CHINA’S INVESTMENT IN EU PORTS: ASSESSING GEO-ECONOMIC IMPLICATIONS OF THE BRI IN MARITIME EUROPE

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OBJECT

- Chinese investment in EU ports and the BRI
- Implications on Central-Western and South-Eastern Europe
- Is a geo-economic shift taking place (or is there growing potential for it to occur)?
BACKGROUND

- PRC investment in EU infrastructure:
  → SOEs + ports = 10% EU container maritime logistic capacity

- 2008: COSCO → Piraeus
- 2016: COSCO → 67% PPA

- 2010: Piraeus container throughput = 880,000 TEU
- 2018: 4.91 million TEU (+458%) 

- 2019: PRC and Italy sign MoU on BRI:
  - Infrastructure and Investment
  - Port of Trieste (multimodal)

- Central-Western EU countries (Belgium, Germany, Netherlands):
  - Main maritime and logistic hubs in EU
  - Welcome PRC investment, cautiously
SO WHAT?

- PRC investment + growing play in specific countries = *Loosening political chesion in the EU* (Casarini 2015, Le Corre & Sepulchre 2016, O’Dea 2019)

- «Win-win cooperation» (Chinese perspective)
EASTERN MEDITERRANEAN REGION

- Eastern Europe → Overland infrastructure connectivity fostered by PRC investment and the BRI

- Expansion of Suez Canal (2015)

- Shanghai – North Adriatic → 8,600 miles
- Shanghai – Hamburg → 11,000 miles

- Trieste + Five Ports Alliance → Receive financial support from the Italian MoI and MoFA + PRC SOEs + BRI

- Multinational corporations relocated their main distribution hubs in the region:
  - HP, Huawei, Hyundai, Sony and ZTE → From Rotterdam to Piraeus
FIVE PORTS ALLIANCE
CENTRAL-WESTERN EUROPE

- Belgium + Germany + Netherlands attracted relevant shares of PRC investment
- Antwerp, Hamburg and Rotterdam are key container hubs in EU
- Only minority shares allowed to PRC SOEs → e.g. Zeebrugge:
  - 85% shareholding by COSCO
  - PA → Public
- A Central-Western paradigm?
  - (Cautious) welcome to PRC investment
  - Retention of public control over strategic infrastructures
## ASSESSING CONTAINER THROUGHPUT VARIATIONS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Port</th>
<th>Volume 2018 (Million TEU)</th>
<th>Volume 2017 (Million TEU)</th>
<th>Volume 2016 (Million TEU)</th>
<th>Volume 2015 (Million TEU)</th>
<th>Volume 2014 (Million TEU)</th>
<th>Volume % Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Rotterdam</td>
<td>14.51</td>
<td>13.73</td>
<td>12.38</td>
<td>12.23</td>
<td>12.30</td>
<td>+18</td>
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<tr>
<td>13</td>
<td>Antwerp</td>
<td>11.10</td>
<td>10.45</td>
<td>10.04</td>
<td>9.65</td>
<td>8.98</td>
<td>+23.6</td>
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<tr>
<td>19</td>
<td>Hamburg</td>
<td>8.73</td>
<td>8.86</td>
<td>8.91</td>
<td>8.82</td>
<td>9.73</td>
<td>-10.3</td>
</tr>
<tr>
<td>30</td>
<td>Piraeus</td>
<td>4.91</td>
<td>4.15</td>
<td>3.73</td>
<td>3.37</td>
<td>3.59</td>
<td>+36.8</td>
</tr>
</tbody>
</table>

Source: World Shipping Council

THE INFRASTRUCTURE-POLITICS NEXUS

- Greece and Italy seemingly seeing PRC investment as an opportunity
  → Growing political convergence vis-à-vis China

- Central-Western EU countries → Prudent

- The EU:
  - China as «A cooperation partner [...] an economic competitor [...] and a systemic rival» (2019)
  - Foreign investment screening mechanism (2019)
  - Comprehensive Agreement on Investment (2014 - ???)
CONCLUSION

- Eastern Mediterranean region:
  - Investment + infrastructure development
  - Located at a strategic juncture:
    - Asia-Europe shipping
    - Mediterranean Sea – Red Sea – Indian Ocean connection bolstered by the enlargement of the Suez Canal
  - Chosen by an increasing number of companies for establishing their main distribution hubs in Europe
  - Hosts countries nurturing diplomatic and political convergence with China → Greece and Italy
CONCLUSION

- Eastern Mediterranean region displays growing potential to emerge as the main network of port facilities for the BRI in Europe

- Impact on infrastructural attractiveness of ports in Central-Western Europe

- Geo-economic implications of BRI intertwine with political cleavages and the substantial lack of a «China strategy» at the EU level
THANK YOU