁴⁰ Fawad Y., *China to build mega oil pipeline from Gwadar to Kashgar*, “The Nation”, 13 June 2016, available at: www.nation.com.pk.

3.3 Bangladesh: Chittagong or Sonadia?

Bangladesh has been facing an enormous economic development in the last years, with a boom in the export sector: it is indeed expected to exceed the \$ 50 billion by 2021. Nevertheless, the Country lacks of suitable maritime infrastructures, such as deep water ports: the two big ports, Chittagong and Mongla, are not adequate for the passage of the new wide container's ships, having therefore to rely on smaller boats to carry goods out and in the port itself. Bangladesh's government has been enticed by different possible investors, which are trying to get its favors to set foot in the Country, since its geostrategic position. China had already cooperated with Bangladesh for the development of its ports, and it seems to be now considering the investment for the realization of a deep seaport, which would become part of the 21st Century Maritime Silk Road.²⁴¹

Chittagong is the second port of Bangladesh: laying on the southeastern part of the country, over the Bay of Bengal, it holds a significant role in the Country's commercial exchanges. Between 2012 and 2013, it saw passing by the 92% of the national shipping traffic: over 43,37 million metric tons, 1,47 million TEUs.²⁴²



Source: www.worldatlas.com

²⁴¹ Shepard W., *Bangladesh's Deep Sea Port Problem*, "The Diplomat", 7 June 2016, available at: www.thediplomat.com.

²⁴² Chittagong Port Authority, *Economic Importance of Ctg Port*, n.d., available at: www.cpa.gov.bd.

Cargo Handling Including Inland and ICD

Financial Year	Import (in metric tons)	Export (in metric tons)	Inland (in metric tons)	ICD (in metric tons)	Grand Total (in metric tons)	Growth
2010 - 2011	39.914.145	4.980.375	4.772.786	532.053	50.199.359	24,78
2011 – 2012	36.184.935	4.716.374	6.548.490	572.141	48.021.940	-4,34
2012 – 2013	38.312.028	5.059.640	6.087.947	457.559	49.917.174	3,95
2013 – 2014	41.960.170	5.338.337	5.833.786	445.218	53.577.551	7,33
2014 – 2015	48.941.406	5.839.986	6.469.673	474.800	61.725.865	15,21

Source: www.cpa.gov.bd

It is an area of high growth, with a rate of 6/7% for the GDP and of 14/15% for the container's traffic, thanks to which it has become an important gateway for the commerce in the South Asia. It is, though, only 9,2 m deep, making impossible for new tankers to get in. It would be necessary to build a new port (Bay Terminal) on an island out of Chittagong, with a surface of 1200 acres; the new structures will have a depth of just 13-14 m, while technically a deep water port requires 15 m to be called so, but still enough to guarantee the entrance of the ships inside the Gulf. The Bengali authorities are looking with hope and confidence to the possibility of an agreement over the project with Chinese investors. Bangladesh had already invited the Country to support the initiative back in 2010, and the Foreign Minister stated: "It will be a great achievement if China agrees to use our Chittagong port, which we want to develop into a regional commercial hub by building a deep seaport in the Bay of Bengal".²⁴³ According to the plan discussed between the two actors, the port would be able to triple its capacity by 2055, taking the quantity transshipped to 100 million tons (from the previous 30,5 million). Furthermore, the new port will see increasing its role, thanks to its closeness to Myanmar, where China has been building a pipeline. Even if the infrastructure will not cross

²⁴³ Shepard W., *Bangladesh's Deep Sea Port Problem*, "The Diplomat", 7 June 2016, available at: www.thediplomat.com.

Bangladesh, this last one will certainly have a strategic reliance for the export of the energetic sources connected to it.²⁴⁴

Sonadia, instead, is a small island (9 km²) part of Chittagong's division, out of the Cox's Bazaar. In 2009, Japan conducted a survey that highlighted the adequacy of the place for a possible future deep seaport.²⁴⁵



Source: www.seaturtle.org

When Bangladesh showed its interest into the actual realization of the project, China immediately offered its support. In 2014, the Bengali Prime Minister visited Beijing giving a positive message towards the concession of the works, and after a while, it was given announcement that Bangladesh was reconsidering the project. At the beginning of 2016, at last, Bangladesh declared to have cancelled the project of cooperation, plausibly for the pressures of the other powers operating in the area.²⁴⁶

The renounce was due probably to different reasons. First of all, for the Japan's investment (80% out of the total of \$ 4,6 billion) only a few kilometers away, at Matarbari, in order to realize a deep seaport as well. Its construction made the infrastructure on Sonadia Island nearly redundant. In the second place, Bangladesh has always been at the centre of

²⁴⁴ Krishnan A., *China offers to develop Chittagong port*, "The Indu", 15 March 2010, available at: www.theindu.com.

²⁴⁵ Shepard W., *Bangladesh's Deep Sea Port Problem*, "The Diplomat", 7 June 2016, available at: www.thediplomat.com.

²⁴⁶ Shepard W., *Bangladesh's Deep Sea Port Problem*, "The Diplomat", 7 June 2016, available at: www.thediplomat.com.

geopolitical attentions, by India and the United States, and it is likely that these lasts have pushed Dhaka to refuse the building of the port on the island of Sonadia.²⁴⁷

In spite of the uncertainty about the future of a deep seaport in Bangladesh, Beijing and Dhaka has been keeping tight relationships and dialogues. Newspapers have recently referred of a new deal between the two of them, following the visit of Xi Jinping to the partner, a significant one, since no Chinese Presidents have entered the country for the past thirty years. Before the meeting, the Bengali Finance Minister commented in an interview: “Our infrastructure needs are big, so we need huge loans”; Dhaka’s government ended up receiving an engagement of \$ 24 billion for the development of its infrastructures, even if there were no details given about the nature of them.²⁴⁸ The agreements signed were more than twenty and voices have been talking about the broadening of Chittagong’s port, a necessity more and more urgent for an economy in fasting growth such as Bangladesh. Zhao Gancheng decisively stated: “While there is currently no oil pipeline running to Bangladesh, access to Chittagong will be of greater importance in the future when this infrastructure is put in place. With the development of China’s transportation of goods and energy in the Indian Ocean, China will certainly continue to attach more importance to this port”.²⁴⁹

The two Countries have consolidated their collaboration in commercial exchanges. China is still the biggest economic partner of Bangladesh and they intend to strengthen this relationship in the future, improving the infrastructural connection between their lands. Only in 2014, the Sino-Bengali trade amounted to \$ 12 billion; moreover, Beijing sells a large quantity of weapons to the Country, that is its second market after Pakistan.²⁵⁰ China is nowadays expected to support the realization of a network of roads and railways, with the aim of build another economic corridor in the area, going from Chittagong and Kunming through Myanmar, where it would reach its pipelines.²⁵¹

It has been reported that the China Railway Group would have reserved \$ 3,1 billion to assist a railroad running from Bangladesh’s capital to the southern region of the Country, crossing

²⁴⁷ Sudha Ramachandran, *China’s Sinking Port Plans in Bangladesh*, “The Jamestown Foundation”, 21 June 2016, available at: <https://jamestown.org>.

²⁴⁸ Ruma P., *China signs deals worth billions with Bangladesh as Xi visits*, “Reuters”, 14 October 2016, available at: www.reuters.com.

²⁴⁹ Ananth Krishnan, *China offers to develop Chittagong port*, “The Indu”, 15 March 2010, available at: www.theindu.com.

²⁵⁰ Sudha Ramachandran, *China’s Sinking Port Plans in Bangladesh*, “The Jamestown Foundation”, 21 June 2016, available at: <https://jamestown.org>.

²⁵¹ Ashok Sajjanhar, *Understanding the BCIM Economic Corridor and India’s Response*, “ORF Issue Brief”, Issue No. 147, June 2016, available at: www.orfonline.org.

168,6 km. According to the agreement, the company would need less than five years to be completed.²⁵²

The same Chinese company will take part to the implementation of the Padma bridge, which will cross the Padma river, allowing the connection from the south-western regions to the north and east of the Country, going to become the most ambitious infrastructural project realized in Bangladesh. Furthermore, in 2016, Dhaka and Beijing signed a contract of \$ 50 million for the building of the eighth Bangladesh – China Friendship Bridge: it will be long 1400 m and will pass over the Kocha River in the south, and it will add a new piece to a series of projects begun in 1986 with the first Bangladesh – China Friendship Bridge.²⁵³

In fact, China's relationship with Bangladesh is still complicated by its competitiveness toward India, but also the United States and Japan. Bangladesh has often underlined its intention of maintaining good connections with all the possible partners in favor of its highly changeable economy. Japan has been invested large amounts of money in the Country, especially in port activities and port's renovation. And India keeps looking with attention and fear at Chinese foreign policy, and at the expansion of its maritime strategy. With the interests shown by Beijing about Chittagong and Sanadia, New Delhi is sure that its neighbor follows an aggressive plan and is working to counterbalance the Chinese growing presence all over the Indian Ocean, both in Bangladesh and in Sri Lanka, at the port of Hambantota.²⁵⁴

²⁵² Zhou V., *China wins US\$3 billion bid to build rail line in Bangladesh*, "South China Morning Post", 9 August 2016, available at: www.scmp.com.

²⁵³ Huaxia, *China provides Bangladesh fund for 8th friendship bridge*, "Xinhuanet", 8 April 2016, available at: www.news.xinhuanet.com.

²⁵⁴ *China Counters India's \$2 Billion With \$24 Billion For Bangladesh*, "NDTV", 14 October 2016, available at: www.ndtv.com.

3.4 Tanzania: Bagamoyo

Africa is a significant part of the 21st Century Maritime Silk Road, thanks to its growing and changeable role in the international geopolitics. A 2013 survey indicated China as one of the four major countries investing FDI (foreign direct investment) in Africa in 2011.²⁵⁵

Chinese investments in the continent have been substantial and they have been helping numerous projects of infrastructural development (1046 accomplished projects, among which 2233 km of railroads and 3530 km of roads²⁵⁶). In doing so, Beijing has been promoting political trust, economic cooperation, mutual cultural influence and international coordination in security problems. China has been working in more than forty African countries, being involved in industrial and cultural projects, making use of Chinese and local workers and trying to enhance its connection with the continent.²⁵⁷ The PRC is also the top partner in trading exchanges for Africa: only in 2012 the business between the two actors reached \$ 163 billion, three times more than what happened in 2006.²⁵⁸ China wants to export its model of development, which has taken it to enter the developing countries group: indeed, Beijing has devoted 9% of its GDP into the infrastructural sector during 90s and 2000s, much more than the other non-Asian countries. Projects have been developing in several countries, as Tunisia, Senegal, Kenya, Djibouti, Gabon, Mozambique, Ghana and Tanzania.²⁵⁹

In March 2013, Xi Jinping arrived with a delegation to Tanzania for the first time, after the visit of the previous President in 2009, choosing the Country as its first destination in Africa. During the encounter, Xi Jinping and his Tanzanian homologue signed sixteen agreements and between them the deal to build a port in Bagamoyo's area, recalling the importance of cooperating according the mutual values of "sincerity, real results, affinity and good faith".

²⁵⁵ EPRSLibrary, *China's Role In Africa*, "European Parliamentary Research Service Blog", 16 May 2013, available at: <https://epthinktank.eu>.

²⁵⁶ *What crisis? 16 of China's biggest projects in Africa – it's all billion dollar territory in here*, "Mail & Guardian Africa", 18 September 2015, available at: www.mgafrica.com.

²⁵⁷ Sautman B., Yan H., *Localizing Chinese Enterprises in Africa: from Myths to Policies*, "Thought Leadership Brief", February 2015, available at: www.iems.ust.hk.

²⁵⁸ Devonshire-Ellis C., Solstad S. U., *China – The Great Infrastructure Developer*, "China Briefing", 27 March 2013, available at: www.china-briefing.com.

²⁵⁹ Léautier F. A., Schaefer M., Wei S., *Part I: China's New Maritime Silk Road: an opportunity for the revival of Africa?*, "The Uongozi Institute Blog", 13 November 2013, available at: <https://uongoziblog.wordpress.com>.

With a \$ 10 billion investment, Bagamoyo would gain the biggest and most productive port, welcoming twenty times more containers than Dar es Salaam, current main port centre of Tanzania, sixty kilometers south of Bagamoyo itself.²⁶⁰



Source: www.weather-forecast.com

The decision of building a new maritime area indeed responded to the necessity of supporting the ships’ traffic that was going to obstruct the principal ports, as demonstrated by a survey that Tanzania Port Authority asked to undertake in 2008. In order to work on the development of sea and lake areas, two years later, it was published the document that showed as Dar es Salaam was not expected to handle as much traffic as done before by 2020 (or even 2016, according to some more pessimistic analysts). Moreover, the survey suggested the region of Bagamoyo for future development, outlining the construction of facilities to manage the container’s trades and to help an overexploited area as Dar es Salaam is.²⁶¹

The investments in Tanzania would help China to penetrate into its market and Western Africa’s economies. The port of Bagamoyo will indeed represent for Beijing an opportunity to export Chinese manufactured goods, entering from an ease door facing the Indian Ocean, and to import at the same time African raw materials, especially minerals and energetic resources. Tanzania is surrounded by neighbors strategically fundamental for Chinese industry of extraction: Mozambique, Malawi, Zambia, Burundi, Rwanda, Uganda, Kenya and the Democratic Republic of Congo.²⁶² The proximity to the PRC’s area of investment makes

²⁶⁰ Read B., *New Bagamoyo port benefits Tanzania and region*, “Africa – China Reporting Project”, 20 May 2104, available at: www.china-africa-reporting.co.za.

²⁶¹ Read B., *New Bagamoyo port benefits Tanzania and region*, “Africa – China Reporting Project”, 20 May 2104, available at: www.china-africa-reporting.co.za.

²⁶² Léautier F. A., Schaefer M., Wei S., *The Port of Bagamoyo: A Test for China’s New Maritime Silk Road in Africa*, “The Diplomat”, 1 December 2015, available at: www.thediplomat.com.

simple to move freights to Bagamoyo's port, and from here to Chinese shores. For Africa it will also be a chance of cultural development, thanks to Chinese projects in the educational and training sectors, and of growth for local employment, since African workers are the most involved in the undertakings.²⁶³

Moreover, Tanzania would increase for China the possibility to improve its dialogue and cooperation with Europe and the European Union (to which Tanzania is linked through the Cotonou Agreement²⁶⁴). In fact, thanks to the Tanzanian past into colonial history, the country still maintains contacts with Germany and other European nations and this will help China to enter in contacts with relevant economic partners. Beijing will also be able to learn from the Western experience in the continent and to connect the Maritime Silk Route and the New Silk Road with Europe.²⁶⁵

The area has been detected by the Tanzanian administration for its potentiality into the development of diversified local activities, such as agriculture and small enterprises, thanks to the richness of the natural diversity. The Country had already seen a growth in manufacturing goods, until the bursting of the financial crisis. During the last years, the sector has started again (producing especially food and drinks, tobacco, rubber and plastic, chemical goods, textile and leather products²⁶⁶), even if slowly, but is still looking for incentives for its renewal and increasing prospective. Moreover, the tourism's sector has been growing since 2006, and Bagamoyo continues to be a region highly attractive for future touristic developments. Bagamoyo and its surroundings have indeed been involved in the colonial past, having been capital under the German control and centre for trading exchanges towards Europe as well. Nation rich of art (Bagamoyo itself is also called arts capital), and close to already touristic attractions such as the island of Zanzibar, Tanzania recalls especially tourists from the United States and European Countries, but is looking with interest to China, whose extremely numerous population has travelling abroad more and more.²⁶⁷ It is though poor economically, and lacks necessary structures, which the administration hopes to promote with the Chinese help. The two partners have therefore agreed on the necessity of pursuing a sustainable

²⁶³ Tanzania Ports Authority, *Annual Report & Accounts for the year ended 30th June 2014*, June 2015, available at: www.tanzaniaports.com.

²⁶⁴ European Commission, *ACP – The Cotonou Agreement*, “International Cooperation and Development”, n. d., available at: www.ec.europa.eu.

²⁶⁵ Léautier F. A., Schaefer M., Wei S., *Part II: A Port City in the New Maritime Silk Road: the Case of Bagamoyo*, “The Uongozi Institute”, 17 November 2015, available at: <https://uongoziblog.wordpress.com>.

²⁶⁶ Brookings Institution, *Learning to compete*, July 2016, available at: <https://www.brookings.edu>.

²⁶⁷ Léautier F. A., Schaefer M., Wei S., *Part II: A Port City in the New Maritime Silk Road: the Case of Bagamoyo*, “The Uongozi Institute”, 17 November 2015, available at: <https://uongoziblog.wordpress.com>.

development, taking care of the biodiversity and of the natural richness of Tanzania, in order not to jeopardize the future possibilities.²⁶⁸

Nevertheless, the signed agreements have been criticized by part of the opposition in Tanzanian Parliament. They have publicly complained the fact that they would not have been well informed about the undergoing plan when projected with China; they also have opposed the forty year leasing of the port and the apparently excessive cost for a project as the one in Bagamoyo. The critics have also insisted on the unnecessariness of the building of another port, since, according to their point of view, Dar es Salaam and the other maritime centres could be exploited more. To these comments, it has been added the usual accusation to China to be preparing a series of bases to expand its political and military control over the Zanzibar Channel.²⁶⁹

In response, it has been replied that the building of the new port was not forced by Chinese investors, but has instead been planned by Tanzania Port Authority itself, and only in a second phase entrusted to a Chinese company, also because of the difficulty on finding a different investing partner. Furthermore, it has been underlined that the whole project will reduce the costs of shipping and of local transports in the area. Regarding the possibility of a naval expansion, a retired Navy General, interviewed, has answered: “From all perspectives, the location is unfit since it has shallow waters of 12 meters and thus it cannot berth a submarine. It has obstruction in its frontage, the Island of Zanzibar, which is a disadvantage”. And he has added that an eventual military basis in the Country would be more convenient on the Rufiji River or in the Lindi region, because of the depth of the waters and of the nature of their floors.²⁷⁰

With the 2013 contract, Bagamoyo – a region of 33.539 km² – has entered officially in competition with Lamu, in Kenya, to grow as the first port for dimensions of the area, despite its name, which means “lay down your heart” remanding to its past as a slave harbor. The new infrastructure is expected to reach a capacity of handling 20 million containers every year, overcoming the biggest East-African port in Mumbasa, also a Kenyan city.²⁷¹

²⁶⁸ Léautier F. A., Schaefer M., Wei S., *The Port of Bagamoyo: A Test for China's New Maritime Silk Road in Africa*, “The Diplomat”, 1 December 2015, available at: www.thediplomat.com.

²⁶⁹ Read B., *New Bagamoyo port benefits Tanzania and region*, “Africa – China Reporting Project”, 20 May 2104, available at: www.china-africa-reporting.co.za.

²⁷⁰ Read B., *New Bagamoyo port benefits Tanzania and region*, “Africa – China Reporting Project”, 20 May 2104, available at: www.china-africa-reporting.co.za.

²⁷¹ *The race to become East Africa's biggest port*, “BBC News”, 7 June 2016, available at: www.bbc.com.

The project has been assumed by the China Merchant Holding International, then reached by the Omani State General Reserve Fund, and it was started with a budget of \$ 500 million. Originally, it was declared that the plan was going to start in 2015, to be then completed two years later, with the conclusion of “two container berths, with a depth of between 40 and 45 feet”.²⁷² For its realization, some sources have indicated that the government would have even granted 22.000 acres of land, where to build an Economic Development Zone.²⁷³ The area will be used with different aims, listed by the port’s master plan:

- for an industrial use, going to host industries of various levels and dimensions;
- for the building of port facilities, connected to all the port activities;
- for a residential purpose, because of the growing of the number of workers employed, answering to different necessities and housing demands;
- for commercial development, giving space to all kinds of financial, commercial and retail activities demanded by the growing area;
- for an institutional improvement, welcoming the construction of new schools, universities, libraries, community centres, police stations and religious structures;
- for tourism and entertaining activities, of which restaurants and hotels are examples, in order to increase the national and international attraction of Bagamoyo.

At the same time, the master plan has indicated some drawbacks on which the Port administration will need to work: in particular way the production of pollution and noise pollution from the economic area, and the emerging of new safety challenges linked to the movement of oil and gas and to new high risk industries.²⁷⁴

It has also been said that China will support the construction of an airport, the expansion of the national railway network, and that the Tazara railroad will be improved (all fundamental for the international connections with Tanzania).²⁷⁵ This last one is a route connecting Tanzania itself to Namibia built with the Chinese cooperation already in the 70s, when it served as a way of passage during the Apartheid period.²⁷⁶

In 2015, the government announced the starting of a new project to improve the transport inside and from the Country. A railway running for 2600 km from the coast to the Western

²⁷² Egan C., *Tanzania plans deep-water container port with Chinese aid*, “joc.com”, 29 October 2014, available at: www.joc.com.

²⁷³ Read B., *New Bagamoyo port benefits Tanzania and region*, “Africa – China Reporting Project”, 20 May 2104, available at: www.china-africa-reporting.co.za.

²⁷⁴ Export Processing Zone Authority, *Bagamoyo SEZ Master Plan*, January 2013, available at: www.tdu.or.tz.

²⁷⁵ Léautier F. A., Schaefer M., Wei S., *The Port of Bagamoyo: A Test for China’s New Maritime Silk Road in Africa*, “The Diplomat”, 1 December 2015, available at: www.thediplomat.com.

²⁷⁶ *The race to become East Africa’s biggest port*, “BBC News”, 7 June 2016, available at: www.bbc.com.

part of Tanzania was planned and entrusted to a China’s consortium guided by the Chinese Railway Materials (which will deposit 10% of the necessary funds).²⁷⁷ The Secretary at the Ministry of Transports Shaaban Mwinijaka has specified that “If you improve only the ports without improving the railway, you are not doing anything”. The structure will start form the current first port Dar es Salaam, probably crossing the way exiting the new area of Bagamoyo towards the inner bordering nations. In particular, Tanzania has been looking at the Democratic Republic of Congo, an area rich of minerals, but still little exploited. The project is expected to develop fast also because of the pressures given by the competition undertaken with Kenya, which is also working to expand its transports’ ways.²⁷⁸



Source: www.bbc.com

At the beginning of 2016, newspapers have reported news of a suspension of the construction of the port at Bagamoyo, with the Tanzanian authorities having instead decided to focus on the improvement of Mtwara and Dar es Salaam, ports that have been said still with a huge potentiality. Official sources, talking about Dar es Salaam, have referred the intention of ameliorating the first seven berths and of expanding the structure with two new ones. It has also been said that the project is expected to start in 2018, with the financing of the World Bank.²⁷⁹

²⁷⁷ Rogers D., *Chinese firms win \$9bn Tanzanian rail scheme amid East African transport boom*, “Global Construction Review”, 4 June 2015, available at: www.globalconstructionreview.com.

²⁷⁸ Honan E., *Tanzania dreams big with port project at former slave harbour*, “Reuters”, 15 March 2015, available at: www.reuters.com.

²⁷⁹ Mirondo R., *Tanzania suspends construction of \$10bn Bagamoyo port*, “The East African”, 8 January 2016, available at: www.theeastafrican.co.ke.

In spite of already being started, Bagamoyo has been criticized for its massive dimensions, for its proximity to Dar es Salaam and for the amount of money needed for it. It has also been said that the plan is incomplete and that there would be the necessity of new investors not found yet. Moreover, the government has had to respond to the protests moved by part of the population, and especially by those people, fishers and small sellers, who had to leave their houses to make space to the construction of the new industrial zone. Bagamoyo was even object of the 2015 elections' campaign, with the counterpart running for a new administration having affirmed that their victory would have stopped the undergoing project, in favor of the upgrading of the existing realities.²⁸⁰

The government has quickly answered to the general bewilderment stating that the development of the port area next to Bagamoyo has not been stopped or even shelved. Moreover, to mitigate the turmoil by the population it has been released a statement reading: "The Government of the United Republic of Tanzania in December, 2015 compensated a total of 2183 Bagamoyo residents about \$ 21 million to pave way for the project. A joint working team, comprising technical people from the United Republic of Tanzania China and Oman is preparing technical and commercial contracts for the implementation of the Port of Bagamoyo".²⁸¹

The Ministry of Works, Transports and Communications has publicly announced the new beginning of the works in July 2016, as soon as the parts involved in the project, Tanzania Port Authority, China Merchant Holding International and Oman's State General Reserve Fund, would have reached an agreement over the funding and the infrastructural development.²⁸²

²⁸⁰ Honan E., *Tanzania dreams big with port project at former slave harbour*, "Reuters", 15 March 2015, available at: www.reuters.com.

²⁸¹ *Construction of Bagamoyo port still in pipeline-government*, "Freight Logistics", 9 May 2009, available at: www.feaffa.com.

²⁸² *Tanzania Refutes Bagamoyo Port Suspension Claims*, "World Maritime News", n. d., available at: www.woeldmaritimeneews.com.

3.5 Kenya

According to the Ernst and Young Index, Kenya represents the fourth country for foreign investments in the whole Africa (after South Africa, Morocco and Egypt) and the first one in the eastern side of the continent.²⁸³

Indeed, Kenya attracts business makers by other states thanks to its already decent infrastructures and the competence of its professionals, as well as for its economic prospects of growth. To find another of its neighbors it is necessary to go down to the ninth position, where there is Rwanda, with Tanzania and Uganda respectively twelfth and thirteenth. Most of the investments that Kenya receives are directed to “private equity and grants” to support the realization of big infrastructures. In order to incentive the coming of overseas money, the government has established a financial strategy favorable for other markets: in particular, they can benefit from a ten-years tax free and the possibility to repatriate all the returns earned by the investors. If financial supports traditionally arrive from Western Europe and other African Countries, in the last years investments have grown from the United States, the United Arab Emirates and from China.²⁸⁴ The relationship between Beijing and Nairobi has tightened considerably over the last decade, with an increasing import of Chinese products and the boom of buildings and structures (like hospitals and schools) supported by the PRC. A journalist commented on a national journal that “the Chinese story is about the tale of the camel and the tent. Once you let them in to finance the first phase of a project, they will not stop”. In spite of the help to Kenya’s economy, the Country has also registered a high depth (\$ 2,6 billion) about which analysts have warned the government.²⁸⁵

In Kenya China has eyed at the two big ports, the top ranking Port of Mombasa, and the ongoing built Port of Lamu, that represent an important chance to enter Africa’s markets.

3.5.1 Mombasa

In its running along the 21st Century Maritime Silk Road, China has individuated Kenya with its top container’s port of Mombasa as a significant partner in its economic initiative.

²⁸³ Ochieng L., *Ernst & Young index ranks Kenya fourth top investment hub in Africa*, “Daily Nation”, 15 May 2016, available at: www.nation.co.ke.

²⁸⁴ Ochieng L., *Ernst & Young index ranks Kenya fourth top investment hub in Africa*, “Daily Nation”, 15 May 2016, available at: www.nation.co.ke.

²⁸⁵ Achuka V., *Asian giant’s local links tell of growth, debt, and suspicion*, “Daily Nation”, 24 April 2016, available at: www.mobile.nation.co.ke.

Thanks to its strategical position, and the proximity to other developing Countries (Uganda, Rwanda, South Sudan, the DC Congo), Mombasa is today handling the majority of East-African shipping traffic. Its history started in the XVIII century, when first the Portuguese and then the Arabs unloaded here to trade spices and slaves.²⁸⁶ From those times, the area has grown to become a central hub for the commerce coming from the Indian Ocean.²⁸⁷ The port has today two container terminals:

- the first one with a 15 m deep channel and a 300 m long turning basin, it also has side berths with a depth of 12 m run beside the main channel; in 2013, a new berth was dredged until 13,5 meters deep, in order to be able to host panama vessels (whose limits are 294,12 m in length, 32,31 m in width and 12,04 in depth), and making the terminal long 840 m in total;
- a second terminal that has started to be built in 2013 and partially completed last year; the two berths that have been opened are respectively 350 m and 210 m long, and 15 and 12 m deep, and have a total capacity of 550.000 TEUs per year, being able to welcome vessels of 6000 TEUs. Having concluded this part of the port, it has therefore entered a new phase of development (with the support of Japan), which is supposed to last until 2020.

Together the two terminals have a capacity of 1,65 million TEUs.²⁸⁸

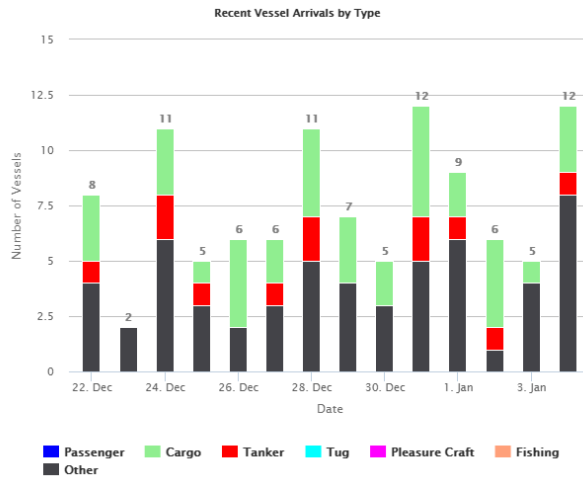
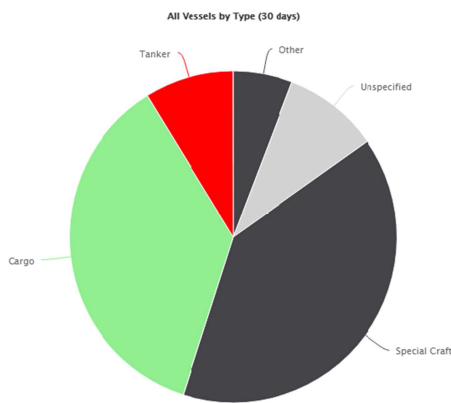
The port welcomes ships leaving its shores to other Countries and arriving from abroad, among which the most part answers to a commercial function, being containers' vessels the most numerous.²⁸⁹

²⁸⁶ Mutambo A., *China targets Kenya's ports in trade*, "Daily Nation", 4 October 2015, available at: www.nation.co.ke.

²⁸⁷ Kenya Ports Authority, *History of the Port of Mombasa*, n.d., available at: www.kpa.co.ke.

²⁸⁸ *Port Contact Details*, n.d., available at: <https://ports.co.za/mombasa.php>

²⁸⁹ *Port of Mombasa*, "Marine Traffic", n.d., available at: www.marinetraffic.com.



Source: www.marinetraffic.com

Official sources showed as, in 2015, Mombasa reached a production’s volume of 26.732 million tons and a container’s volume equal to 1.076.118 TEUs, with an increasing of 6,3% compared to the previous year. The following year, during the first half of 2016, the port has registered a general good level as well, even with some decreases: it was reported a growth of 1,4% regarding the cargos’ volume production, with 13.406 million tons (13.218 million tons registered during the same period in 2015); yet, at the same time, the container traffic lost 0.6% of the volume, having carried 527.523 TEUs (instead of 530.608 TEUs).²⁹⁰

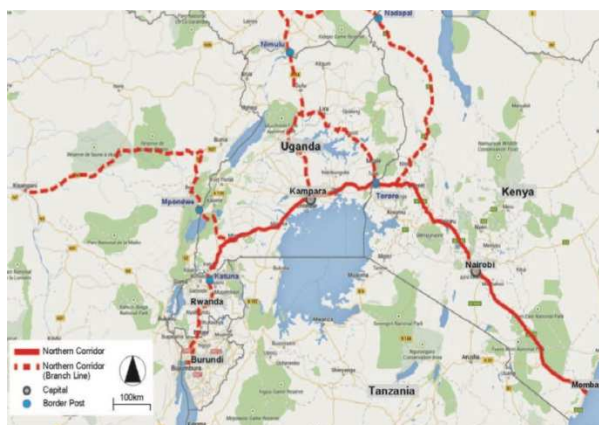
Thanks to its fundamental role for the regional trading business, Mombasa has been chosen as the maritime door for the Northern Economic Corridor, which has been launched by the Kenyan government together with Uganda.²⁹¹

The Corridor would be constituted by a network of railways, waterways, roads and a pipeline, running from Mombasa itself through Uganda, Burundi, the Democratic Republic of Congo and South Sudan. Analysis show that the port will triple the volume of its traffic by 2030 and the Corridor is necessary to handle such a quantity of goods that will have to be carried towards the inner lands. Moreover, those are Countries whose infrastructures are often underdeveloped or undeveloped.²⁹²

²⁹⁰ Saadé R., *Trade-watch Africa*, “CMA CGM”, October 2016, available at: <https://www.cma-cgm.com>.

²⁹¹ Xinhua, *Kenya, Uganda launch northern economic corridor master plan*, “Chinadaily”, 28 November 2016, available at: www.chinadaily.com.cn.

²⁹² Xinhua, *Kenya, Uganda launch northern economic corridor master plan*, “Chinadaily”, 28 November 2016, available at: www.chinadaily.com.cn.



Source: www.works.go.ug/nec/

Francis Gitau (Kenyan Secretary for the Ministry of Transport, Infrastructure, Housing and Urban Development and Infrastructure) has stated: “The aim of the master plan is to ensure that landlocked countries that depend on Kenya’s sea port can easily and conveniently access the rest. When fully implemented, the master plan will reduce the cost and time of travel between the East African countries”.²⁹³

A first way will start from Mombasa’s port and, through Nairobi, Tororo, Kampala and Katuna, will arrive to Kigali; while other three routes will take to South Sudan and the Democratic Republic of Congo. They will cross respectively Eldoret and Nadopal until Juba, where it will also arrive a second route coming from Tororo, Gulu and Elegu, and a third one from Kampal, Gulu and Elegu; the last way will cross Mbarara, Mpondwe and Kisangani.²⁹⁴

China has been investing on the first sector of the Northern Corridor, supporting the building of a railway that will start form the port of Mombasa. The project has been entrusted to the China Road and Bridge Corporation, managed by Beijing’s government, and financed nearly completely by the Export-Import Bank of China (a first part of the railway has been completed with an amount of \$ 13,8 billion).²⁹⁵ The railway has been started in 2014 and is expected to last five years, generating 30.000 work places for Kenyans; its final length is supposed to reach 472 km and will allow to decrease logistics cost for Kenya of 40%.²⁹⁶ Initially the plan had considered to connect Mombasa to Nairobi, but it has then be extended

²⁹³ Xinhua, *Kenya, Uganda launch northern economic corridor master plan*, “Chinadaily”, 28 November 2016, available at: www.chinadaily.com.cn.

²⁹⁴ Sea Schedule, *Master Plan on Logistics in the Northern Economic Corridor*, 2015, available at: www.works.go.ug.

²⁹⁵ Parke P., *Kenya’s \$13 billion railway project is taking shape*, CNN, 15 May 2016, available at: www.edition.cnn.com.

²⁹⁶ China Road and Bridge Corporation, *Mombasa-Nairobi standard gauge railway in Kenya*, 19 November 2015, available at: www.crbcc.com.

to the city of Naivasha; ultimately it will reach Uganda, running along the Kenya-Uganda Economic Corridor. This will help Chinese commercial exchanges with African Countries on the Eastern side, which hit every years very high quantities of the most diversified products. China imports from Africa elephants for its zoos and tobacco, and exports umbrellas, scarves and wigs.²⁹⁷

The network that falls under the Northern Economic Corridor encounters along the way the Lamu Corridor, another massive infrastructural plan that begins with the port of Lamu itself. The two routes run parallels toward west, intersecting each other along the way in the cities of Isiolo and Juba.²⁹⁸



Source: www.imirasire.com

3.5.2 Lamu

Lamu has been chosen for the construction of a new deep seaport at Manda Bay, thanks to the depth of its waters and the conditions of the area, with a navigable channel and coast long 10 km.²⁹⁹

According to the Kenyan Port Authority, as it is possible to read on the official website, the project will be a success for all the area, taking advantages for the employment, the shipping costs and the general economic development. The port will help to lighten the container’s traffic that docks at the port of Mombasa (but also in Djibouti and Sudan), and the area will

²⁹⁷ Parke P., *Kenya’s \$13 billion railway project is taking shape*, CNN, 15 May 2016, available at: www.edition.cnn.com.

²⁹⁸ LAPSET, *Railway – Standard Gauge Railway Lines*, n.d., available at: www.lapsset.go.ke.

²⁹⁹ Kenya Port Authority, *Lamu*, 2016, available at: www.kpa.co.ke.

also benefit from the project because of the creation of work's places, which will be needed during the building itself and later, when the port will be ready. Moreover, it will also make possible the decrease of the transshipment's costs, since it will not be necessary to rely on other structures. And, most of all, through the economic corridor that will start from the port, all the Country will be able to meet a new fast and growing economic development – analysts have talked about a growth of the 2 or 3% –, making easier transports, trades and increasing the number of people with an employment.³⁰⁰

The infrastructure has been planned to be accomplished by 2030 (it is indeed part of the “Kenya Vision 2030” plan) with the construction of thirty-two berths. In 2016, Kenya's Government announced that the project had been won by a consortium of Chinese companies, among which the China Communication Construction Company, which has been declared to have received \$ 20 billion to begin the project.³⁰¹ The website of this last company presents the project reading: “The main content is building a bulk berth, a container berth and a general berth. The total length of the wharf line is 1130 meters. It will newly build an 800.000 square meters of the rear yard and port roads, houses and other ancillary facilities. After its completion, it will promote the economic development of North Kenya, and help to relieve the congestion in Port of Mombasa”.³⁰²

Through the Lamu Port, Kenya is expecting a high Economic Internal Rate of Return, calculated to be 23,4 %, gaining a 28,5 % for general cargo, 24,5 % for container cargo, and 17,1 % for bulk cargo.³⁰³

³⁰⁰ Kenya Port Authority, *Lamu*, 2016, available at: www.kpa.co.ke.

³⁰¹ Spear, *Lamu Port construction set begin as China Communications Construction CO. mobilizes on site*, “Kenya Talk”, 14 July 2016, available at: <https://www.kenyatalk.com>.

³⁰² China Road and Bridge Corporation, *Construction of first three (3) berths and associated infrastructure of proposed Lamu Port at Manda Bay, Lamu in Kenya*, 19 November 2015, available at: www.crbc.com.

³⁰³ LAPSSSET, *Lamu Port – Manda Bay, Lamu County*, n.d., available at: www.lapsset.go.ke.



Source: www.slideshare.net

The first three berths have already been started and are expected to be completed in three years. From here products will leave and enter from and to all the area, with a significant role for the economies of South Sudan, Ethiopia and the northern part of the Country. South Sudan plays a strategic part because of the presence of crude oil that is exported, and that China looks at with interest. For these reasons, Lamu's administration has also talked about the building of an oil refinery and of a pipeline that would serve the surrounding area.³⁰⁴

In fact, the construction of the port is part of a much bigger initiative that, similarly to the project undertaken in Mombasa, intends to improve the logistics distribution of all the country and its neighbours. The project, which China has been strongly supported, is the so called LAPSSET Program, part of the Kenya Vision 2030 itself. This last one can be explained as the "long-term development policy" that has been organized by the Kenya's government, in order to promote a sustainable and safe development in the Country, engaging the whole population in the process. The initiative expects to make of Kenya an industrialized and middle-income nation by 2030.³⁰⁵ The acronym LAPPSET, instead, refers to the Lamu Port-South Sudan-Ethiopia Transport Corridor, which was launched in 2013 as the most significant infrastructural project in the area, turned to improve the connections in the region, develop the lands along the way, promote the economic growth of the Country and internationalize it. The government has declared integrity, quality and deliver as its funding values, which will regulate the collaborations in building it.

The LAPSSET Program will be constituted by:

³⁰⁴ Northern Corridor Transit Transport Coordination Authority, *Northern Corridor Infrastructure Master Plan: Final Report*, May 2011, available at: www.ttcanc.org.

³⁰⁵ Kenya Vision 2030, *About Kenya Vision 2030*, n.d., available at: www.vision2030.go.ke.

- a standard gauge railway line;
- a road network;
- an oil pipeline;
- an oil refinery;
- international airports in Lamu, Isiolo and Lokichogio;
- the Port at Lamu;
- resort cities in Lamu, Isiolo and close to Lake Turkana.

Apart from the construction of the port's berths China has been supported the construction of part of the road and of the railway leaving the port.³⁰⁶

The China Wu Yi seems to be the Chinese company designated to build the highway's section going from Lamu to Garsen, passing through Witu (part of the route planned to reach Ethiopia and South Sudan): long 112 km, it has required an investment of 8,4 billion of Kenyan shillings to be realized. The project, which will operate on a colonial road still undeveloped, was begun last year and is expected to be completed by 2020, according to what stated by the Kenya National Highways Authority. Kenya's government has signed a series of agreements with its neighbours in order to develop together the road, which will be necessary to move the containers.³⁰⁷

At the same time, the China Civil Engineering Construction Corporation has been designated to design and realize the LAPSSET Corridor railroad running in Kenya, even if it seems that Ethiopia has asked the same company to complete its part of the railway as well. The cost of the project is going to be conspicuously high, and Kenyan government is very concerned about the initiative, having already tried to start the modernization of the national railroad. It has therefore underlined the importance of a tight partnership and collaboration not only with foreign investors, but also from the neighbours that will benefit from it.³⁰⁸

Nevertheless, again the infrastructural plan has been the target of heavy critics from the local population. Despite the fact that the whole plan has been presented as respectful of the environment and of the pre-existing reality, Kenyan people have although expressed their fear about the preservation of their city. Lamu has been declared a UNESCO World Heritage Site, thanks to the nature surrounding it and its historical past, and its inhabitants are worried that

³⁰⁶ LAPSSET Corridor Development Authority, *Brief on LAPSSET Corridor Project*, July 2016, available at: www.vision2030.go.ke.

³⁰⁷ LAPSSET Corridor Development Authority, *Brief on LAPSSET Corridor Project*, July 2016, available at: www.vision2030.go.ke.

³⁰⁸ LAPSSET Corridor Development Authority, *Brief on LAPSSET Corridor Project*, July 2016, available at: www.vision2030.go.ke.

the project of a massive port could ruin the city itself and the environment around. They have also accused the port to leave a large number of local workers without an employment, especially small fishers who would be obliged to move somewhere else. Other people would have to leave anyway to make physically space to the port and the industrialized area connected to it. Moreover, the situation is worsened by the fact that only a limited number of Kenyans has an actual contract of property, making impossible for them to oppose the government's requests to move. In fact, regional Human Rights' Organizations have talked about a form of land-grabbing, convinced to having been stolen of their land, and have tried to stop the LAPSSET Program from going on.³⁰⁹

³⁰⁹ Environmental Justice Atlas, *Lamu Port and related infrastructure, Kenya*, 9 August 2016, available at: <https://ejatlas.org>.

3.6 Greece: Port of Piraeus

Placed out of the Greek capital (just 10 km from Athens), the Port of Piraeus is one of the main ports in Europe: in the 2016 Lloyd's list, it appears to be eighth in Europe and third in the Mediterranean Sea.³¹⁰ Thanks to its strategical position, it represents a point of connection between Asia, Africa and Europe itself, and the international ships rely on it with different aims. It is indeed considered a safe and well-regulated port, and its dimensions and modern infrastructures make it suitable for cruise and car ships, as for containers' cargos.³¹¹

The port has faced a stage of growth after the Olympic Games (2004), that has taken the area to become a lively and efficient hub. In 2010, the Piraeus Port Authority inaugurated the Container Terminal,³¹² planned to handle a volume of 1.000.000 TEUs every year.³¹³ Two years later, the Port Authority met MSC's (Mediterranean Shipping Company) representatives to sign a five year agreement, which has contributed to rise the number of transshipment's containers to 80% out of the whole volume of containers entering the area.³¹⁴ The official website reports that the area has been divided in "two platforms; the East one of 500 m length and 18 m depth and the West one of 320 m length and 12 m depth";³¹⁵ moreover, one of its main advantages is the connection to the Hellenic Railways Organization, which makes easier the commercial distributions. The terminal has seen a constant growth since 2013, when the container's traffic was moving 645.054 TEUs, to 2016, with the volume raised to 718.599 TEUs. Previsions talk about a further development of 2,5 %, which would make the capacity hit 736.352 TEUs of throughput. Albeit this, the Pier I traffic has been badly influenced by the economic crisis and the competition with the other terminal.³¹⁶

³¹⁰ Lloyd's list, *Top Ports*, n.d., available at: www.lloydslist.com.

³¹¹ Piraeus Port Authority S.A., *Company Profile*, 3 June 2016, available at: www.olp.gr.

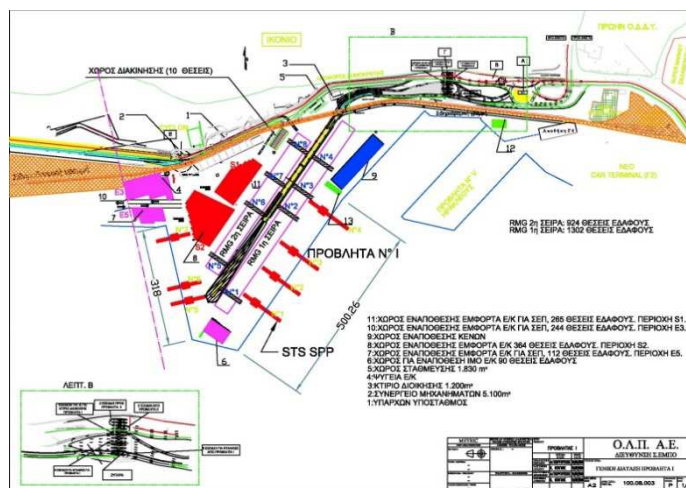
³¹² Piraeus Port Authority S.A., *Business Plan 2014-2018*, September 2014, available at: www.olp.gr.

³¹³ Piraeus Port Authority S.A., *Infrastructures*, n.d., available at: www.olp.gr.

³¹⁴ Piraeus Port Authority S.A., *Business Plan 2014-2018*, September 2014, available at: www.olp.gr.

³¹⁵ Piraeus Port Authority S.A., *Infrastructures*, n.d., available at: www.olp.gr.

³¹⁶ Piraeus Port Authority S.A., *Business Plan 2014-2018*, September 2014, available at: www.olp.gr.



Source: www.olp.gr

A second terminal in the Athenian port is nowadays handled by the COSCO Pacific Limited, subsidiary of the Chinese PCT COSCO Group: based in Honk Kong, the company represents the fifth container operator at a global level. The Chinese company has stated that it is working in the Greek port to advance the tutelage about safety and port efficiency. Indeed, the contract, signed in 2008, marked the concession of Pier II and East Pier III (to be built) for thirty years (then become thirty five in order to further widen it) and a total of \$ 532 million.³¹⁷ In 2014, the Amicable Settlement Agreement was signed to have started the realization of West Pier III, expected to last three years: together the whole terminal should reach a capacity of 6.200.000 TEUs.³¹⁸

Pier II has been projected to be able to host Post Panamax ships (those vessels that, even if smaller of New Panamax ships, are still too wide to pass through the Panama Canal): with its four berths, long 2.009 m and an area of 560.000 m², it has a depth of 14,5/16,5 m, and ships carrying from 5.000 to 14.000 TEUs would therefore be capable to enter the area. The International Ship and Port Facility Security was also introduced in 2011, in order to guarantee a major safeguard inside the terminals, with regard to the people working here, goods and ships crossing its docks. At the same time, the port's management has been increasing the services related to the transshipment of goods and containers especially, improving their quality, velocity and costs.³¹⁹

³¹⁷ Cosco Group, *Piraeus Container Terminal S.A.*, 18 June 2013, available at: www.en.cosco.com.

³¹⁸ Piraeus Port Authority S.A., *Company Profile*, 3 June 2016, available at: www.olp.gr.

³¹⁹ Cosco Group, *Piraeus Container Terminal S.A.*, 18 June 2013, available at: www.en.cosco.com.

The Pier III, now under construction, is instead supposed to reach a length of 800 m and a depth of 18,5 m; moreover, it will include a “seven Super Post Panamax double lifting quay-cranes” that is expected to have a total capacity of 18.000 TEUs.³²⁰

The report released by the Port Authority has highlighted a huge growth in the throughput related to the second terminal under Chinese concession: 16% estimated between 2014 and 2018. If in 2013 the volume registered reached 2.500.000 TEUs, it is expected to overcome 4.500.000 TEUs. In addition to this, the revenues of the area have increased as well of 31%: from around 30.000.000 euros, to nearly 50.000.000 euros in 2016, to 80.000.000 expected in 2018.³²¹

The agreement signed between the former President Hu Jintao and Greek Prime Minister Kostas Karamanlis has also taken to China an area of 23.986 m² inside the Free Zone, where goods are stored between the transfers, and where Beijing has promoted the presence of one of its most significant international company.³²² In fact, as already stated above, in 2013, the Chinese telecommunications company Huawei has opened a centre for the distribution in Europe of its products in the Piraeus Port.³²³ Thanks to its strategy of marketing, Huawei Technology has raised its role in overseas economies, becoming the second Android brand in Europe, second only after Samsung. The new centre in Athens allows Beijing to access to a more efficient diffusion without paying taxes or duties, especially towards Germany, Spain, Italy, France and the United Kingdom.³²⁴

In addition, since 2013, Cosco has been linked to TrainOSE³²⁵ and Hewlett-Packard in a new agreement. The first one the national railroad company in Greece, the second one global leader in the computers' distribution, better known simply as HP. This last one, despite being American, assembles the majority of its pieces in China, which, through the new deal, will use the Port of Piraeus as a distribution point in Europe. From here, Hewlett-Packard will be able to reach all the Countries in the Eastern, Central and Southern part of the continent, but not only: smaller ships will be charged with the diffusion of the projects in all the Mediterranean Sea. Russia, Ukraine and Bulgaria will be reached, instead, through the Black Sea, whereas the nations of the Balkan Peninsula, Hungary and the Czech Republic will be

³²⁰ Cosco Group, *Piraeus Container Terminal S.A.*, 18 June 2013, available at: www.en.cosco.com.

³²¹ Piraeus Port Authority S.A., *Business Plan 2014-2018*, September 2014, available at: www.olp.gr.

³²² Cosco Group, *Piraeus Container Terminal S.A.*, 18 June 2013, available at: www.en.cosco.com.

³²³ Xinhua, *Huawei launches pilot distribution center at Piraeus port*, “China Daily USA”, 13 December 2013, available at: www.usa.chinadaily.com.cn.

³²⁴ Charlton A., *Huawei is second most popular smartphone brand in Europe, overtaking Sony and HTC*, “International Business Times”, 5 November 2015, available at: www.ibtimes.co.uk.

³²⁵ Goh B., Koutantou A., *After Piraeus Port, China's COSCO eyes Greek trains to build Europe hub-sources*, “Reuters”, 5 February 2016, available at: www.reuters.com.

refurnished by train. Moreover, the reliance on Greece represents an open door towards a possible future in Africa and its growing markets. HP and Huawei are, although, only two examples, among the numerous companies that, from East Asia, are looking with interest at the possibility of making Athens a distribution center: ZTE, Samsung and Lenovo are some of the actors involved in a dialogue with the Greek counterpart.³²⁶

These agreements are generally well welcomed because of the opportunity of improving the trading efficiency reducing the necessary costs, especially related to the warehouse storage of those high-value goods, such as technological products, that travel in large quantities.

During the last year, on August 10, COSCO widened its interests in Greece. After the signature of a new deal in April, Beijing has gained the control of 51% of the Piraeus Port Authority until 2052, under the payment of around €280 million. In addition, according to the agreement, the Chinese group will pay in a second stage other € 88 million to manage a further 16%.³²⁷ In this way, Beijing has getting the benefits not only from the container's industry, but also from the cruise and car terminals. Both key factors in the Greek economy, since it is from the Piraeus that a lot of ships and ferries leave for touristic reasons (18 million passengers would leave Greek shores every year, making it the first port in Europe). But it would also be significant for Chinese future prospects, being the tourism a growing sector in China, and being China's citizens more and more travelling abroad.³²⁸

Talking about the renovated businesses, Stergios Pitsiorlas (chief of the Hellenic Republic Asset Development Fund) has commented: "The cooperation at Piraeus port is not just an economic collaboration but has strategic characteristics. Greece, via the Piraeus port, can indeed become China's gateway into Europe to the benefit of China and Greece". While Wan Min (Chief Executive Office of COSCO) answered: "the Piraeus project represents a key milestone in the Belt and Road initiative, and the port's growth and prosperity will boost economic development both in China and Greece, ushering in a new era of trade cooperation and cultural exchange between east and west."³²⁹

³²⁶ Van der Putten F., *Chinese Investment in the Port of Piraeus, Greece: The Relevance for the EU and the Netherlands*, "Clingendael, Netherlands Institute of International Relations", 2014, available at: <https://www.clingendael.nl>.

³²⁷ Vassilopoulos J., *China completely majority purchase of Greece Piraeus port*, "World Socialist Web Site", 2 September 2016, available at: <https://www.wsws.org>.

³²⁸ Smolczyk A., *China Seeks Dominance in Athens Harbor*, "Spiegel Online", 9 April 2015, available at: www.spiegel.de.

³²⁹ Vassilopoulos J., *China completely majority purchase of Greece Piraeus port*, "World Socialist Web Site", 2 September 2016, available at: <https://www.wsws.org>.

Entering from the Greek door, China has the possibility to access to those regions facing the Mediterranean Sea, but also the inner nations, where Beijing has important interests: first of all, the chance to bring here its products, taking advantage of its proximity to the Suez Canal; secondly the encounter with an highly advanced technology. Indeed, the very first source of new technology for Beijing is Europe (also but not only military technology), mainly for the difficult political relationship that its government has with the United States and the geographically closer Japan.³³⁰ Beijing has been also taking part to a development project of the railroads connecting Athens to Central Europe, which is supposed to be realized through the assistance of the European Fund for Investments together with the Silk Road Fund.³³¹ Moreover, in 2013, China's authorities have held a meeting in Bucharest with the delegates of other sixteen Countries, coming from the Central and Eastern Europe. Together, the involved governments have settled an agenda for the future collaborations in the communications and transport system, in order to develop a major connection in the area, especially with regard to the railways. The aim pursued is obviously to widen the possibility for China to reach more rapidly new markets, as well as to ease the circulation of those goods that it is interested to import.³³²



Source: www.railwaypro.com

³³⁰ Van der Putten F., *Chinese Investment in the Port of Piraeus, Greece: The Relevance for the EU and the Netherlands*, “Clingendael, Netherlands Institute of International Relations”, 2014, available at: <https://www.clingendael.nl>.

³³¹ Piraeus Port Authority S.A., *Company Profile*, 3 June 2016, available at: www.olp.gr.

³³² Van der Putten F., *Chinese Investment in the Port of Piraeus, Greece: The Relevance for the EU and the Netherlands*, “Clingendael, Netherlands Institute of International Relations”, 2014, available at: <https://www.clingendael.nl>.

In fact, Greece has been forced by the financial crisis to privatize part of its economy, in order to repay the debt accumulated. In front of the pressures exercised by the institutions of the EU and by the International Monetary Fund, Athens had to start a sale process to collect enough funds to try to support the repayment. Apart from the Piraeus, COSCO seems to be interested to acquire the Port of Thessaloniki, second port of Greece, in the North of the Country. And this is only one example in a long list that includes airports, beaches, islands, boutique hotels, golf courses and historic properties.³³³

The Chinese interests for Greek port realities have been well welcomed by Athens's government with regard to its internal and international future. Domestically, ports represent for Greece the main access to its economy, being its import and export trades based on maritime transports. Every year, 70% out of 1 million TEUs that enter the Country passes through Piraeus, whereas the remaining 30% comes in by the port of Thessaloniki; and in the Port of Piraeus 500.000 TEUs are managed by COSCO, while the remaining 200.000 TEUs by the Piraeus Port Authority. On the other hand, internationally, Chinese investments have been supporting a fast development, thanks to the assistance reserved to structures for both the transit and the transshipment traffic. The first one is defined as the transfer of goods docked to the ports through different means of transport, such as roads, railroads or airplanes (there is an airport far from Athens only forty km). The second one involves instead smaller vessels that, taking the containers from huge ships, bring them to different ports, in Asia as in Europe. Transshipment traffic has been dominated the international scenery in the last years, as confirmed by the National Bank of Greece as well. Between 2010 and 2012 it has tripled and, according to the experts' opinion, it will keep growing more (with a growth of the role of Asian ports). Thanks to Chinese assistance, the port of Piraeus is becoming an important commercial hub in the Mediterranean Sea, overcoming centres as Egypt, Spain, Morocco, Malta and Turkey, whose traffic was wider than in the Greek one until 2011.³³⁴

The actions of COSCO has been favoring this raising role using a more modern and developed equipment, increasing the productivity in the area and the number of companies involved. Regarding to the productivity, in the Piers financed by Chinese investors, it has benefiting from lower costs and, probably, from a working model that has been said to be more similar to China than to Europe. Pier II produces nowadays forty-four containers per

³³³ Smith H., *For sale: Greek islands, hotels and historic sites*, "The Guardian", 30 May 2016, available at: www.theguardian.com.

³³⁴ Van der Putten F., *Chinese Investment in the Port of Piraeus, Greece: The Relevance for the EU and the Netherlands*, "Clingendael, Netherlands Institute of International Relations", 2014, available at: <https://www.clingendael.nl>.

hour, since COSCO has gained the concession of part of the Port, instead of the 10-12 containers per hour of the previous management. Moreover, thanks to the improvement of the efficiency of the port, other companies have been attracted towards the area. COSCO is indeed member of the Green Alliance, which also comprised other important groups, like K-line, Hanjin and Yang Ming: all of them use the Piraeus as their gate to the region and the whole Europe, so that it has been said that a total of twenty-nine shipping companies have been started new long-term agreements, allowing them to dock to the Greek terminals.

For Greece, Chinese investments represent a positive sign for its economy. With the Beijing's support, Athens hopes to have the possibility to exit the financial crisis and to face the European pressures. Through the loans that come from Asia, Greece would indeed be able to repay the debt, improving the relationships with the EU and increasing its self-confidence, because of its still alive capability of attracting foreign aids. And it hopes that the Chinese example would attract new investors.³³⁵

Yet, COSCO's interests have also provoked doubts and critics by the locals. According to some opinions, China could indeed cause another impediment for Piraeus's growth. Internationally, it has been underlined that COSCO Group would have had some financial difficulties, bounded to the arrest of some important managerial personalities because of corruption's episodes. Secondly, since 2008, navigation's rates have been collapsed, having as a consequence a productivity excess for COSCO.³³⁶ Greece, with the international community, is looking at the future development of the shipping's group internal businesses, asking themselves in which way to exit the situation that is going to be adopted.

Yet, most of all, China has been attacked by groups of workers. COSCO seems to have given a job to more than one thousand employees, who would receive a quite high salary, according to what officially stated. Chinese delegates have declared to be employing only seven managers, and to have recycle the earnings coming from Greek port activities in the economy of Greece itself. Fu Chenqui (chief executive of COSCO in Piraeus) has even commented: "Every employee is like the member of a family. Everybody works with respect for the other. We listen to what our employees say and react to it. The company is like a family. We are all

³³⁵ Van der Putten F., *Chinese Investment in the Port of Piraeus, Greece: The Relevance for the EU and the Netherlands*, "Clingendael, Netherlands Institute of International Relations", 2014, available at: <https://www.clingendael.nl>.

³³⁶ Van der Putten F., *Chinese Investment in the Port of Piraeus, Greece: The Relevance for the EU and the Netherlands*, "Clingendael, Netherlands Institute of International Relations", 2014, available at: <https://www.clingendael.nl>

brothers. Everybody is happy.”³³⁷ In spite of this positive approach, Athens has been theatre of numerous demonstrations against Chinese management. The accusation focuses on the very difficult conditions of work, with the workers being employed too many hours during the day, without the possibility of having a rest, or even eating. They would not have the opportunity of organizing themselves in representative groups or workers unions, and they complain about the lack of a proper training and of adequate security measures.³³⁸ In fact, the relationship between China and Greek port workers have always been challenging: when the first authorities arrived in 2009, they were welcomed by the slogan “COSCO go home!”. But, China has never given sign of second thoughts and its partnership with the government seems only to get stronger.³³⁹

³³⁷ Smolczyk A., *China Seeks Dominance in Athens Harbor*, “Spiegel Online”, 9 April 2015, available at: www.spiegel.de.

³³⁸ Vasilopoulos J., *China completely majority purchase of Greece Piraeus port*, “World Socialist Web Site”, 2 September 2016, available at: <https://www.wsws.org>.

³³⁹ Smolczyk A., *China Seeks Dominance in Athens Harbor*, “Spiegel Online”, 9 April 2015, available at: www.spiegel.de.

3.7 The Port of Venice and the North Adriatic

Besides the growing role of the Port of Piraeus in Greece, China is looking at another area of Europe, in order to expand its initiative of the 21st Century Maritime Silk Road.³⁴⁰

Ideally end of the historical Silk Road, since from here Marco Polo left to reach the Far East, Venice seems to be going to become the extremity of the One Belt One Road. Here, Beijing has already started an investment project, taking advantage of a changing and widening area, which is part of a bigger region always in evolution. The European Union, the necessity of being part of a single market, the global financial crisis and the phenomenon of globalization are all elements that have been strongly influencing the role of a port like Venice, which cannot simply be an Italian port anymore, but has instead to become a global port itself. And to do this, it has to face its capacity of renewing and adapting to the evolving reality.

In fact, Venice is only one actor in a wider scene that involves the whole region in the North of the Adriatic Sea, which includes not only Italy, but also Slovenia and Croatia. These Countries can indeed benefit from the movement of the international economic barycentre towards East Asia, with the emerging of new economies and the entrance of China in the World Trade Organization in 2001. Moreover, they can also take advantage of the widening of the European Union towards East, and of the value of the manufacturing in the regional industries.

As reported in “Il futuro europeo della portualità italiana”, Venice’s port, and Italian ones in general, are although still backward, and much has still to be done to grow to the actual level of the naval gigantism, in which ships capable of carrying 18.000 TEUs are moving along the worldwide shores. Because of its infrastructural lack and the slowness of the national policy, Venice has always been behind compared to the more developed ports of Northern Europe, and second one in the choice of international companies. The Ultra Large Container Ships prefer indeed to rely on other ports, taking advantage of better services and lower costs, and Italy has been losing a lot on the route Eastern Asia-Europe, which is fundamental in the present shipping economy, and that passes through the Suez Canal. The role of Italy in the international transshipment has indeed to compete with other ports, in the Mediterranean Sea and in Europe as well. Many ULCS are instead making use of other maritime centres on the Northern African coast (in particular Port Said, in Egypt, and Tanager Med, in Morocco), thanks to the possibility of counting on more favourable costs and of docking with oceanic

³⁴⁰ Most of the chapter relies on: Costa P., Maresca M., *Il futuro europeo della portualità italiana*, Venezia, Marsilio Editori, 2013.

ships handling always bigger volumes. Nevertheless, the area has been damaged by the political instability of the last years, which does not seem to be under resolution, and that would be a reason for international companies, and Chinese ones in particular, to look for other port cities, safer, even if more expensive.

At the same time, Italian ports have always been penalized in the comparison with the ports in the North of Europe. In spite of the general growth of the traffic in the last decades, Venice has never been capable of competing with the Northern homologues, especially after the financial crisis, and despite entailing a much longer trip for those Countries that enter the European market from the Suez Canal.

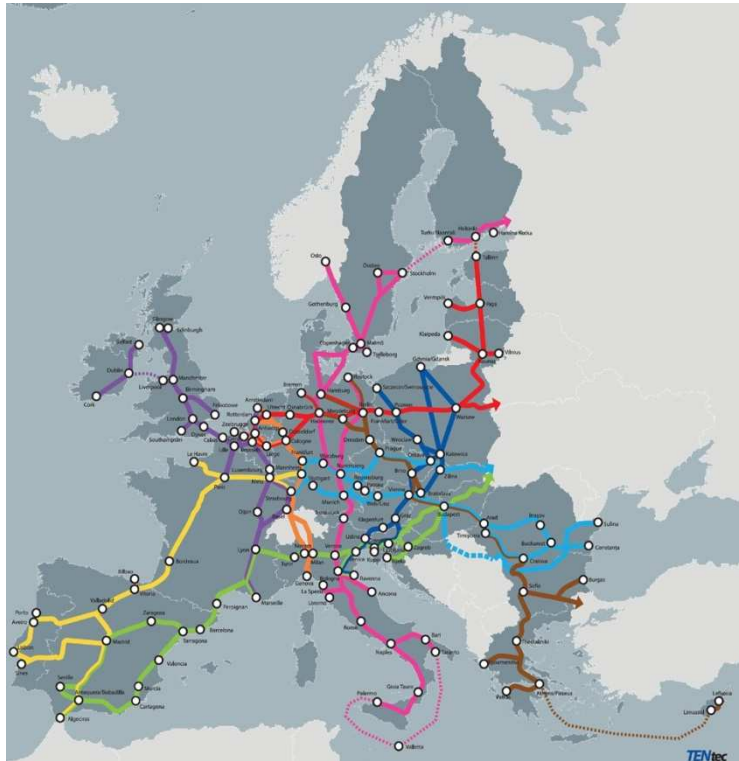
They indeed keep preferring Belgium or Germany for mainly four reasons:

- the backwardness of Italian port infrastructures, which still cannot welcome the big vessels carrying huge quantities of TEUs;
- the obsolescence of Italian rail infrastructures, fundamental for the connections from and to the ports;
- the lack of efficiency of the services related to the maritime and land activities;
- the inefficiency of the coordination inside the transportation system towards the Western and Eastern Europe.

All these elements together have obliged Italy to rely on other centres for its import and export businesses. And, in the last years they have opened it to the arrive of investors and operators from abroad.

Moreover, Venice, and Italian North Adriatic Sea ports in general, has to face a further obstacle, which is objectively constituted by the presence of hills and mountains that divide Italy from the rest of the European market, and that would benefit the ports of other nations, preferably chosen by overseas companies. According to a wide strategy, the problem would be solved by the creation of a network – a core network – of nine corridors – core corridors – that should connect the most important ports to their potential distribution centres. Parts of these lanes, there are four concerning Italy and, among them two passing on the Adriatic coast:

- the corridor five, which runs through Gdynia, Katowice, Ostrava/Žilina, Bratislava, Vienna, Klagenfurt, Udine, until Venice/Trieste;
- the corridor six, which runs from Almeria, through Valencia/Madrid, Saragossa/Barcelona, Marseilles, Lion, Turin, Milan, Verona, Padua/Venice, Trieste/Koper, Ljubljana, Budapest, Zahony, until the Ukrainian border.



Source: www.mir-initiative.com



Source: www.railtalent.org

These same corridors would support the development of the ports themselves, whose potential and capacity will not be given only by their maritime role, but also and most of all by their being part of that European network. So that it would mean, as it has been stated, the encounter between a global push coming from the sea and a European push coming from the land, making of Europe not just a single market anymore (the major aim during the first decades of its life), but a “single Europe in the global market”. The core network has been declared to be indivisible, because its accomplishment is unavoidable from the development

of all its single knots, and sustainable, because it has to respect the actual financial and other necessities of the European Union, the other institutions and private investors taking part into the strategy.

In order to build this network, for Europe it is necessary to proceed identifying the main knots, such as the capitals of the members of the Union, the big urban areas, the big ports and the airports connected to the urban centres. Secondly, these realities will be connected between them through the infrastructural development of roads and railways. The European traffic has long been centred upon the stopover of Hamburg-Le Havre, which, in 2013, was handling the 50% of the circulation of goods. Yet, through the new development it is pursuing the improvement of the south ports, which are expected to increase their competitiveness, increasing the value of the maritime area and the communication structures connected to them by 2030.

Concerning this, the European Union has adopted a policy that would develop its internal commercial ways, with a worldwide prospective. First of all it has been underlined the relevance of its railroad network, indicated with the acronym ERTMS – European Rail Traffic Management System –; among them, the plan would comprise the works to improve six of its routes:

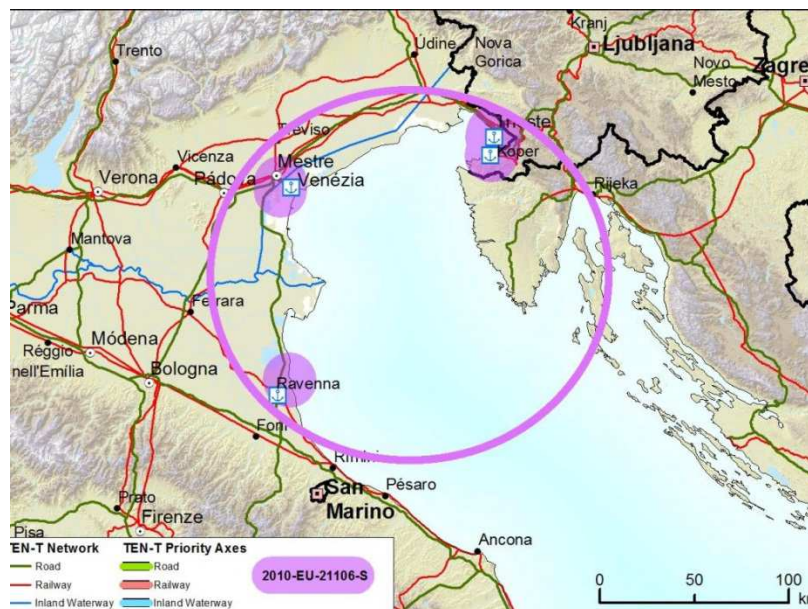
- the first one running from Genoa to Rotterdam, crossing the alpine region;
- the second one going from Naples to Stockholm;
- the third one that from Antwerp arrives to Lion, passing through Basel;
- the fourth one that reaches Budapest, after having left Valencia, Lion and Ljubljana (of which the port of Venice, and of Trieste as well, is part).
- the fifth one, starting from Dresden, running through Prague until Budapest;
- the sixth one, going from Aachen, towards Berlin, Warsaw and arriving to Tiraspol.

Parallel to the land ways, the European strategy has also highlighted the importance of modernize the smaller water routes, such as the rivers, fundamental as well for the internal circulation of goods (but of people as well), and in particular the connection between the ports of Trieste, Venice and Ravenna with the inner Mantua and Cremona. In addition, it has been under discussion the possibility of further widen it towards west.

The development of these connecting roads leaving the Italian ports will be fundamental for the ships that dock to the Adriatic coasts, allowing their goods to overcome the natural barriers dividing Italy from the rest of the continent, so that to reach the markets in Switzerland, France, Germany and in the other central nations. Nevertheless, this Adriatic

cities are not adequate to handle large volumes of TEUs, for the backwardness of Italian ports, but also due to the limits given by the historical development of the urban areas surrounding them, as for their geographical position. For these reasons, in the same area of the North Adriatic it has been developed the network system of the “multi-port gateways”, given by the integration between the five main ports of the region. This strategy asks for the improvement of the maritime structures, as of the hinterland behind them. Thanks to it, it has been foreseen a wide growth, which, following an economic decrease of 7% of the North European ports, would take the Adriatic area to move 348% of containers more than what happened in 2010, with a market share higher of 11,6% at a European level.

The same Italian law has underlined the key-role of the area in “the connection with the rest of the world”, promoting the creation of “systems of integrated ports”, where the big centres are part of their inner area, and where they take advantage from the cooperation with it.



Source: <https://ec.europa.eu>

As already stated, the North Adriatic can benefit from its position, being the more northern point in the whole Mediterranean Sea, and at the same time so close to the central Europe. Moreover, thanks to its morphology and being it so narrow, all the five main ports of the region are close enough (between 300 and 500 kilometres) to cities such as Rome, Turin and Basel – docking to Venice and Ravenna –, Vienna, Bratislava and Munich – from Venice, Trieste and Koper –, Budapest, Sarajevo, Belgrade and Zagreb – from Trieste, Koper and Rijeka –. From here the strategical necessity of cooperation between Italy, Croatia and

Slovenia, especially towards the vessels arriving from the Far East. The exploitation of the region would be an advantage for Chinese vessels especially: the route from Shanghai to North Adriatic is indeed 2000 miles shorter than the route until Hamburg (corresponding to an eight days trip), with a high saving in the production of CO₂, so to have a central role in the energetic global strategy.

The Adriatic region can win over the North European monopoly only working as a single port with five stopovers, that are Venice, Trieste, Koper and Rijeka, already part of the North Adriatic Port Association, and Ravenna. The NAPA organization was founded in 2010 following the idea of the President of the Port Authority of Ravenna at the time, which then left it in 2012, after the concession of a big loan for the realization of the offshore-onshore system of Venice.³⁴¹ It has been funded with the intention of competing with the North European ports and to reach a key role inside the whole European markets, as in the international panorama, thanks to its proximity to the Suez Canal, through which the East Asia moves every year about 100 million tons of “general cargo, containers, cars, ores, minerals, fossil fuels, chemicals...”. The ports involved have also been working to develop their cruise industries, and to improve the environmental safeguard and the cooperation on safety and information technology. The vision of NAPA is indeed, as it is possible to read on its website, the idea of forming “a European logistics platform, in particular with regard to servicing the markets of the Far East as well as Central and Eastern Europe”.³⁴²

In order to realise the policy pursued in the South Europe (but that will influence all the nations that are part of it), it is then fundamental:

- to improve their capacity of welcoming the huge vessels that are travelling more and more across the seas;
- to equip themselves with broad spaces where to improve their logistic infrastructures;
- to modernize their inner communication routes, to be capable of moving the containers by roads, railways and by water.

In particular, the railway corridors would develop on three routes:

- the first one going from Brenner to Bologna;
- the second one crossing, on one side, Klagenfurt – Udine – Venice – Trieste – Bologna – Ravenna, and, on the other side, Graz – Maribor – Ljubljana – Koper – Trieste;

³⁴¹ *Fondi a Venezia? Ravenna lascia Assoporti e Napa*, “Il resto del Carlino”, 16 November 2012, available at: www.ilrestodelcarlino.it.

³⁴² North Adriatic Port Association, *About NAPA*, n.d., available at: www.portsofnapa.com.

- the third one crossing Verona – Padua – Venice – Trieste – Koper – Ljubljana.

The goal that these five ports are following is to reach a total capacity of 6 million TEUs every year, which would mean for each of them to handle 1,5-2 million TEUs.³⁴³ Already in 2015, the only four Countries members of the NAPA, according to the official website, have reached a total throughput of cargo of 113,9 million of tons, and 2,1 million TEUs, being forth in both cases at a European level, behind Rotterdam, Antwerp ad Hamburg.³⁴⁴

The Port of Koper represents the only possibility to enter the Slovenian Sea and, for this reason, it is central in the national strategy, answering to a national necessity before than an international potential. According to the plan settled by the central administration, the port wants to become a multipurpose centre, focusing on the car and container traffic, this last one already a growing sector, but aiming to reach a total capacity of 35 million of goods every year.

According to the development project, the expected changes are:

- the widening of Pier I, with an extension of 100 metres and a depth of 15 metres. The terminal pursues an improvement related to the container traffic, which is supposed to grow up to 2 million TEUs per year. It will be provided with new rails and navigation channels, and better services, in order to improve the efficiency and the velocity in the containers traffic management;
- the widening of Pier II, with an extension of 370 metres. The aim is to modernize the functions of the terminal, which has been mostly used for the management of dry and fluid bulk volumes, but also to develop a new area for the storage for heavy goods;
- the building of Pier III, which is expected to reach a total length of 1.060 metres. It will be addressed to multipurpose activities and to the services related to the handling of goods in particular;
- the realization of a logistic centre in the hinterland of the port, in order to improve the internal distribution of the imported products;
- the improvement of the road system that reaches the port, to avoiding the traffic congestion due to the proximity to the historical centre of the city itself;
- the building of a new railway line, and the improvement of the one already in use, to modernize the logistic connection to and from the port.

³⁴³ Costa P., Maresca M., *Il futuro europeo della portualità italiana*, Venezia, Marsilio Editori, 2013.

³⁴⁴ North Adriatic Port Association, *About NAPA*, n.d., available at: www.portsofnapa.com

For the realization of the plan, the Slovenian government has settled the “Port Development Programme”, which is expected to be completed in four years, between 2016 and 2020, and has deposited for it a financing of € 290 million. Moreover, Slovenia has also looking with confidence at its partnership with Chinese investors, which has been recently confirmed by mutual visits. Gašpar Mišič, President of the Koper’s Management Board, has indeed commented: “China is becoming an economic superpower, regularly achieving the world’s highest rates of economic growth. Over the coming years we anticipate a significant increase in trade with the Far East, particularly China, a nation with which Koper already enjoys direct container services”.

The port of Rijeka, in Croatia, is pursuing a double development:

- on one side, it has been planned the building on Zagreb Pier of a new terminal for the movement of traffic containers. With the realization of a quayside of 680 metres, on a surface of 25 hectares, and a depth of 20 metres, it will be able to handle an annual traffic of 750.000 TEUs. In order to accelerate the circulation and increase its efficiency, the Croatian administration is working on the widening of the national railroad connected to the port, since it has always managed the 50-60% of the port traffic. The rest of it has been moved by road, so that it has been decided to add new lanes to connect the port itself to Zagreb, Split and Ljubljana.
- on the other hand, the project has provided for the Adriatic Gate terminal to be widened as well. On the maritime side it will reach a further surface of 5 hectares, and, on the land part, it will be broadened for a whole surface of 17 hectares. The plan will improve the structures part of the port itself, such as the warehouses for the storage of the products, another closed storehouse for the turnaround of the goods, and the car park in front of the area. In addition, it will be built a railway terminal for the transportation of the goods to and from the port.

In the process of improving and modernizing the port area and the routes connected to it, China has entered through the interests showed by the state-owned COSCO. The Chinese partnership would be extremely important for the Croatian government, especially after the worsening of the relationships with Hungary over the refugees’ crisis, which has pushed it to look for new investors. At the beginning of last year, the Croatia’s Prime Minister and the Minister of Maritime Affairs, Transport and Infrastructures met a “delegation of Chinese national Commission for Development and Reform”. The Asian giant is looking for a further

access into the European continent, Rijeka's port for a financing of a project that will cost more than € 4 billion for both the new terminal and the broadening of the railroad.

The port of Ravenna has been working for the strengthening of its logistical capacity and the developing of its multipurpose logistic system.

According to the plan, the port will be provided with a new container terminal, which will require:

- two channels that will be realized with a depth of 11,50 and 12,50 metres;
- a pier 1000 metres longer, and a floor deep 14,50 metres, so to reach a volume of 600.000 TEUs per year;
- the development of the cruise terminal;
- the improvement of the railway system and of the river routes, with the widening of these last ones. After the realization of the project, the inner water ways will handle touristic and commercial traffic, and not only touristic as it was happening before.

Also Ravenna has been trying to increase its international attractiveness. It has already been interested in recent times by foreign investments, with the financing of the American company Bunge, but it is now looking for a further support. The same administration has declared to be focusing on the improvement of the port image as a desirable territory for international investors, focusing on its quality and innovation.³⁴⁵

The international interests, and Chinese in particular, have been high also on the other two ports that will be part of the multi-purpose gateway.

In Trieste, the port administration has been planned to pursue the realization of a logistical platform to handle a major quantity of containers and to increase the port offer through the enlargement of its piers, the building of new container and RO-RO terminals. The current land use has been approved in 2015, after six years of discussion, going to substitute the previous one, in charge since 1957; the plan is now attending for a last approval by the region to be operative, after the signature of a draft agreement. According to the plan, the port is expected to be improved in its infrastructures, widening its functions and its spaces, in order to take part in a wider logistical system.

The port project would include:

- a logistical platform with a pier of 600 meters, where it will be built a new container terminal connected to the group of roads and motorways known as Grande Viabilità

³⁴⁵ *Bunge investe oltre 50 milioni a Ravenna: "Iniezione di fiducia"*, "Ravenna Today", 25 September 2015, available at: www.ravennatoday.it.

Triestina. The platform will be also linked to the national railways and will need an investment of € 132 million;

- a second logistical platform, supported by a financing of € 184.5 million, that will be provided with new docks and equipped areas;
- a new Pier VIII that will be developed from the previous area;
- the development of the “Ferriera di Servola” inside the port area. Previously an industrial centre for the production of cast iron, it changed owner different times, to be then taken over by the Italian company Arvedi. At the centre of several scandals for some deaths among the workers and accusation of pollution, it will be cleaned up, following the guidelines of the plan and therefore converted to answer to the port necessities;
- a new terminal, to be used for the management and storage of the goods, as for other port activities;
- the development of a rail system to answer to the needs inside the port; the new rail terminal has required an investment of € 10 million and it wants to facilitate the movement of the containers from and to the port.



Source: www.slideshare.net

The port of Trieste has also attracted the national attention for having been the first maritime area in Italy to adopt the SEA (Strategic Environmental Assessment) and the EA (Environmental Assessment) procedures, generally introduced in port areas. Both of them are addressed to the protection of the environment and the value of a low environmental impact in the modernization of ports.

The recent works that have involved the port have allowed the re-opening of Pier VII, where new infrastructures have been realized to handle the growing traffic. The area has been

generally rearranged: a new customs house have been realized, controls have been increasing, and the pier has been connected to new rails. The modernization of the railway has successfully allowed the direct transportation toward the area of “Campo Marzio” and a more fluid traffic, which is expected to see a growth in the number of trains. The project has been accomplished thanks to an investment of € 1 million, partially borne by the Port Authority and partially by the RFI (Rete Ferroviaria Italiana), which deposited respectively 600.000 and 500.000 euros. After the first cargo train left directed to Budapest, the commissioner of the Trieste Port Authority, Zeno D’Agostino, has commented that his hopes were to reach the amount of 200 trains every week (from the 140 that used to leave the port before), and to close the year (2016) with a movement of more than 7000 trains and a growth of 40% in only two years. And at the end of the same year, the biggest ship ever entered into the Adriatic Sea, the MSC Paloma has docked to the Pier VII. Capable of carrying 14.000 TEUs, the vessel has marked the increasing role and potential of the Italian port, which, in this way, is going to become a key passage for the Adriatic-Baltic and Mediterranean corridor, but also a reference point for the other developing port realities.

The port of Trieste is though still in search of new investments and monetary capitals to support its broadening and its growing international role. It has been some years now that China, on its side, is showing a certain interests towards the area, and various collaboration projects have already been started in the region of Friuli Venezia Giulia.

Numerous deals have been signed between Chinese investors and local companies. Some examples are the purchase of a beach resort in Monfalcone (that, abandoned for several years by now, seems to have been bought by H&Y Holding group to promote Chinese tourism³⁴⁶) and the signature of a deal between Fincantieri and CSSC. Indeed, in July 2016, Fincantieri, the leading company in the production of cruise ships, and CSSC (China State Shipbuilding Corporation) signed a joint venture in Shanghai for the development and growth of the Chinese cruise industry. Through the contract, the Italian company will sell cruise ships for the exclusive Chinese market and will name some experts who will work together with CSSC.³⁴⁷ Moreover, a few months later, a second deal has been signed in Tianjin during the China Cruise Shipping and International Cruise Expo, between the two companies and the Carnival Corporation and the CIC Capital Corporation, to perfect the already signed joint

³⁴⁶ Garau G., “L’Isola dei Bagni finisce in mano ai cinesi”, *Il Piccolo*, 14 November 2016, available at: <http://ilpiccolo.gelocal.it>.

³⁴⁷ Maranzana S., “Missione in Cina per rilanciare il Porto di Trieste”, *Il Piccolo*, 12 October 2015, available at: <http://ilpiccolo.gelocal.it>.

venture and settle a first realization of a group of cruise by 2022.³⁴⁸ Yet, Beijing's investments in the region is a growing process, which has been interesting a wide range of sectors.

Most of all, there have been numerous opportunities of encounter between the authorities of the Port of Trieste and Chinese companies, which see in it a good future partner, thanks to different factors:

- its geographical position; being in the north of the Adriatic Sea it represents a good opportunity to penetrate the European market, also because of its peculiar state of border city.³⁴⁹ China has already met different times the representatives of various Countries of East Europe, interested in their growing and fast-changing economic; the backward infrastructures, though, push Beijing to look for another partner, as Italy, to enter more easily in the area;³⁵⁰



Source: www.slideshare.it

- the already established connections between Trieste and Chinese ports through the transoceanic service;
- its railway system that, also because of the recent works, allows a fast connection to and from the port;
- the depth of 18 metres, which allows the entrance of the new big vessels capable of carrying high volumes of containers;
- the free port, and its logistical potentials.

³⁴⁸ “Fincantieri, firmato l’accordo per le prime navi da crociera cinesi”, *Il Piccolo*, 23 September 2016, available at: <http://ilpiccolo.gelocal.it>.

³⁴⁹ Costa P., Maresca M., *Il futuro europeo della portualità italiana*, Venezia, Marsilio Editori, 2013.

³⁵⁰ “Delrio: porti adriatico opportunità mondiale”, *Messaggero Marittimo*, 19 May 2016, available at: <http://messaggeromarittimo.it>.

Already in 2015, after a Chinese visit to the Italian counterpart, Zeno D'Agostino and Roberto Cosolini, mayor of the city at the time, were in Xiamen, port centre of China, to sign a deal in order to start a cooperation between the two ports. Xiamen and Trieste were already linked by three connection services every week, partially managed by the consortium CKHYE, which is constituted by Asian companies: COSCO, K-Lineg, Yang Ming, Hanjin and Evergreen.³⁵¹

Along the last year, China and Trieste has continued to meet in different occasions, in which the mutual interest has been reasserted. During the Transport Logistic China in Shanghai, on the wake of the increasing commercial exchanges between the two in the last years, it has been promoted “The Port of Trieste meets the logistic Community of Shanghai” initiative, to widen the knowledge of the Italian centre, and seeing the involvement of more than forty companies, both national and international.³⁵² Here, Jin Yu-Lai, from the Kai-Rong Law Firm has stated: “A port with various competitive advantages that we did not know. Trieste lays on the route of the Silk Road, and the project One Belt One Road, recently promoted by Beijing’s government, can bring a renewed interest by Chinese investors towards the port”.³⁵³

And a parallel meeting has been held in Trieste as well, with Asian companies taking part to a conference in the area of the Port itself, and, about the conference, the Italian Minister Delrio has commented: “We need that North Adriatic’s ports become an opportunity for global markets. [...] We need to make our port more competitive with an administrative simplification”,³⁵⁴ and Zeno D'Agostino has added that “If one day Trieste is made a maritime terminal of the New Silk Road, it will be able to be an arrival point for the goods directed to the core of Europe”.³⁵⁵

On its side, the Port of Venice has been following a process of infrastructural development in two steps: the realization of an onshore-offshore system to promote the container traffic and increase it up to 1 million TEUs per year, and, on the other hand, the building of another terminal connected to the so called Motorways of the Sea in order to develop the RO-RO and RO-PAX traffic inside the Mediterranean Sea. The project undertaken intends to promote and safeguard a new dynamism inside the socio-economic reality of Venice:

- reconsidering the role of the oil traffic in the lagoon;

³⁵¹ Costa P., Maresca M., *Il futuro europeo della portualità italiana*, Venezia, Marsilio Editori, 2013.

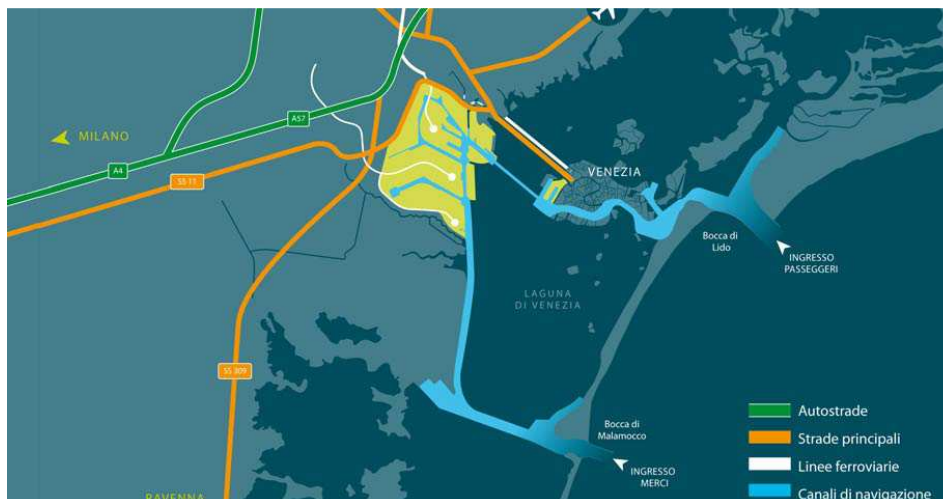
³⁵² “Il porto di Trieste si presenta a Shanghai e rilancia il porto franco”, *informaTrieste*, 18 June 2016, available at: <http://www.informatrieste.eu>.

³⁵³ “Trieste e Via della seta, nuovi interessi cinesi per il Porto”, *AdriaPorts*, 21 June 2016, available at: www.adriaports.com.

³⁵⁴ “Delrio: porti adriatico opportunità mondiale”, *Messaggero Marittimo*, 19 May 2016, available at: <http://messaggeromarittimo.it>.

³⁵⁵ “Hong Kong e la Cina ‘chiamano’ Trieste”, *Sinfomar.era*, 24 November 2016, available at: www.sinfomar.it.

- enhancing the nautical accessibility, in spite of any meteorological conditions;
- promoting the conversion of abandoned and unused areas, in Porto Marghera and the near coast, in order to employ them for logistical and industrial purposes;
- giving value to the role of Venice as a port centre, included between the logistic hinterlands of Padua and Verona;
- empowering the system of inland shipping along the national rivers and inner channels;
- developing in Italy a port that uses high technology and modern structures, capable of welcoming vessels of new generation;
- developing in Italy a “port-shelter”, prepared to host the ships, with any weather conditions and in case of emergencies;
- pursuing the increasing in the traffic inside the system of the five ports of the high Adriatic.



Source: www.napa-studies.eu

The first system would comprise two main terminals: an offshore and an onshore indeed. The offshore one would be a platform to be used as an oil terminal and a container terminal as well. Far eight miles from the coast, the chosen area has a depth of twenty meters, which will allow the entrance of the big new ships carrying containers, and will be closed by a dam long 4,2 kilometres. Here it will be possible to dock three vessels together, whose contents will be then unloaded through the “cassette system”, and moved to the onshore terminals on specific ships, the mama vessels (LASH – lighter aboard ships).³⁵⁶

³⁵⁶ Costa P., Maresca M., *Il futuro europeo della portualità italiana*, Venezia, Marsilio Editori, 2013.

The cassette system is a loading/unloading system made up by the cassette (or pallet), trans-lifter and terminal tractor, which are used to move heavy goods in ports or industries, and which can be explained as a large container, capable of a volume of 320 TEUs, carrying other smaller containers. Its success is due to its safety (thanks to the less number of operations undertaken), the lower costs involved, and the low volume of emissions (linked to a reduced volume of 30% in the usage of fuel)³⁵⁷. This new strategy would be significant for a reality as the one of Venice, that is limited by its morphological conformation and its having being built on a lagoon, limitations that have been overcome thanks to the new technologies. Moreover, Venice and its administration has had to face the environmental problems, trying to limit the impact of the traffic on the maritime ecosystem and the historical city as well. The problem has been partially solved thanks to the digging of the channels “only” up to 12 metres of depth, and the connected restriction to the dimensions of the vessels that can enter the region. Moreover, there has been the signature of specific protocols directed to the safeguard of the waters and the environment itself. In addition, it has also been significant the decision of renouncing to the oil traffic inside the lagoon, avoiding it thanks to an offshore terminal (as already mentioned above) and the construction of an under-water and then sub-lagoon pipeline reaching Porto Marghera. The oil terminal, on the southern side of Venice, has been projected to move 6,3 million tons of oil every year, 770.000 tons of petrol, and 2,3 million tons of diesel. The point of connection with the pipeline would be a dock, capable of managing three moored vessels, but the area is suitable for a potential enlargement (up to five vessels) if an increase in the volumes required it.



Source: www.offshore.port.venice.it

³⁵⁷ *Cassette System*, “TTS, TTS LIFTEC OY”, n.d., available at: www.ttsliftec.com.

The group of onshore terminals would instead be developed on two levels, strongly connected to the offshore platforms. The first one, named Montesyndial (Montefibre-Syndial AS), would take place on an area of 92 hectares, with a quay of 1400 metres, a depth of 12 metres³⁵⁸ and an annual capacity of 1,4 million TEUs, in the industrial space of the Porto Marghera, just outside Venice. In this way, to an unused or underutilized area, it is given a new value, and a new life, in particular to those petrochemical and metallurgical infrastructures that have been an historical presence in the centre. The terminal, with 36 hectares already accessible, is expected to receive the big vessels compatible with the floor of the area (serving therefore as a traditional terminal), and the smaller mama vessels, arriving from the offshore terminals: in this way, Montesyndial can have an important role for the Mediterranean traffic as for the international trades.

The terminal of the Motorways of the Sea, instead, would comprise:

- a logistic platform with a 36 hectares area, where there will be car parks, railways and storehouses;
- a wet dock, with an area of ten hectares and the floor deep 10,50 meters on the south side, and 12 meters on the north one. Thanks to its dimensions there will be room for welcoming up to four RO-RO or RO-PAX ships;
- an entrance for all the controls operations;
- other areas for the loading and unloading of the goods and covered areas for the storage.

The Motorways of the Sun insert themselves in a broader European system that is expected to improve the accessibility to the markets of all the Countries part of it. The concept has been introduced with a white paper at the beginning of 2000s, developed in the following years, and perfected after 2011. The aim is to increase the maritime links existing between the maritime ports, to better the port facilities, and to modernize the infrastructures that connect land and sea.³⁵⁹

From here, the goods will be unloaded towards other ships, or moved to the rail or road routes,³⁶⁰ but also to the inner rivers. The one undertaken in the area is a connecting system already well developed since the first decades of the last century, and that has been further promoted during the 70s, when the port of Venice used to handle a much wider quantities of

³⁵⁸ Costa P., Maresca M., *Il futuro europeo della portualità italiana*, Venezia, Marsilio Editori, 2013.

³⁵⁹ *Motorways of the Sea*, n.d., available at: www.ec.europa.eu.

³⁶⁰ *Montesyndial: il terminal onshore ad alta automazione*, "Venice Newport Container and Logistics", 13 November 2013, available at: www.offshore.port.venice.it.

goods. Through the logistic system, the port will be able to serve along the coast of the region of Veneto, following the Po River and its channels until the city of Mantua, but also towards the other European countries.

- The railway system projected has developed four new rails that will distribute the unloaded goods passing through the junction of Mestre.
- The road system will instead unravel along the four motorways: the A4 towards Pauda and Milan, the A4 towards east, the A27 towards north and the highway 309 Romea towards south.
- The inland channels system, on its side, has been integrated to the waterways of the Port of Mantua, the Port of Chioggia and Porto Levante.

The whole project is supposed to be supported financially by various factors, which would combine together the public and the private sectors. Nowadays, the monetary funding cannot be an easy question, given the international financial crisis and the European fragile situation. The system has therefore been based on a public-private partnership (PPP, 3P or P3), also because not all the in progress-infrastructures will have a direct return and the project itself will need quite a wide investment: its amount has been estimated around € 2,1 and 2,8 billion. Indeed the estimations foresee:

- for the offshore dam between € 385 million and 726million;
- for the offshore terminal between € 507 million and 634 million;
- for the oil terminal between € 585 million and 730million;
- for the offshore facilities between € 185 million and 232 million;
- for the onshore terminal between € 160 million and 200 million;
- for the onshore facilities between € 193 million and 242 million;
- for four mama vessels and twelve cassettes between € 85 million and 107 million.

The public funding should combine regional, national and European monetary subsidies, thanks also to the participation of the Union, that has been supporting the “Implementation Study to prepare a PPP to improve the capacity of the Port of Venice and the related system”.

On the other side, the private sector will involve a plurality of actors, because of the presence, on the actual international scene, of too many risks for a single institution. The organization of the private partnership will be decided on the base of a triple tender notice: for the offshore platform, for the onshore terminal, and for the oil terminal.

China is one of the possible investors for the port of Venice, as it was for the port of Trieste. Italy is already the second Country in Europe for investments, after only the United Kingdom,

and the cooperation in Venice would further enhance their partnership.³⁶¹ Moreover, the participation in the infrastructural improvement in the area of Venice would allow to the ships arriving from China to reach a large number of Countries, thanks to the five ports system, and the close distance that exists between the different maritime centres.³⁶² In fact, the Port of Venice would give to China a series of advantages that can be so resumed:

- its ideal position: it is indeed at the core of the main European corridors, allowing a fast connection towards a wide area that overcomes the Italian borders;
- its primacy in the container sector: already leader in the transshipment of container, Venice is expected to increase its volumes after the completion of the works;
- its primacy in the project cargo: Venice is also leader of the project cargo at a European level, with a focus in the Centre of the continent;
- relevance of the general cargo, area in which Venice is still high specialized and in which it is third at a European level;
- wide areas available, which can be used to broaden the port activities and the logistics connected to it;
- its being a river stopover: Venice is the only port in Italy to have a well-developed river system, recognized internationally.³⁶³

For these reasons, it has been promoted the dialogue between the port city and Chinese spokespersons, the first ones looking for a financial support, the last one for another base in Europe for its 21st Century Maritime Silk Road. Speaking about the future prospects of cooperation at the beginning of 2016, Paolo Costa, president of the Italian port, commented: “If you look at the maps traced by China, the Mediterranean has three points of arrival: Athens, Istanbul and Venice. The Chinese have been in Athens for a while; in Istanbul they have recently signed; now it is the turn of Venice, i.e. Italy. The actual role that Italy will play in the Silk Road will be determined in the coming months or next year. These are promising prospects. If the ideas will go forward, we have true projects and we can test the desire to work together on actual projects, not only hoping for relations”.³⁶⁴

The whole 2016 has been a significant year for the relationship between the two Countries. In July, it was held in Venice the conference “Along the Silk Roads”, which saw the participation

³⁶¹ Baroni P., “La nuova via della seta parte dell’Adriatico con cinque porti”, *La Stampa*, 26 February 2016, available at: www.lastampa.it.

³⁶² “Porto Venezia, investimenti cinesi sulla ‘Via della Seta’”, *Vvox*, 12 July 2016, available at: www.vvox.it.

³⁶³ Autorità portuale di Venezia, “Il Porto di Venezia vanta oggi diversi primati e ha una collocazione geografica strategica”, n.d., available at: <https://www.port.venice.it>.

³⁶⁴ Port of Venice, *China: Costa, 2016 is a crucial year for the role of Italy in the Silk Road*, 3 December 2015, available at: www.offshore.port.venice.it.

of the Port Authority of the city, the Centre for the Silk Road Studies of the Nankai University, and the Foundation for Worldwide Cooperation.³⁶⁵ The encounter has marked the signature of a double memorandum of understanding between the City of Venice and Binhai (Tianjin), and between Tianjin Port and Venice Port Authority:³⁶⁶ the new partners intends to work together on the development of the One Belt One Road. The two memorandums have agreed on the start of a series of projects in various areas: in the economic, scientific and technological sphere, as in the cultural and touristic fields, in both the alike areas of Porto Marghera and Tianjin Binhai New Area. About the new agreements, the mayor of Venice stated: “Venice has always been both the key and the lever, a door to/from the East, a crossroads city, a starting, sorting and landing point for all that between East and West has crossed the routes of the Mediterranean. The Maritime Silk Route of the XXI Century will help to promote economic and cultural development of the Asian and African involved countries, thanks to the cooperation signed today in Venice, through targeted investments in infrastructures that will make trade relations between China and Europe more simple. Porto Marghera, the old productive heart of our city must once again become the flywheel of economic development, investments and jobs. The real challenge is to imagine a new production area, able to attract resources and wealth for the construction of major actions in favour of the territory, thanks to the existing infrastructure and the possibility of using highly skilled labour force. From the port, from the sea, from the relaunch of the industrial area of Porto Marghera, a new hope for our country have to born. And Venice, as the city of opportunities and of the future, an international and metropolitan city, proves once again to be prepared to speak to the world”. To which the President of the Port, Paolo Costa has added: “Both ports are playing a crucial role to increase traffic flows between Europe and Asia along the new Silk Road. Venice is gearing up to play a prominent role on the China-EU route by focusing on the value of its assets: large ground areas in Marghera and a newfound nautical accessibility thanks to the offshore-onshore port system. We can thus contribute on the west side and, together with Trieste on the east side of the Adriatic, to become one of the few Italian port system capable of dealing efficiently and sustainable large loads transported by large container ships from China. The success of the Port of Venice has deep roots, we have

³⁶⁵ Fondazione per la Collaborazione tra i Popoli, *Conferenza Internazionale “Lungo le Vie della Seta”*, 18 July 2016, available at: www.fondazionepopoli.org.

³⁶⁶ Port of Venice, *Along the silk roads. International Conference*, n.d., available at: <https://www.port.venice.it>.

the task of re-equipping the port and Marghera area to be able to grasp the challenges and opportunities that global trade gives us, today as in the past”.³⁶⁷

In addition, a Chinese-Italian group of companies has recently won the management of the VOOPS (Venice Offshore-Onshore Port System), over a long series of competitors coming from Italy, France, Spain, Holland, Belgium, Great Britain, China and the United States.³⁶⁸

The consortium, known with the acronym of 4C3, is led by the CCCG (China Communication Constructions Company Group), which has assembled “an ad-hoc temporary joint venture” with 3Ti Progetti Italia and E-Ambiente. The contract, which has a value of € 4 million, has been well welcomed by the authorities of Venice: “The Italian/Chinese consortium has been studying the project for some time, also with a view to its construction, management and financing. For this reason, it decided to create a specific clustering of European businesses, so it could take part in the tender for the project’s design. This is a further, and hopefully definitive, confirmation of the project’s validity; a positive response to our efforts as well as what I hope is an incontrovertible rebuttal of all those who were sceptical and often critical of the chance of finding a partner willing to realize this avant-garde port, which can give Venice, Italy and Europe efficient freight capacity to receive and forward goods, living up to the expectations of Italy’s productive system, and not Italy’s alone”, it has been stated by Paolo Costa.³⁶⁹ The project will take part to the design and realization of the Phase 1 of the offshore container, which includes “breakwater, container terminal, service zone, electric, water supply and drainage, environmental protection, communication and control design”, for an expected total period of 300 days.³⁷⁰ Moreover, it provides an environmental inspection, to control the possible effect that the project can have on the area.³⁷¹ The project however has already received the approval, having being judged compatible with the environment: indeed, despite expecting a growth in the volume moved inside the new terminals, the offshore-onshore system should not mark a parallel increase in the pollution of the region. And this thanks to the already mentioned specific offshore

³⁶⁷ Autorità Portuale di Venezia, *Two agreements have been signed for the development of the Venice (Marghera) and Tianjin port facilities and industrial areas*, 10 July 2016, available at: <https://www.port.venice.it>.

³⁶⁸ *Italian-chinese consortium wins Venice Offshore project*, “The Medi Telegraph”, 30 September 2016, available at: www.themeditelegraph.com.

³⁶⁹ Mandurino K., *China’s CCCG awarded contract to design Venice’s offshore port*, “Italy Europe 24”, 25 October 2016, available at: www.italy24.ilsole24ore.com.

³⁷⁰ *Italian-Chinese Consortium Bags Venice Offshore Port Project*, “Dredging Today”, 25 November 2016, available at: www.dredgingtoday.com.

³⁷¹ Causer A., *Venice port system design awarded*, “Maritime Journal”, 5 October 2016, available at: www.maritimejournal.com.

terminal for oil ships, and the recovery of the areas previously strongly polluted, but also to constant controls and to the protection of the local fish fauna.³⁷² The Chinese interests in the area are high, and its future prospects seem to promise a much tighter partnership between Venice and Beijing. This would surely mark a development of the lagoon and the relaunch of Italian economy in the era of the gigantism, but it would also, and most of all, mean a relaunch of the city, that is nowadays invaded and dominated by the mass tourism.³⁷³

³⁷² Costa P., Maresca M., *Il futuro europeo della portualità italiana*, Venezia, Marsilio Editori, 2013.

³⁷³ Costa P., *Se la Via della seta del XXI secolo cambia il futuro del porto di Venezia*, “Corriere del Veneto”, 21 February 2016, available at: www.offshore.port.venice.it.

CONCLUSION

The Belt and Road Initiative, and the 21st Century Maritime Silk Road in particular, have been launched for more than three years by now.

China has already been involved in numerous projects, along the Indian Ocean shores, in the Eastern region of Africa and in Mediterranean Europe – the historical extremity of the ancient Silk Road. The agreements between Beijing and overseas governments have given start to the modernization of ports and to the building of infrastructures connected to them, especially railways and roads, which often link the land way to the maritime one. The aim, as stated in more occasions by Chinese authorities, is to pursue an economic development, supporting its commercial, industrial and energetic increase. The maritime activities are indeed fundamental for Beijing, being its foreign trades mostly dependent on sea transports: the investments all along the Silk Road answer to the necessity of taking in new energetic sources, as well as of securing its shipment routes (avoiding the dangerous chokepoints, the Strait of Malacca in first place). But they are also a connecting knot to accede foreign markets, importing and exporting Chinese goods and international products, and an opportunity to enter in other Countries, in order to make use of their lands.

China's 21st Century Maritime Silk Road has been supported by a large number of investors, from national companies and banks, to the governments of the Countries where Beijing has invested, but it has been promoted firstly by the New Development Bank, the Silk Road Fund and the Asian Infrastructure Investment Bank. The project is supposed to need decades to be completed, and to involve a total of sixty-five Countries and 4,4 billion people, which is 64% of the global population. The amount of the money needed for it is not predictable, but, according to a report released by PricewaterhouseCoopers, the started projects have been employing \$250 billion.³⁷⁴ The Initiative does not have political or military aims, as it has always been stated, but it has been pursuing a peaceful plan, addressed to Chinese wealth as much as to the worldwide growth. The programme has indeed been based on a win-win approach, which is one of the five principles of pacific coexistence, included in the UN Charter: mutual respect, equality, keeping promise, mutual benefits, and the win-win approach itself.

In spite of this, critics about the initiative do not stop, from foreign governments (especially Western ones), international organizations dedicated to the defence of human rights, and local

³⁷⁴ Van Staden C., *Pechino avanza perché noi non sappiamo più osare*, "Limes", No. 1, January 2017.

inhabitants, often obliged to move to make room to the newcomers. In 2005, the “Energy Futures in Asia” was written by defence contractor Booz Allen Hamilton following the request of the American Defense Secretary: the report promoted the successful idea of the String of Pearls, which has conquered the international media. The theory, supported by the text, was that China has been working to build a military network connecting the ports where Beijing has been investing. The international bases would be useful to promote the actions of the Chinese Navy and to widen its control to the detriment of the United States, and of the other Countries whose role has been threatened by China’s system. In fact, the String of Pears, strongly opposed by the US, as by India, has been indicated simply as one of the possible logistics models that could guide the Chinese programme. And it has also been refused by Chinese authorities, who have replied indicating that the only Chinese overseas base is the one started in Djibouti, from where Beijing seems to expect to be able to protect its citizens involved in operations abroad.

The Maritime Silk Road has been helping to ameliorate a large number of ports, signing numerous deals, from East Asia to the high Adriatic sea, and other dialogues have been started all along the worldwide shores.

Yet, the Belt and Road has also put a new series of questions, and has influenced the global equilibriums, further moved by the international financial crisis, the phenomenon of migration (especially in Europe), and the advent of new xenophobia and new nationalisms, as by the election of Trump in the United States, which seems to be pushing the Country towards the international closing.

In fact, the China’s initiative has just started and it is not possible to foresee where Beijing’s foreign policy will take it. Also because Chinese reports are still vague, often lacking of specific data, and international newspapers frequently publish contradictory articles, talking about undergoing or interrupted projects. The New Maritime Silk Road (and the New Silk Road as well) has certainly to face its limits, which:

- the general aversion of the Western community, and this is because the international opinion is not capable of understanding the actual China’s policy, used as it was to an inward-looking nation, struggling to develop internally, and being a spectator more than an actor;
- the dangerous ways that it has to cross to be realized, areas shaken by wars, internal rebellions, or simply by poverty: from the political changes in Myanmar, to the significant tensions in the South China Sea, involving all the Countries that look at it;

from the danger given by the North Korean atomic experiments, to the unsettled issue between India and Pakistan, to the threat of the religious terrorism, in the Western world as in Central Asia, where it is connected to the problems in the province of Xinjiang, in China.³⁷⁵;

- the risk given by the internationalization of Chinese companies, which are important to build the China's image abroad. Any negative counterblow would further damage the success of the initiative;
- the Beijing's actual incapability to protect its citizens and its interests out of its borders, lacking of an efficient structure to support its programme, in case of piracy, terroristic attacks, wars...³⁷⁶ China not only do not have enough vessels capable of long operations far from its shores, but lacks also of aircraft carriers;³⁷⁷
- the inequality that characterizes China itself. The development undertaken in the Country has indeed involved (even if not at the same level) all its regions, but the national economy is still based on the sea, whereas only a little part of Chinese trades are moved by land. In fact, the incredible Chinese economic boom has firstly invested the Eastern region, with its sea cities, and this means that the New Silk Road has been left behind, also because of the actual conditions of Central Asia.³⁷⁸

Moreover, the XXI Century Maritime Silk Road, in spite of its huge claims, and the numerous international forums and programmes that China has been taking part to, has not been respecting the established goals.

In fact, the documents about the projects publicly released have only a generic programme, listing a series of vague goals, but most of all talking of rhetorical peace, cooperation and friendship. Furthermore, despite the creation of the New Development Bank, the Silk Road Fund and the AIIB, the initiative do not own enough funds to promote its partnerships, and it is not clear where it will find it: the Belt and Road will need, according to the predictions, between 4 and 6 trillion for the future fifteen years. And even finding them, the Maritime route, and the land one, do not have a central organism to manage it, or a declared final aim that unites the agglomerate of started infrastructural projects.

Nevertheless, the 21st Century Maritime Silk Road represents for China a significant opportunity, and the number of agreements related to it is growing, as the dialogue with the

³⁷⁵ Mu C., *La via per tornare a essere il numero uno al mondo*, "Limes", No. 1, January 2017.

³⁷⁶ Mu C., *La via per tornare a essere il numero uno al mondo*, "Limes", No. 1, January 2017.

³⁷⁷ Shapiro J. L., *Gli Stati Uniti controllano già le vie della Seta*, "Limes", No. 1, January 2017.

³⁷⁸ Shapiro J. L., *Gli Stati Uniti controllano già le vie della Seta*, "Limes", No. 1, January 2017.

possible partners. The PRC continues its expansion towards West, proposing itself as a new ally and giving the promise of a new better future for all those Countries betrayed by the American/European dream, and in search of another chance. Indeed, China shows a different model, and the Third World sees in it the rising of a nation before closed and shaken by internal difficulties, and then the second economic power in just thirty years. Beijing is going to fill the power vacuums left in the last years, being careful of defending the image of its peaceful rise, and giving reliance to the ports' network on which its foreign businesses are still based and that support its uncontrollable growth.

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