Ressort: Politik

China in today?s Mediterranean

Rome, 29.01.2020 [ENA]

About three thousand years ago, the eastern Mediterranean was subjugated by the Mycenaeans, Hittites and the Egyptian empire of Rameses III. Afterwards, in several places at once an belligerent people of mysterious origins, the so called “the sea peoples”, assaulted the territories held by these empires. Despite their prominent role in history, however, the Sea Peoples remain as mysterious as they were influential.

The Egyptians documented their presence and the wars against them, but it has never been clear exactly where the Sea Peoples originated from, or what compelled them to invade various parts of the region with an enormous number of men. The invaders were defeated, but, the dominant powers were never again as assertive.
In today’s Mediterranean, the Chinese seem to be the new “sea people”. Their attacks are not military and their aim is to build a seamless route for investing in and selling their goods to the world’s richest and largest commercial region, Europe. Poorly performing economies in southern Europe have antipathy toward Brussels and Peple’s Republic of China takes advantage of that.

With almost unlimited investment funds, Chinese state-owned enterprises (SOEs) have set up shop from Spain to the Bosporus and from the North Adriatic to the Suez Canal. If the history of empires is any guide, establishment of this kind of economic presence is likely to be followed by the assertion of political influence.
The flow in overseas investment that has accompanied China’s Belt and Road Initiative has swept into Mediterranean region. Italy, Greece, Spain and Turkey have all seen significant increases in Chinese investment in the last five years.

As Europe’s largest supplier of imports, China and its state-owned enterprises have shown special interest in acquiring powerful positions in transportation infrastructure, particularly the region’s fast growing ports. Tactics range from taking controlling interest in port operators, for example, in Spain, to being virtually in possession of major port terminals such as Vado, in Italy, or taking over the governing Port Authority, as in Piraeus, Greece. Mediterranean countries are part of the world’s largest market but also the EU’s divided governance and now with the US an uncertain ally, exposure to Chinese economic power has grown.

Once a self-contained largely agricultural communist country, Paople’s Republic of China began economic reform under Deng Xiao Ping at the end of the last century. Economic openness was accompanied by a

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more active foreign policy and willingness to find productive ways to interact with ideological enemies, like the United States. Foreign trade increased. China welcomed foreign investment – under strict conditions – and as its own economy boomed, it became a global driving force.
It is now the world's largest economy as measured in purchasing power parity (PPP) terms, the world's largest importer, exporter, producer and consumer of several key commodities.

All by itself, China accounts for 15 per cent of world GDP and 12 per cent of world trade. Its economy is bigger than those of all the Eurozone countries merged.
Europe is almost the perfect site for Chinese investment. Its advanced, complex and import-hungry economies compose the largest open market in the world. And last but not least, it is one that works with divided governance.
That is fine with Beijing, which prefers to deal with smaller, often weaker, economic entities, rather than one powerful predominant force, like the US government. The power of Brussels, with 28 national entities protecting their privileges and domestic political fortunes, is not that of Washington. Moreover, many of Europe's advanced economies have shown

weaknesses in recent years and are home to high-tech, export-dependent firms eager for access to the Chinese market and investment cash. There are fewer region-wide restrictions on trade or investment compared with the USA. People's Republic of China is deeply aware of the need to get its exports to Europe in a way that it is fast and cost effective, because it is its largest purveyor of goods. Shipping by air is exorbitantly expensive and thus available for only the most expensive goods. Overland routes generate publicity but do not represent a significant alternative. A train from Shanghai to Antwerp takes 16-20 days to cross Eurasia and might bring with it forty of those familiar "twenty-foot equivalent" (TEU) containers.

When the COSCO-owned Taurus docked in Greece in February 2018, it brought with it the capacity to deliver twenty thousand such containers. While the sea journey takes longer, it is much more cost effective than the alternatives.
Roughly three-fifths of Chinese exports travel by sea and the Mediterranean route is the most direct to Europe. the Italians, like virtually all countries with key seaports, are eager to attract and keep Chinese investment. All the players seem sure they will win a zero-sum game.

But impressive plans like Italy's Five Ports Alliance are going to affect extremely committed port partners elsewhere in the Mediterranean, like those in Piraeus. Anyway, not every port can be "the gateway to China" because of the huge shipping lines like China's. They will go where they can get the best deal.
The One Belt one Road (OBOR) initiative is the connectivity and integration project of our times, the most important maybe.
It is a project comprising a broad area of economic, political and social interaction among state and

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non-state Actors. The strategic direction of the project is westward into the European heartland,

Bericht online lesen: https://www.en-a.de/politik/china_in_todays_mediterranean-77162/

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