

China in the Mediterranean: An Emerging Presence



Alice EKMAN

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Summary

The Chinese presence in the Mediterranean is raising new questions among the diplomatic services of the Maghreb countries, as well as those of southern Europe. Indeed, over the past five years, China has been translating its national priorities with increasing activism in the Mediterranean. This activism can be summarised into three main areas: creating China-Southern Europe sectoral cooperation forums, investments in transport, energy and telecommunications infrastructure, and conducting military exercises in the Mediterranean as part of the overall development of the Chinese maritime presence.

Admittedly, it is primarily in the East China Sea and the South China Sea, an area which encompasses several of the country's so-called "core" interests, where China is concentrating its efforts and developing a strategy in the face of a US presence that Beijing considers as illegitimate. At this stage, it is difficult to identify a Chinese strategy which would apply to the whole Mediterranean region, while the Chinese institutions involved in the decision-making process continue to approach the region by sub-areas (southern Europe, northern Africa, etc.)

However, the deployment of the Chinese maritime presence in the Mediterranean already raises a number of economic questions: the port of Piraeus is becoming a major entry point for Chinese products in Europe, and Chinese investments in transport infrastructure are starting to affect the business of other traditional port and logistics *hubs* in the region (such as Rotterdam, Antwerp or Hamburg).

The question of the long-term geopolitical consequences of current Chinese investments in the Mediterranean is also raised. More and more Mediterranean countries – particularly those benefiting from vast Chinese investments – could be inclined to support Chinese positions in the region and beyond – in the South China Sea for example, or to develop civilian and military maritime cooperation with Beijing.

At the same time, the new sub-regional forums promoted by China could potentially call into question the political framework defended by the European Union in some Mediterranean countries. While it has been conducting an all-out investment policy since the Euro crisis – increasing investments in the countries most affected by the crisis, such as Greece – China no longer hesitates to emphasise Brussels' weaknesses and to

position itself as an alternative market to these countries. In the coming years, it cannot be ruled out that Beijing will seek to more actively promote an alternative development and governance model, by positioning itself as an example, as it already does for a growing number of countries facing economic difficulties in Africa, Latin America or Southeast Asia. In the face of this activism, which is supported – among other Chinese initiatives – by training programmes for civil servants and engineers, and a communication strategy in the local language, some countries around the Mediterranean will more than ever be faced with fundamental questions, related to the choice of their economic model and *a fortiori* the choice of their political system.

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Introduction

Since Xi Jinping became President of the People's Republic of China in 2013, Chinese diplomacy has become more active. This activism includes the Mediterranean region: increased investments in the area's markets; acquiring stakes in and developing about a dozen ports around the Mediterranean (including Piraeus in Greece since 2008 and Cherchell in Algeria since January 2016); a willingness to involve many countries in the so-called "Belt & Road" strategy, whose two components – sea and land – should converge at Venice, by mainly passing through Greece, Italy or even Spain; and conducting joint Sino-Russian military exercises in the eastern Mediterranean in May 2015. Chinese activities in the Mediterranean are increasing in parallel areas (economics, politics, military).

What are China's real ambitions in the region? Has Beijing implemented a specific strategy? Little scientific attention was given to these issues until 2015. This study provides some answers, by analysing the Chinese presence in southern European countries since 2013 and sub-regional forums created since then. It also takes into account the geographical definition of the area by the Chinese government, and the approach of Chinese officials and researchers working specifically on these issues.¹

1. This study draws on 30 interviews with Communist Party officials, Chinese diplomats and researchers in Beijing, Shanghai and Paris between January 2016 and November 2017; complemented by 20 interviews with French, Italian, Spanish and Moroccan officials and researchers, as well as Tunisian military personnel between January and November 2017, and a dozen of informal discussions with officials from Algeria, Tunisia and Morocco in March 2018. A first, preliminary paper was published during the research fieldwork, before this study: A. Ekman, "La Chine en Méditerranée: un nouvel activisme", which was published in December 2016 in the journal *Politique étrangère*, vol. 81, No. 4, Winter 2016-2017.

Does China have a strategy in the Mediterranean?

Regionalization of Chinese priorities

The Mediterranean area is not defined in the same terms by Chinese and European or northern African actors. The Chinese actors (party officials and ministries, *think tank* or university researchers) rarely use the term “Mediterranean.” They rather speak of “southern Europe” or, separately, “northern Africa” and consider the sub-regions depending on the geographical division² of their institution. This distinct administrative and bureaucratic compartmentalisation suggests that Chinese diplomacy does not consider the Mediterranean region in its entirety. In this context, it is difficult to speak of a “Mediterranean strategy” of the Chinese diplomacy. No cross-departmental or cross-ministerial *task-force* has been set up to consider a Chinese strategy which would apply to the entire Mediterranean area. And so far, China does not envisage creating an overall cooperation mechanism for the entire area. So far, it has envisaged informal cooperation mechanisms involving primarily six southern European countries (Italy, Greece, Portugal, Spain, Cyprus and Malta – *see the next section*). Cooperation with the rest of the Mediterranean countries – mainly the Maghreb countries – is included as part of other sub-regional cooperation mechanisms previously created by China: the Forum on China-Africa Cooperation (FOCAC) and the China-Arab Cooperation Forum.

More generally, Chinese initiatives in creating a regional cooperation mechanism (*see “China-South European Forums” below*) emphasise the importance that Beijing attaches to the Mediterranean, without proving the deployment of a specific Chinese strategy for the area. Since the early 2000s, China has been developing multilateral cooperation mechanisms with various regions, complementing existing bilateral relationships. These

2. See the geographical division of the Ministry of Foreign Affairs or of the Party’s International Department (IDCPC). For example, within the IDCPC, the “Western European” department (Bureau No. 8) will tend to consider the western Mediterranean first and foremost in its thinking. More information at: www.fmprc.gov.cn and www.idcpc.org.cn.

mechanisms most often take the form of high-level forums, created at China's initiative and meeting on an annual basis: Forum on China-Africa Cooperation (created in 2000), China-Arab States Cooperation Forum (2004), China-Central and Eastern European Countries Cooperation – known as “16+1” (2012), China-Community of Latin American and Caribbean States Forum – CELAC (2015).³ Hence, the creation of a forum in the Mediterranean would only complete a long list *ultimately* aiming to cover all the continents. As Hu Dawei, a researcher at the China Institute of International Studies (CIIS), a *think tank* affiliated to the Ministry of Foreign Affairs, emphasises: “China has built a basic cooperation mechanism which covers most of the world.”⁴

Indeed, the impression which dominates during conversations with Chinese researchers, at the time they were working on consolidating, tentatively, a China-South European forum, is that the creation of forums is a goal in itself, regardless of the forum's topic or content:

“Yes, creating a forum is important. What is the foreign policy? International meetings, i.e. forums and summits, and international actors who meet, that's it!”⁵

For Beijing, the regional forums are tools amongst others for restructuring global governance, which has become more than ever a priority for China's diplomacy under Xi Jinping's presidency. China does not only want to contribute to the restructuring of global governance, it now wants to lead it by increasing all-out initiatives allowing it to strengthen its influence at different levels (integration in existing institutions and forums, reinvigoration of some others – like the Conference on Interaction and Confidence Building in Asia (CICA) – new institutions – like the Asian Infrastructure Investment Bank (AIIB) – and the creation of new regional forums and other multilateral cooperation mechanisms). In its restructuring efforts, China is particularly counting on the support of European countries, which have been several to join the AIIB as founding members, and may join other institutions created by China in the future.

Generally, Chinese foreign policy works integrate key concepts and priorities issued by the central government (“top-level design” – *dingceng sheji*) that it then adapts and applies to as many regions and situations as

3. The cooperation mechanisms that China established with the Association of South-Eastern Asian Nations (ASEAN) in 1996 and the EU in 1998 can be added to this list.

4. “China Has Built-Up an Initial Cooperation Framework that Covers Major Parts of the World”, *Analysis of the Group Cooperation Diplomacy of China, with Discussion of China-CEEC Cooperation*, CIIS, November-December 2015.

5. Interviews, researcher at CIIS, annual CIIS-IFRI roundtable, Beijing June 2016.

possible. This approach, reinforced under Xi Jinping's presidency, should be fully taken into account when analysing Chinese activism in the Mediterranean. For China, it is less about developing a specific strategy for the region than using this region to internationalise and develop its centrally-defined priorities.

China-South Europe Forums

Since 2013, China has indeed launched several sub-regional initiatives involving countries of the Mediterranean region. In Rome in February 2013, Beijing organised a conference bringing together representatives from the Ministries of Agriculture (including several ministers) of six southern European countries (Italy, Spain, Portugal, Greece, Cyprus, Malta) and China for the first time with the aim of strengthening agricultural cooperation between the participants⁶.

In November 2015 at Xiamen (in south-east China), the State Oceanic Administration and the Chinese Ministry of Foreign Affairs organised another meeting with these same six southern European countries, this time focusing on maritime cooperation. This meeting – the first of this type, known as “Forum of Marine Cooperation between China and South European Countries” – brought high-level officials⁷ and experts on maritime issues together. At the end of this forum, and gradually over the last three years, China has developed “Comprehensive Maritime Cooperation” partnerships with Greece, Italy, Spain, Portugal, Cyprus and Malta⁸ including the construction or development of ports, industrial parks in the surrounding areas, transport networks, tourism and fishing.⁹

If China wishes to strengthen cooperation in terms of maritime development with the southern European countries quickly, it is primarily because it is seeking to develop the maritime component (*21st-Century Maritime Silk Road*) of its “Belt & Road” strategy (officially labeled as an “initiative”). Cooperation between China and these European countries – and primarily Greece – would form “the European extension” of the

6. Ministry of Foreign Affairs' official statement about this event: “Vice Premier Hui Liangyu Attends Roundtable Conference on Agriculture Cooperation between China and Six Southern European Countries”, 14 February 2013, available at: www.chinese-embassy.org.uk.

7. Some European ministers and deputy ministers responsible for maritime issues were present.

8. Thus, at the end of the forum, Malta agreed to set up an inter-governmental mechanism with China dedicated to bilateral maritime cooperation. “Malta, China to Set-Up Inter-governmental Structure to Promote Maritime Sector”, *Malta Today*, 9 November 2015, available at: www.maltatoday.com.mt.

9. As Wang Hong, the Director of the Chinese State Oceanic Administration emphasises, quoted by the Xinhua state press agency, “China Boosts Maritime Co-op with Southern Europe”, 8 November 2015, available at: <http://news.xinhuanet.com>.

maritime route according to Chinese officials.¹⁰ The objective, according to the official¹¹ jargon, is to create a “China – Indian Ocean – Africa – Mediterranean Sea Blue Economic Passage.”

So far, Greece is by far the country with which China has pushed maritime cooperation projects¹² the furthest, particularly during 2015, decreed as the “China-Greece Maritime Cooperation Year¹³.” However, Beijing is now seeking to strengthen this type of cooperation with other countries in the Mediterranean region, and in particular with the five other countries that it met with at the forum in November 2015, with help from Athens, which has already officially declared its support for this project and Chinese official communications do not hesitate to present it as the “representative of the six countries of southern Europe.¹⁴” The “Belt and Road” strategy is conceived by the Chinese authorities as *a work in progress* that is continually evolving, and which may over time, encompass every country in the world¹⁵ – and therefore, potentially, all the Mediterranean countries.

Strictly speaking, moving beyond maritime and agricultural cooperation, Beijing aims with the creation of these sectoral forums, to lay the foundations of strengthened economic and political cooperation with these six countries. This is reflected in the summary of the forum prepared by the Chinese Ministry of Foreign Affairs.¹⁶ Similarly, the impression which dominates discussions with Chinese officials who have helped to develop these forums is that the areas of sectoral cooperation are many and interchangeable:

10. *Ibid.*

11. Official version in English, taken from the action plan regarding the maritime dimension of the “Belt & Road”, published in June 2017: “Ocean cooperation will focus on building the China–Indian Ocean–Africa–Mediterranean Sea Blue Economic Passage, by linking the China-Indochina Peninsula Economic Corridor, running westward from the South China Sea to the Indian Ocean, and connecting the China-Pakistan Economic Corridor (CPEC) and the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC).

12. “China and Greece have closely worked on maritime infrastructure building, technology, transportation, ship-building, tourism and culture, Wang said, adding the two sides complement each other on maritime development.”, *Ibid.*

13. Xinhua, “China, Greece Agree to Promote Ties, Deepen Cooperation”, 28 March 2015, available at: <http://english.gov.cn>.

14. See the statement by the Chinese Embassy in Greece, 6 February 2016, available at: <http://gr.china-embassy.org>.

15. After having initially announced in 2013-2014 that about 60 countries were affected by the “Belt & Road” project, since January 2017, the Chinese authorities now speak of about “100 countries and international organisations”, and this figure is likely to evolve. See A. Ekman about the evolving nature of the “Belt & Road”, “A Flexible Implementation Process”, in “Three Years of China’s New Silk Roads: From Words to (Re)action?”, *Études de l’Ifri*, Ifri, February 2017, www.ifri.org.

16. Chinese Ministry of Foreign Affairs’ website, 8 November 2015, see at: www.fmprc.gov.cn.

“Yes, this concerns maritime cooperation, but not solely, we can envisage closer cooperation in all areas, agriculture, transport, new technologies, or other areas important for both parties.”¹⁷

Although, China is seeking to strengthen its agricultural and maritime cooperation with the southern European countries, these sectoral initiatives are only entry points for the purpose of consolidating a more comprehensive type of cooperation (both economic and political) with this sub-region.

Flexible and sectoral cooperation mechanisms

Faced with the reluctance of several governments in the countries involved (particularly Italy) and of Brussels to the possible institutionalisation of such cooperation mechanisms – which do not include the EU or all of the Mediterranean countries – Chinese diplomats and researchers¹⁸ moved towards consolidating flexible and specialised cooperation mechanisms, by increasingly involving representatives from the business world and civil society (universities, *think tanks*, NGOs) – often much easier to involve than government representatives.¹⁹

The creation of a formal institution – or a semi-institutionalised mechanism based on the “16+1” model, an annual forum created at Beijing’s initiative in 2012, which brings together China and 16 central and eastern European countries (among these, EU member countries and non-members) – is no longer viewed as an option in the short term by Chinese diplomats and researchers, even if this format remains an interesting source of inspiration for them to refine and adjust their new initiatives to southern Europe, and learn from past mistakes.

In 2017, several southern European governments (in particular Italy and Spain) clearly stated their refusal to participate in a formal cooperation

17. Interview with a Chinese diplomat, October 2016.

18. At least two research teams have worked on this topic in recent years (2014-2016) at the request of ministries and the Party, to make specific recommendations. It should be noted that out of a number of the teams we met in the course of this study, it was that of the European Studies Department of the China Institute of International Studies (CIIS, a *think tank* affiliated to the Ministry of Foreign Affairs) and that of Bureau No. 8 (“Western European Affairs”) of the International Department of the Central Committee of the Communist Party (IDCPC). IDCPC – Ifri closed seminar, Paris, April 2016.

19. Interviews with Chinese researchers and officials, 2015-2016. IDCPC – Ifri closed seminar, Paris, April 2016.

mechanism which would be created by China²⁰. The Chinese authorities are fully aware of this reluctance, but are not giving up on their objectives of developing flexible, informal, sub-regional cooperation mechanisms in Europe, whether in southern Europe or northern Europe (the project of creating a forum with the Nordic countries is still in the air²¹). Chinese diplomacy is increasingly relying on sectoral and informal regional forums²² involving a diversity of private, local, non-government actors to get around central government reluctance. Undoubtedly, the Chinese authorities will continue to develop multilateral cooperation platforms in southern Europe/northern Africa in one way or another, with flexibility, by focusing on certain sectors that Beijing considers as priority (such as telecommunications, e-commerce, maritime or the “green economy” in general terms) or certain types of actors in particular (businesses, port representatives, research centres, etc.)

It is difficult to know why China has specifically chosen these six southern European countries, notably excluding France. The main reason seems to be related to the idea of establishing a “new type of major power relations” (*xinxing daguo guanxi*), a key concept of Xi’s foreign policy. This concept shapes China’s selection process for countries potentially involved in the sub-regional cooperation initiatives. In Europe, as in other areas, Beijing’s priority is not to integrate the most influential countries into its new cooperation mechanisms – China is first and foremost consolidating its bilateral cooperation mechanisms with them. Beijing is rather targeting countries that it considers as “small” and which, grouped together, can now constitute counterparts of acceptable weight to the “major power” China. This explanation is consistent with the marked preference of Chinese diplomacy for the classification and ranking of countries²³, and partially confirmed by Chinese officials and researchers.²⁴

20. Interviews and informal discussions with Italian and Spanish diplomats, January - November 2017.

21. Discussions with Chinese officials and researchers, particularly from CIIS, in 2017.

22. Discussions with Chinese officials and researchers, particularly from CIIS, in 2017. The vast majority of the most recent official documents call for this type of cooperation to be strengthened in all areas, and primarily in the maritime sector, such as the action plan concerning the maritime dimension of the “Belt & Road”, published in June 2017 (“engage in all-dimensional and broad-scoped maritime cooperation and build open and inclusive cooperation platforms.”)

23. On this subject, see P. Wood and M. G. Brazil’s summary, “Updated: China’s Foreign Policy”, 18 September 2016, available at: www.p-wood.co.

24. Even if the official line is not as explicit, this approach is often reflected in discussions with Chinese researchers affiliated to official institutions and responsible for the theoretical development of the country’s foreign policy, and in particular, the implementation of the “new type of major power relationship” concept. Discussion with several directors and researchers at CICIR, IDCPC and the Party School during 2016, Beijing and Paris.

In addition, China uses this type of “group co-operation diplomacy”²⁵ to ensure balance but also efficiency: it enables Chinese diplomacy to save time during Xi Jinping’s visits to the areas involved, through joint summits, joint statements, etc. instead of many bilateral ones.

So, Chinese diplomacy did not initially consider including France as a potential member of the cooperation mechanism that it intended to create in the Mediterranean, just as it did not envisage Germany or Great Britain, as members of other sub-regional cooperation mechanisms created or planned in Europe (“16+1”, cooperation mechanism for northern European countries.²⁶)

However, Chinese diplomacy remains flexible and does not rule out including France in the China-South European forums that it is counting on organising in the future – possibly even on French soil.²⁷ Chinese diplomacy will probably seek to use both France and Greece’s experience and influence in Mediterranean cooperation for the benefit of its own cooperation mechanism in the area. Greece, which is already a member of the China-South European maritime and agricultural forums previously organised by Beijing, seems to be a willing partner for Chinese diplomacy, which will undoubtedly seek to create synergies (or even to combine whenever possible) between its mechanism and the Greek format of the “EU Mediterranean Countries Summit.”²⁸ Like for the “Belt & Road”, Chinese public diplomacy will probably emphasise the “complementarity” between the Chinese initiative and those of a similar kind previously launched by the Mediterranean countries.

For the Mediterranean countries, whether in southern Europe or the Maghreb, the question of involvement – and the conditions for this involvement – in regional forums initiated by China will arise with more urgency in the coming years, whereas actors in the region (government, but also company and civil society representatives, etc.) will likely be invited by their Chinese partners to participate in these types of meetings in 2019-2020, most often with a “Belt & Road” focused agenda.

25. On this subject, see H. Dawei, "Analysis of the Group Cooperation Diplomacy of China, With Discussion of China-CEEC Cooperation", *China International Studies*, November-December 2015.

26. This mechanism was not created, but discussion on this topic was begun by China. However, for the time being it is a secondary discussion compared to the one about the creation of a southern European mechanism.

27. Informal discussions, Beijing, Autumn 2016.

28. "It will make our work easier," said a Chinese official, who was interviewed about this subject in October 2016, and who added: "It's like with ASEAN, it may be the basis for our co-operation: like for ASEAN + 1-2-3, we will be able to make 7+1." [...] "It will be even more effective than the "16+1", because there will already be a solid base! We can benefit from the opportunity of the existing summit to do even better. "

Belt & Road: an increased maritime presence

Clearly, the renewed interest in the Mediterranean region by Chinese diplomacy since late 2013 is explained by its ambition to develop the Maritime Silk Road in the region. The multilateral China-South European cooperation mechanisms created by Beijing would be first of all a laboratory to develop and implement the Chinese project at southern European level. In the future, it is likely that China will more formally put the “Belt & Road” on the agenda of the China-South European forums²⁹, just like it already has put it on the “16+1” forum agenda in central and eastern Europe.³⁰ It is also for this reason that Beijing not only wants to develop maritime cooperation *via* this forum, but also the logistics³¹, transport and telecommunications networks in the broadest sense – as envisaged in the Belt & Road Action plan published in March 2015.³²

Port investments

China is investing heavily in ports in the Mediterranean area, as it is doing in other regions in the world. In recent years, Chinese companies (COSCO, in particular) have invested in the ports of Piraeus in Greece; Cherchell³³ in Algeria; Port-Said and Alexandria in Egypt; the ports of Ashdod and Haifa in Israel; the Kumport terminal at Istanbul’s Ambarli port; and the ports of Savona, Trieste, Genoa and Naples in Italy. China has also expressed an interest in several ports in Portugal³⁴ (among other ports), and a desire to

29. The Chinese government (through the government affiliated think tank DRC) have already organised a major forum on the Belt & Road in Madrid in 2015: the “Silk Road Forum 2015” brought together more than 300 participants, including Chinese and southern European (mainly Spanish) officials.

30. The “Belt & Road” were the main theme of the 4th “16+1” summit in Suzhou in November 2015.

31. Including the construction of special industrial zones abroad, on the model of those existing in China.

32. “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road”, published by the National Development and Reform Commission (NDRC) and other Chinese public institutions on 28 March 2015, available at: <http://en.ndrc.gov.cn>.

33. Xinhua, “China, Algeria to Build Mega Sea Port”, 18 January 2016, available at: <http://news.xinhuanet.com>.

34. C. Lin, “China Drops Anchor in Mediterranean Ports”, *Merics Blog*, 25 May 2016, available at: <https://blog.merics.org>.

create an “industrial city” abutting the port of Tangier in Morocco.³⁵ These investments are different in nature: in some cases, the Chinese companies have acquired shares in the port infrastructure as a whole (the case of Piraeus with the turnaround of the commercial port), or in certain specific terminals (case of Savona or Port Said), and in others, they are investing in management. For example, China Merchants has owned 49% of the port operator Terminal Link, a subsidiary of the CMA CGM group, since June 2013, which is responsible for developing, designing, building and operating the terminals (14 in total including 4 in the Mediterranean ports).³⁶

In any event, the “all-out” approach seems to be at work. China is considering an investment policy that could potentially involve all the ports in the region, including nearby ports. So, China is not ruling out investing in ports in Tunisia³⁷ or in France³⁸, after already having invested in ports in Algeria and Italy for example. Although these investments are common for shipping companies and are not unique to China, the activism of Chinese economic actors in the Mediterranean is supported by an adaptable official line on the “Belt & Road” – reminding us that all ports and countries can be included in the Chinese “initiative” if they wish to be – and fit into a broader Chinese investment policy in the world’s ports in place since Xi Jinping became President of the People’s Republic of China (March 2013) and whose implementation has been accelerating greatly over the last three

35. This project is now taking shape. According to the Chinese group, Haite, a sponsor of the operation undertaken with the Moroccan bank, BMCE Bank, it would invest \$10 billion over ten years, in a 20,000-hectare industrial park in the Tangier-Tetouan-Al Hoceima region. See at: www.haitegroup.com.

In Morocco, in addition to this project in Tangier, China is also considering investing in the development of a Marrakech-Agadir railway line – a project currently under discussion. Discussions with Moroccan researchers, February 2018.

36. According to the CMA-CGM group’s website, Terminal Link is a shareholder in 14 terminals worldwide, including 4 in Mediterranean ports (Marseilles, Malta, Tangier and Casablanca.) More information at: www.cma-cgm.fr.

37. Project to build an “economic hub for the port of Zarzis”, in cooperation with Chinese companies – at the Chinese authorities’ initial proposal to the Tunisian government. Interviews and informal discussions, Tunis, March 2017.

Some Tunisian actors also recommend involving Chinese investors in building the deep-water port of Enfidha. Recommendation made in a study prepared by the Arab Institute of Business Leaders (IACE) and presented in July 2017 during the 5th session of the “Tunis Forum 2017.”

38. Investments and work in progress to carry out the “MIF68” project in the textile sector (wholesalers’ centre, mainly Chinese) on the hills of Marseilles. Simultaneously to these investments, the question arises at the same time of the role that the port of Marseilles could play as part of the “Belt & Road” project. Discussions with members of the management of the Port of Marseilles and participation in the MEDports forum in Marseilles on 7-8 February 2018.

years. The total amount of Chinese investments in foreign ports doubled between 2015 and 2016.³⁹

The Chinese government is also financing high-speed rail connections between the port of Piraeus, Belgrade and Budapest, a project which is far from being complete, but if it were, should significantly reduce freight transport times from the Suez Canal – whose expansion in 2015 allowed traffic between the Red Sea and the Mediterranean to increase – to western Europe. Increasingly, China is seeking to benefit from new stops and tariffs in a growing number of terminals, but also to strengthen the synergies between its various investments to *ultimately* form a coherent and independent logistics network: goods conveyed to the ports can be stored and utilised in the industrial parks/hubs built by Chinese companies, or forwarded to other destinations through newly created or reactivated freight lines as part of the “Belt & Road”.

Submarine cables

At the same time as investing in transport infrastructure, China is increasingly investing in another type of infrastructure: submarine cables. These investments, so far relatively unknown and not much analysed, are rapidly accelerating – in the Mediterranean as much as in other regions – as part of the “Belt & Road”, whose action plan, published in 2015, explicitly mentions telecommunications, and especially submarine cables, as a priority sector for future investments.⁴⁰ The action plan more specifically relating to the maritime aspect of the “Belt & Road”, published in June 2017, also emphasises this priority.⁴¹

In the Mediterranean, the Chinese equipment manufacturer, Huawei Marine Networks, which specialises in the installation, maintenance and improvement of submarine cables, plays a relatively minor role. Other companies, such as Alcatel Submarine Network (ASN) invested earlier and

39. From \$9.97 billion in 2015 to \$20.1 billion in 2016 according to estimates by the *Financial Times* and Grison Peak, an investment bank based in London. Refer to J. Kynge, “Chinese Purchases of Overseas Ports Top \$20bn in Past Year”, *Financial Times*, 16 July 2017.

It should be noted that these estimates could be reassessed, since they only take the January-June period for 2016 into account, and do not include the investment projects currently being negotiated. However, they testify to the particularly rapid increase in Chinese investments in port infrastructure over this period.

40. “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road”, *op. cit.*

41. Hence, the plan states: “Chinese enterprises will be guided to participate in the construction and operation of ports. Projects for the planning and construction of submarine cables will be jointly advanced to improve connectivity in international communications.” in “Vision for Maritime Cooperation under the Belt and Road Initiative”, State Council of the PRC, 20 June 2017, available at: <http://english.gov.cn>.

were more active. However, since 2008, Huawei Marine Networks has been increasing investments to catch up: it has mainly developed the “Hannibal” cable, connecting Tunisia to Italy⁴² in 2009 and another, connecting Libya to Greece since 2010⁴³. In the coming years, competition between the various equipment manufacturers will very likely be reinforced in the Mediterranean and worldwide, while more than 300 submarine cables are currently active on the planet⁴⁴, and this sector is still developing given that almost all intercontinental electronic communication is now passing through these routes.

Geostrategic questions

Chinese investments in infrastructure in the Mediterranean region are proportional to the importance of the European market for China. The European Union (EU) is China’s largest trading partner. Reducing shipping time and costs makes it possible to keep Chinese imports at a competitive level on the European market – whereas more than 80% of trade between China and the EU is sent by sea.⁴⁵

However, these investments also raise strategic issues given their nature and size in recent years. Investments in satellite facilities⁴⁶, submarine cables or ports in the region, and particularly the purchase of some of them, make it possible to develop non-commercial activities in the future, such as hosting navy forces or collecting intelligence. It also raises new questions in terms of strategic independence: some Chinese companies now have the ability to restrict access to some Mediterranean ports or to certain submarine cables (and therefore access to the internet) if they – or the Chinese government – so wish it.

These concerns are also compounded by the fact that a large share of Chinese investment is made by state-run companies, and that private companies must also maintain close links with the state, given the nature of the current Chinese political and economic system, at a time when Xi

42. Huawei Marine press release, 10 December 2009: “Huawei Marine Successfully Delivers Hannibal Submarine Cable System”, available at: www.huaweimarine.com.

43. Huawei Marine press release, 28 October 2010: “Huawei Marine Awarded LITC Turnkey Supply Contract to Bridge North Africa and Europe”, available at: www.huaweimarine.com. This cable has been operational since 2013; more information can be found at: www.huaweimarine.com.

44. For an updated map of submarine cables in the world (incidentally funded by Huawei Marine Networks), see www.submarinecablemap.com. See also P. Manière on this subject, “Télécoms: pourquoi le chinois Huawei veut grandir dans les câbles sous-marins”, *La Tribune*, 22 December 2016, available at: www.latribune.fr.

45. E. Sellier, “China’s Mediterranean Odissey [sic:] Odissey”, *The Diplomat*, 19 April 2016, available at: <http://thediplomat.com>.

46. China opened its first overseas center for Beidou navigation satellite system in Tunisia in April 2018. *Xinhua*, 11 April 2018.

Jinping is increasingly encouraging economic actors to “patriotism.” Generally, the Chinese government’s coordination capacities have been strengthened since Xi Jinping assumed the presidency, who is counting on the support of all the country’s actors to implement domestic and foreign policy priorities.

Chinese activism also raises questions regarding the implementation of new maritime standards and guidelines, while China is increasingly encouraging them in official documents – including in the June 2017 action plan. Chinese public diplomacy is raising new concerns about the emergence of a new reading of maritime law that Chinese representatives defend, when they participate in maritime and security forums, particularly since the arbitration of the Permanent Court of Arbitration (PCA) in The Hague in July 2016, on disputes in the South China Sea, which Beijing does not recognize.

More generally, the question of a Chinese strategy in the Mediterranean has arisen during the past two years, when China and Russia conducted significant joint military exercises for ten days in the eastern Mediterranean in May 2015. For the Chinese navy, it was a first in Mediterranean waters, which are among the most congested in the world in terms of naval military presence. China has hardly said anything about the subject⁴⁷, but several interpretations can be put forward. First, in general terms, China is increasing its exercises in a maximum of areas, with a maximum number of countries, to teach and professionalise its troops, and primarily its navy, while it hopes to catch up in this area and become a “maritime power” (*haiyang qianguo*) – as Xi Jinping announced at the beginning of his term of office. This objective, as well as the performance of a growing number of joint exercises, is clearly emphasised and encouraged in the May 2015 *White Paper on China’s military strategy*, issued by the State Council Information Office. This Sino-Russian cooperation should also be interpreted in a broader context of “you scratch my back and I’ll scratch yours⁴⁸” in waters that each considers as strategic. Both countries have been carrying out military exercises together each year since 2012. In September 2016, Russia and China carried out exercises in the South China Sea,⁴⁹ just over a year after the exercises in the Mediterranean. More

47. Apart from a few short Xinhua despatches emphasising that the exercise was in no way aimed at third parties: Xinhua, “China, Russia Launch Joint Naval Drills”, 11 May 2015, available at: <http://news.xinhuanet.com>.

48. Several discussions with Chinese *think tanks* confirm this hypothesis. It was certainly “mutual aid” (*huxiang bangzhu*) between China and Russia according to CICIR researchers (interviews, October 2016).

49. Eight-day “Joint-Sea 2016” exercises – the largest conducted up to now between the two navies according to Liang Yang, spokesperson for the Chinese navy. This was the 5th joint exercise

recently, in July 2017, Russia and China also carried out joint exercises in the Baltic Sea.⁵⁰

Last but not least, Beijing is aware that it must now be able to evacuate its nationals in at-risk areas, including the Mediterranean, more independently and quickly than before. In 2011, during the Libyan crisis, China had to hastily evacuate its nationals in the country: more than 35,000, a number which was largely under-estimated by the Chinese authorities at the start of the crisis. It could not have done so without the help of European countries, and primarily Greece, the country which most of the evacuees⁵¹ had to transit through. In March 2015, China also had to quickly evacuate nearly 600 nationals from Yemen, and it could still have to do so in the future in other Mediterranean countries, given the high number of Chinese workers in the region. Since these events, the Chinese navy has been aware that it must strengthen its presence in the region to be able to carry out new evacuations.⁵² Against this background, and after China opened a military base in Djibouti in 2017, it is probable that Chinese authorities eventually envisage opening a base in the Mediterranean region.

between the Russian and Chinese navies since 2012 in all regions. See G. Wildau, “China and Russia Launch Joint Naval Drills in South China Sea”, *Financial Times*, 13 September 2016.

50. “China in Baltic Navy Drill with Russia”, BBC, 21 July 2017, available at: www.bbc.com.

51. C. Lin, “China Drops Anchor in Mediterranean Ports”, *op. cit.*

52. E. Wishnick, “Russia and China Go Sailing”, *Foreign Affairs*, 26 May 2015, available at: www.foreignaffairs.com.

Conclusion

It is primarily in the East and South China Sea, an area which encompasses several of the country's so-called "core" interests, that China is concentrating its efforts on and developing a strategy in the face of a US presence that Beijing considers as illegitimate. In the Mediterranean, the Sino-US competition is direct and Beijing is not playing a leading role *vis-à-vis* the main crises in the region (migrant crisis, Syrian crisis and the fight against Daesh, notably).

However, because of its investment capacity and its diplomatic activism, China is restructuring the balance of power present in the region, and increasingly appears, in the eyes of some Mediterranean countries, as a source of opportunity, and an alternative power to the traditional ones, which are well-established in the region. In particular, some Maghreb countries consider China as an interesting lever for negotiation when faced with proposals from various foreign companies, and as a potentially interesting counterbalance to French/European influence.

China is translating its national priorities at Mediterranean level with increasing activism, primarily by strengthening its maritime capacities, both, civilian and military. The deployment of the Chinese maritime presence in the Mediterranean raises a number of economic questions: the port of Piraeus has become an important entry point for Chinese products into Europe, and Chinese investments in transport infrastructure is starting to affect the business of other traditional logistics and port hubs in the area.⁵³

Eventually, these investments combined with an increased Chinese naval presence in the Mediterranean could generate more significant geopolitical and security effects. Mediterranean countries could be increasingly inclined to support Chinese positions in the region and beyond⁵⁴ – in the South China Sea for example, to develop civilian and military naval cooperation with Beijing; and Chinese surveillance capacity in the area could strengthen.

53. For example, some international companies have moved their main distribution points in Europe, such as Hewlett Packard, from Rotterdam to Piraeus.

54. In particular, see F.-P. van der Putten, "Greece: Piraeus and the Maritime Silk Road", Clingendael Report, *Piraeus and the Geopolitical Relevance of China's New Silk Road for Southeast Europe and Turkey*, November 2016.

At the same time, China is developing new multilateral forums and other flexible cooperation mechanisms in the Mediterranean, seeking to make up for its lack of influence compared to other already well-established countries in the region which have previously developed – or tried to develop – similar mechanisms. This new Chinese influence could call into question the political, but also ideological⁵⁵ framework, promoted by the EU in some Mediterranean countries. While it has been conducting an all-out investment policy since the Euro crisis – increasing investments in the countries most affected by the crisis – China no longer hesitates to underline Brussels’ weaknesses and to position itself as an alternative market to these countries. In the coming years, it cannot be ruled out that Beijing will seek to compete with the EU’s stimulus and development programmes to the benefit of southern European and northern African countries, and to sponsor an alternative model of development and governance more actively, by positioning its own model as a good example to learn from, as it already does through a diversity of channels (training programmes for officials and engineers, scholarships, media programme in local languages, etc.), with an increasing number of countries that are facing economic difficulties.

55. China has been promoting a “China-Europe civilization dialogue” – for example at a conference organised by the Chinese Communist Party in Athens in October 2016: “China-Europe Forum Opens in Athens for Better East-West Cultural Understanding”, Xinhua, 4 October 2016, available at: www.chinadaily.com.cn.



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