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One Belt One Road Initiative

- A strategy promoted by Xi Jinping in 2013. It incorporates 65 countries and accounts for 40% of the world GDP.

- Two goals:
  1. Fostering trade among the European and Asian countries;
  2. Providing liquidity for infrastructural projects.

- It encompasses tighter commercial, financial, political and cultural ties. Indeed, China has signed cooperation agreements with 40+ countries.

- Chinese investments in the infrastructures, namely ports, railways etc. in crucial countries through the Silk Road Fund.
Share of BRI investment destinations

China's Belt and Road investment map
Share of BRI investment destinations for state-owned enterprises as of 2017

- Central and Eastern Europe: 34%
- West Asia and Africa: 25%
- South Asia and other countries on Maritime Silk Road: 53%
- Commonwealth of Independent States (Incl. Russia and Mongolia) and Central Asia: 34%
- Others: 5%

Source: Deloitte
The containment strategy of the United States

- The United States considers the initiative as an economic aggression. Therefore, it has enforced several tranches of tariffs on Chinese imports.

  1. March 2018: tariffs on Chinese products worth 60$ billion targeting steel (tariff of 25%) and aluminum (tariff of 10%);
  2. July 2018: tariffs of 25% on 818 categories of goods worth 50$ billion (car, medical equipment, chemicals, aircraft parts);

- China retaliatory tariffs → commercial war, thus decrease in the world GDP.
EU – China: towards a commercial partnership

The European Union aims at exploiting the One Belt One Road Initiative to sign a commercial partnership based on the fair competition and reciprocity.

• “Connecting Europe & Asia: the EU strategy”
  1. Combination between the Chinese infrastructures and the TEN-T (*Trans-European Networks- Transport*);
  2. Interventions on energy, digital, transport and financial sectors;
  3. Reciprocity and No dumping.

**BUT**

Necessity of a dialogue on the **human rights**.

• In the China – EU summit in April 2019, the EU has demanded the Chinese ratification of the International Covenant on the Civil and Political Rights.

• One Belt One Road could have **spillover effects**: a new understanding of the human rights in China.
BRI in the Euro – Mediterranean area

Mediterranean area as a **strategic junction** for the international trade.

- 4€ billion of Chinese investments in ports and terminals of the Mediterranean.
- One Belt One Road aims at fostering economic growth and creating a stable political environment.

Italy?

- 22 March 2019: Memorandum between Italy and China → Chinese investments worth **2.5€ billion**.
  1. Enhancing competitiveness of the two largest ports, Trieste and Genoa;
  2. Channeling liquidity in the ports of the Southern Italy.
- China investment in the port of Palermo worth 5€ billion → Palermo as the main economic hub in the Mediterranean.
Chinese investments in the Mediterranean