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**The Belt and Road Initiative and
Italy: Italferr's Case**

How Italy Can Increase Its Influence in the Belt and Road
Framework

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前言

这篇论文主旨在中国“一带一路”议题以及铁路部门的目标和政治含义，并特别提到意大利对该项目的贡献，以及深入研究意大利在此议题中最活跃的公司 Italferr 的活动。

第一章分析了中国“一带一路”此一议题的起源。这个提案在 2013 年提出的初衷是中国国家主席习近平所追求之中国梦的一部分，但实际上开始让世界许多国家感到担忧，起因为刚开始时似乎是一个专注于发展、全世界的沟通和商业流动；但渐渐地，似乎是中国政府用来接管全球经济和利用外国资源从中获取优势，并在全球市场中建立领导地位的政治手段。

无论是在陆上或是海上，“一带一路”确实是一涉及世界大部分地区的发展项目。事实上，其命名亦表明它延伸的两条主要道路：其一，丝绸之路经济带，旨在将中国与西方世界联系起来，从西安开始，穿越中东，最后到达西班牙(马德里)，由此可知，从中国(北京)到德国柏林以及西班牙马德里的直达货运线已然落成；其二，21 世纪海上丝绸之路代表着穿越南亚最重要海域的路径（南海是一带一路项目的关键和战略要点），穿越苏伊士运河并抵达地中海；其中，中远公司近期在希腊收购的比雷埃夫斯港对中国而言是非常重要的，原因是此港口让中国有机会与地中海世界直接联系并不会跨越半球到达荷兰鹿特丹。从上面的描述中可以清楚地看出，“一带一路”与古代丝路不同，后者是一条仅适于人与人之间联系和大篷车交易的路线。

习近平主席在 2017 年 5 月 14 日的“一带一路”国际合作高峰论坛上发表演讲时所关注的四个原则是：一、和平合作：中国不希望成为征服者并将世界大权握于手中，但希望建立桥梁并以此与每个国家建立联系并和平地合作；二、开放性和包容性考：虑到一带一路是一个尽可能多的国家整合项目这一事实；三、相互学习：因为有机会认识不同的文化并相互学习；四、互惠互利：由于中国政府希望成为此项目的核心，帮助第三世界国家建立一个功能完善之基础乃至已发展的体系，并将其融入中国体系，鼓励共同发展。

中国正在努力克服全球市场的想法并达成共识。许多权威人士都将此倡议称为隐藏中国政府真实意图的项目，中国投资者对外国企业的大量收购是一个明显的证据，如中远集团收购比雷埃夫斯港口，或者最近收购德国库卡机器人公司只是其中两个例子，展示龙的传人们如何吸收最多的知识和高科技能力并竭尽一切地、无可争议地成为世界经济的超级大国（即便不高于美国或欧洲）。

另外必须特别提到的是，自新任美国总统唐纳德特朗普当选以来，BRI(一带一路)的目标经历了巨大的变化，他自始就表现出不愿参与通过一带一路项目实施的全球化进程。随着第一章所讨论的目标变化，BRI 的融资方式及其相关风险是分析的一部分。本章概述了“一带一路”项目中最重要的一家银行：亚洲基础设施投资银行（AIIB）、亚洲开发银行（ADB），新开发银行（NDB）、欧洲复兴开发银行（EBRD）、丝绸之路基金只是支持中国的一些组织倡议，以及参与其中的国家政府。关于项目的融资方面，本章还分析了各国如何应对中国的资金需求，考虑到中国拥有的大量经济资源，以及不仅要分享利益而且要分担风险的要求。

最后，它深入研究了“一带一路”倡议可能给全球经济，政治和社会方面带来的好处，以及这样一个大项目的风险和可能造成的副作用，这仍然是许多人辩论的原因；此外，许多国家持反对意见且不信任中国。

第二章提供了一带一路框架中铁路部门的初步概述。事实上，基础设施投资的最大动力是城市发展。

中国的投资主要是建立一个基础设施系统，可以连接所有国家，甚至那些缺乏社会发展基本设施的国家（如医院、学校和水利基础建设）；在“一带一路”项目的基础设施投资最多的中国公司约有三家：中国交通建设公司（CCCC），海外积压占项目总数的百分之五十；中国铁路建设总公司（CRCC），2016 年海外项目增加百分之二十五；中国机械总公司（CMEC），主要集中于与能源和电力领域相关的项目的工程，采购和施工（EPC）。

由于 BRI 运输计划的规模，估计运输投资可达到 2000 亿美元，并有可能再增加。BRI 似乎是扩大中国影响力的有利条件，在有关国家（特别是欠发达国家提供了许多机会），事实上，中国似乎是那些不能自己进行基础设施未开发国家的主要投资者，这就是为什么一带一路与马歇尔计划有关；例如，中国一直向埃塞俄比亚提供贷款多达 30 亿欧元，多年来这笔资金使埃塞俄比亚越来越无法偿还。因此，中国政府决定取消部分贷款，以改变其铁路系统的全面管理或为其建立有利中方之进口法律。这引发了许多国家的猜疑，是否向其他人借钱的行为很快就会变成放高利贷或敲诈勒索。

本章提到了铁路部门最重要的基础设施投资，将重要的通道命名为：中巴经济走廊（CPEC）（连接中国和西部，主要位于亚洲，非洲和欧洲），泛亚铁路网、阿布贾-卡杜纳轻轨和蒙巴萨-内罗毕铁路代表了前两大洲的重点项目，值得注意的是，中国似乎是唯一一

个负责非洲大陆基础设施发展的国家，也是从此处许多人怀疑中国是从这些行动中获得最大利益的国家，这种怀疑是持久的。

在欧洲，近年来从中国到马德里和伦敦的直达铁路线以及贯穿俄罗斯的 Primorye-1 和 Primorye-2 路线是中国对欧洲铁路系统日益增长的兴趣的象征。

2017 年 2 月 23 日在 Giustiniani 宫（罗马）举行的由 Limes 评论组织的辩论中讨论了意大利在“一带一路”中的角色，有许多意大利和中国的管理人员和大使参加了会议，在此期间，该领域最重要的专家进行了干预，例如意大利参议院总统，Pietro Grasso、意大利铁路网首席执行官兼总干事，Maurizio Gentile、威尼斯港务局主席，Paolo Costa、隧道 Euralpin Lyon-Turin (TELT) s.a.s. 总监，Mario Virano、Italferr 首席执行官兼总干事，Carlo Carganico、以及杂志《Limes》总监，Lucio Caracciolo。

意大利可以成为新丝绸之路的战略国家代表是本章讨论的另一个主题，事实上，地中海地区中心靴状国家的战略地位是吸引中国投资者的一个原因，希腊比雷埃夫斯港不是流入地中海的唯一一点：位于意大利北部的港口，如威尼斯，拉斯佩齐亚和热那亚，对于减少货运时间至关重要，如今必须到达鹿特丹港，后通过铁路线分配来自中国的货物。意大利铁路部门以及 Italferr 公司的贡献，Italferr 公司是处理一带一路并有显著贡献的主要企业，是本章的主要议题。第 2.3 章分析了 Italferr 为使意大利铁路系统尽可能在 BRI 框架中具有竞争力所采取的策略，并概述了多年来在全球范围内完成的最重要的技术研究。非洲，中东地区和东盟国家可能是 Italferr 最大限度地利用其存在的国家，帮助当地铁路公司进行各种项目的技术研究，并在许多情况下起草所需的招标文件。

Italferr 目前正忙于加强与中国的关系，但与中国政府合作的唯一具体例子是 2017 年 12 月 2 日与中国铁路信号通信公司（CRSCC）签署的协议，正如 Carlo Carganico 公司首席执行官所解释的那样，该计划是全球发展项目的一部分，适用于 Ferrovie dello Stato Italiano SpA 2017 至 2026 年的商业计划，该公司管理铁路运输的所有方面，并委托 Italferr 进行工程设计其中一部分。

还有人指出意大利仍未在一带一路框架中发挥领导作用，因铁路部门要做的事情要比欧洲其他国家更具竞争力。尽管如此，如果意大利政府能够展示其改善铁路部门系统互操作性和整合的能力，那么十年内意大利将有可能发挥更大的作用。

技术解决方案的基础以及该方案的发展，使车站更大，能够容纳更长的列车，港口当局官僚机构的重组和简化以及改善不同交通工具之间的联系以更容易实现转型。

今年 Italferr 一直忙于管理与蒙古地区的关系一直到三年前，几乎不可能与这个地区建立联系——同时考虑到那里没有意大利大使馆可以作为 Italferr 和蒙古铁路之间的中间人。直到 2018 年 7 月，Italferr 才有机会与意大利驻乌兰巴托的大使安德烈·德菲利普会面，并证实大使愿与意大利公司合作，帮助该地区进一步发展铁路系统。

在 2018 年 7 月的会议之后，Italferr 最近与蒙古交通部、矿业部长和蒙古铁路主席达成了协议，因为蒙古政府确认了意大利公司与他们建立合作关系的兴趣。

在简要考察了与中国投资者开展业务时遇到的困难之后，由于他们的真实意图不明确以及只在乎个人利益的强大国家形象，特别值得一提的是 Agenzia Nazionale per la Sicurezza delle Ferrovie。该公司所关注最重要的贡献之一就是投资转向安全技术的安装和标准应用，这些标准优化了列车的效率和质量，甚至是那些穿越欧洲的核心地区的一部分，因此不完全受意大利公司的控制。

第三章也是最后一章致力于 Corrado Ruggieri，Italferr 的现任顾问负责验证 FS SpA 董事会的审议，机构和国际事务，公司审计的管理和控制以及合同与当地公司合作。他还曾在 Agenzia Spaziale Italiana (ASI) 的董事会工作，目前在梵蒂冈城内担任 “Gentiluomo di Sua Santità”。

本章阐述了他对意大利 BRI 框架中意大利局势的看法，并提到意大利南部地区对一带一路的影响很小以及意大利应该关注的要素，以便成为所涉及的前五大国家之一在中国项目中。

总而言之，铁路部门的现状是中国政府吸引力的一个原因，正如意大利 Italferr 这样的公司能够赞扬一个复杂的铁路系统以及在各大洲的强大存在，因为高科技知识公司几乎可以在任何地方出口和应用。为了获得更多的重要性并扩大其在 BRI 内部的影响力，仍然需要很大的努力，这肯定是一个需要充足时间的过程；尽管如此，意大利肯定有潜力成为一带一路框架中的一个更大的参与者。

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Introduction

This final thesis displays the Belt and Road Initiative's objectives and political implications, with a view to the railway's sector, especially focusing on the Italian contribution to the project and examining in depth the activities of Italferr, the most active Italian company as far as the BRI project is concerned.

The first chapter analyzes the origin of the Belt and Road Initiative in China. The initial enthusiasm raised by this proposal in 2013, which is part of the famous Chinese Dream pursued by the Chinese President Xi Jinping, actually began to worry many countries around the world, as what at the beginning seemed to be a project focused on developing the communication and commercial flows throughout the whole world started to look like a political instrument used by the Chinese government to take over the global economy and exploit foreign resources to take advantages from it and establish their leader position in the global market.

One Belt One Road is indeed a project which involves almost any part of the world, both through the land and the sea. As a matter of fact, its name indicates the two main paths along which it extends: the Silk Road Economic Belt aims at linking China with the West world, crossing the Middle-East and finally reaching Spain; the direct freight train lines from China to Madrid and Berlin have already been inaugurated; the Maritime Silk Road indicates instead the path going through the most important seas of South Asia (the South China Sea being a crucial and strategic point for the BRI project), crossing the Suez Canal and arriving in the Mediterranean Sea. The recent acquisition of the Piraeus port in Greece by the COSCO company is an important stop for China, as this port gives China the chance to be directly linked to the Mediterranean world without crossing half of the globe to get to Rotterdam. As it is clear from the description above, the BRI is different from the ancient Silk Road, which was a route only functional to people-to-people connection and caravan trades.

The four principle on which President Xi Jinping focused on during his speech at the Belt and Road International Cooperation Summit on May 14th, 2017 are: peaceful cooperation, as China does not want to appear as a conqueror running for a throne from which holding the power on the whole world, but wants to build bridges to have a link with every country and cooperate peacefully with each and every one of it; openness and inclusiveness, considering the fact that the BRI wishes to be a project integrating as much countries as possible; mutual learning, as there is the chance to

meet different cultures and mutually learn from them; mutual benefits, due to the Chinese government desire to be the engine of the project, helping the underdeveloped countries to build a perfectly functional infrastructure system and the already developed ones to integrate their systems to the Chinese one, encouraging mutual growth.

The idea that the BRI is an imperialistic system through which China is trying to get over the global market is making its way in the common awareness. Many pundits have labelled this initiative as a project hiding the true intentions of the Chinese government. The many acquisitions of foreign enterprises by the Chinese investors is a blatant proof of that: COSCO's acquisition of the Piraeus port or, again, the recent acquisition of the German KUKA Robotics Corporation are just two examples showing how the Dragon is trying to absorb as much know-how and high-tech competency as possible to become an indisputable economic world's super power, equal to, if not higher than, the United States or Europe.

It must be pointed out that the objectives of the BRI endured great changes since the election of the new American President Donald Trump, who since the beginning showed no willing to be part of a globalization process carried out through the One Belt One Road project.

Along with the change in the objectives discussed in the first chapter, the financing means of the BRI and the risks related to it are part of the analysis. The chapter provides an overview of the most important banks involved in the project; the Asian Infrastructure Investment Bank (AIIB), the Asian Development Bank (ADB), the New Development Bank (NDB), the European Bank for Reconstruction and Development (EBRD), the Silk Road Fund are just a few of the organizations supporting the Chinese initiative, along with the governments of the countries taking part in it. As to the financing aspect of the project, the chapter also analyzes how the countries have reacted to the Chinese demand for funds, considering the large economic resources possessed by China, and the request to share not only the benefits but also the risks.

At last, it goes deep in the examination of the benefits that the Belt and Road initiative could bring to the global economic, politic and social aspects but also the risks and the possible side effects of such a big project which is still cause of many debates and oppositions of many countries mistrusting China.

The second chapter provides an initial overview of the railway sector in the BRI framework. As a matter of fact, the biggest driver for infrastructure investment is the urban development.

Chinese investments are mostly directed to the construction of an infrastructure system that can be functional to connect all the countries, even those who lack the fundamental structures for social development, such as hospitals, schools and water infrastructure.

The Chinese companies involved the most in infrastructure investments related to the OBOR project are substantially three: China Communications Construction Company (CCCC), which overseas backlog accounts 50% of the total projects; China Railway Construction Corporation (CRCC), with a 25% increase in overseas projects in 2016; China Machinery Engineering Corporation (CMEC), which focuses on the engineering, procurement and construction (EPC) of projects related to the energy and power fields.

The estimated transport investment could reach the amount of \$200 billion with possibilities of increase due to the size of the BRI transport plan. The BRI seems to be a favorable circumstance to expand the Chinese influence overseas, providing many opportunities in the countries involved, especially in the underdeveloped one. In fact, China seems to be the major investor in those countries who cannot carry out infrastructure development by themselves, being this the reason why OBOR is associated to the Marshall Plan. For instance, China has been lending money to Ethiopia to reach an amount of €3 billion, an amount of money that through the years has made Ethiopia more and more incapable to return. Thus, the Chinese government decided to cancel part of the loan in change of the complete management of their railway system or the establishment of import laws to their advantage. This gave rise to many countries' theories according which the action of lending money to others will soon transform into loan-sharking or blackmail.

The chapter mentions the most important infrastructure investments in the railway sector, naming important corridors functional to connect China to the West and mostly located in Asia, Africa and Europe: the China-Pakistan Economic Corridor (CPEC), the Pan-Asia Railway Network, the Abuja-Kaduna Light Rail and the Mombasa-Nairobi railway represent the highlighting projects in the first two continents. As it can be noted, China seems to be the only country taking care of the infrastructure development in a continent as poor as Africa; even here, the doubt that China is the country taking advantages the most from these actions is persistent.

In Europe, the direct railway lines from China to Madrid and London, together with the Primorye-1 and the Primorye-2 corridors running through Russia developed in the recent years are the symbol of the growing interest of China in the European railway system.

The role of Italy in the BRI framework was discussed during the debate held in Palazzo Giustiniani (Rome) on February 23rd, 2017, organized by the Limes review. Many Italian and Chinese managers and ambassadors participated in the meeting, during which the most important experts in the field intervened, such as Pietro Grasso, the Italian President of the Senate, Maurizio Gentile, CEO and Director General of the Italian railway network, Paolo Costa, Chairman of the port authority of Venice, Mario Virano, Director General of the Tunnel Euralpin Lyon Turin (TELT) s.a.s., Carlo Carganico, CEO and Director General of Italferr, and Lucio Caracciolo, Director of the Limes Review.

The ways through which Italy could represent a strategic country for the New Silk Road is another topic discussed in the chapter. As a matter of fact, the strategic position of the boot-shaped Country in the center of the Mediterranean area is a reason of attraction for Chinese investors. The port of Piraeus in Greece is not the only point flowing into the Mediterranean Sea: the ports located in the Northern part of Italy, such as Venice, La Spezia and Genoa can be crucial in order to reduce the time of freight transport, as nowadays it is necessary to reach the port of Rotterdam and proceed through the rail lines to distribute the goods coming from China.

The Italian railway sector, together with the contribution of the Italferr company, which is the main enterprise dealing with the BRI and giving contribution to it, is the main topic of the chapter. Chapter 2.3 analyzes the strategies that Italferr has been carrying out in order to make the Italian railway system as much competitive in the BRI framework as possible, also providing an overview of the most important technical studies accomplished through the years in the whole world. Africa, the Middle-East area and the ASEAN countries are maybe the ones in which Italferr has imposed its presence the most, helping the local railway companies in the technical studies of the various projects and, in many cases, drafting the tender documentation needed to carry out the activities there.

Italferr is currently busy in strengthening its relationship with China, but the only concrete example of cooperation with the Chinese government is provided by the agreement signed on December 2nd, 2017 with the China Railway Signal and Communication Corporation (CRSCC). As the CEO of the Company Carganico explained, this initiative is part of the global development projects and suits the Business Plan 2017-2026 of Ferrovie dello Stato Italiano S.p.A., the company managing all the aspects of the railway transport and which entrusts Italferr with the engineering part of it.

It is also stated that Italy is still not playing a leader role in the BRI framework, as there is much to be done in the railway sector to become more competitive than the other countries in Europe.

Nevertheless, if the Italian government will be able to show its ability to improve the interoperability and integration of the systems in the railway sector, within ten years it will be possible for Italy to gain a bigger role.

It is fundamental as well the development of technical solutions to make the stations bigger and able to welcome longer trains in, the reorganization and simplification of the bureaucracy of the port authorities and the improvement of the connection between the different means of transport to make the transition among them easier.

This year, Italferr has also been busy in managing the relationship with the Mongolian area. Until three years ago, it was nearly impossible to have connections with this area, also considering the absence of an Italian embassy there that could operate as an intermediate between Italferr and the Mongolian Railways. It was only on July 2018 that Italferr had the chance to meet the Italian Ambassador in Ulan Bator Andrea De Felip, who confirmed his willingness to cooperate with the Italian company to help the territory to further develop its railway system.

Following the meeting of July 2018, Italferr is recently working on the agreements with the Mongolian Ministry of Transport, the Minister of Mines and the Chairman of the Mongolian Railways, as it was confirmed the interest of the Mongolian Government to establish a cooperative relationship with the Italian company.

After a brief examination of the difficulties arisen in doing business with the Chinese investors, due to the lack of clarity in their real intentions and the image of a powerful country only interested in personal profit, there is a special mention about the Agenzia Nazionale per la Sicurezza delle Ferrovie. One of the weightiest contributions that the company has focused on has been channeling the investments towards the installation of safety technologies and the application of standards that have optimized efficiency and quality of the trains, even of those ones being part of the Core Corridors crossing Europe and thus not being completely under the Italian company's control.

The third and final chapter is dedicated to Corrado Ruggieri, the current Advisor in Italferr responsible for the verification of deliberations from the FS S.p.A.'s Board of Directors, the institutional and international affairs, the management and control of the company's audit and for the contracts with local companies. He has also worked in the Board of Directors in the Agenzia Spaziale Italiana (ASI) and currently serves as "Gentiluomo di Sua Santità" inside the Vatican City.

The chapter displays his opinion about the Italian situation in the BRI framework, referring also to the little involvement of the Southern part of Italy in the BRI and the elements on which Italy should focus on in order to become one of the top-five countries involved in the Chinese project.

In conclusion, the current situation of the railway sector is a reason of attraction for the Chinese government, as thanks to companies like Italferr, Italy can praise a sophisticated railway system and a strong presence in every continent due to the high-technology knowledge that the company has been able to export and apply almost everywhere. There is still much that can be done to acquire more importance and expand its influence inside the BRI and it is surely a process that will require plenty of time; despite this, Italy certainly has the potentiality to become a bigger player in the BRI framework.

CHAPTER 1.

China's One Belt One Road: A Path towards Global Power

Among all the projects that China made public with enthusiasm but that also increased worries and doubt, the most significant one is the One Belt, One Road (OBOR), also known as Belt and Road Initiative (BRI)¹. This policy has given birth to as many global debates like no other, being first considered only as a formal metamorphosis of the previous political, economic and trade connections between China and all the countries involved in this project.

¹ For more details, see:

Asia Pacific Management Team, *“One Belt One Road – Connecting Asia Pacific”*, Bridging Asia, German Banking – Financial Solutions by NORDB/LB Asia, Norddeutsche Landesbank, 2017;

Peter Cai, *“Understanding China's Belt and Road Initiative”*, Lowy Institute, March 2017, <https://www.lowyinstitute.org/publications/understanding-belt-and-road-initiative>;

Michael M. Du, *“China's “One Belt One Road” Initiative: Context, Focus, Institutions, and Implications”*, The Chinese Journal of Global Governance, Volume 2, Issue 1, 2016;

Ivan Diaz Campos, *“One Belt & One Road: Between Cooperation and Geopolitics in the Silk Road”*, Contacto Global, Vol. 6, December 2015, pp. 18-25;

Thomas S. Eder, *“Mapping the Belt and Road initiative: this is where we stand”*, Mercator Institute for China Studies, June 7th, 2018, <https://www.merics.org/en/bri-tracker/mapping-the-belt-and-road-initiative>;

Guy De Jonquieres, *“Grand plans will test Xi's mettle”*, Nikkei Asian Review, December 9th, 2015, <https://asia.nikkei.com/Viewpoints-archive/Viewpoints/Grand-plans-will-test-Xi-s-mettle?page=1>;

Corrado Ruggieri, *“Nuova Via della Seta”*, original document made available by the author, March 5th, 2018;

Mengjie, *“Full Text: Vision for Maritime Cooperation under the Belt and Road Initiative”*, Xinhua, June 2th, 2017, http://www.xinhuanet.com/english/2017-06/20/c_136380414.htm;

Silk Road Associates, *“Belt & Road: Opportunity & Risk”*, Baker McKenzie, Singapore, October 10th, 2017;

The State Council Of People's Republic Of China, *“China unveils action plan on Belt and Road Initiative”*, March 28th, 2015, http://english.gov.cn/news/top_news/2015/03/28/content_281475079055789.htm;

Wu Jianmin, *“China to play a bigger role as a world contributor”*, China Daily Europe, April 20th, 2015, http://europe.chinadaily.com.cn/opinion/2015-04/20/content_20481448.htm;

Yu Jie, *“China's One Belt, One Road: A Reality Check”*, LSE Ideas, July 24th, 2017, pp. 1-12;

He Qinglian 何清涟, *“Yīdài yīlù sān nián zhī jiān dà biàn shēn” 一带一路“三年之间大变身 (One Belt One Road, Big Changes Within Three Years)*, VOA Chinese, May 14th, 2017;

Lin Helin 林和立, *“Yīdài yīlù zǒu rù mítú” 一带一路走入迷途 (Getting Lost in the One Belt One Road)*, Xīn bào cái jīng xīn wén 信报财经新闻 (Hong Kong Economic Journal), April 7th, 2016, <http://forum.hkej.com/node/130698>;

Liu Xudong 劉旭東, *“Deng Xiaoping de zhiguo linian yu zhiguo zhengce” 鄧小平的治國理念與治國政策 (The idea of Xi Jinping to govern the Country and the Country's policies)*, Renmin wang – lilun pindao (People's Network – Theory Channel), September 18th, 2013, <http://theory.people.com.cn/BIG5/n/2013/0918/c40537-22961471.html>;

Wang Yeshe 王晔 摄, *“Xijìnpíng zài “yīdài yīlù” guójì hézuò gāofēng lùntán kāimù shì shàng de yǎnjiǎng” 习近平在“一带一路”国际合作高峰论坛开幕式上的演讲 (Speech By Xi Jinping At The Opening Ceremony Of The “Belt and Road” International Cooperation Summit Forum)*, Xīn huá shè 新华社 (Xinhua News Agency), May 14th, 2017, http://www.xinhuanet.com/2017-05/14/c_1120969677.htm;

Xi Jinping 习近平, *“Jījí shùlì yàzhōu ānquán guān gòng chuàng ānquán hézuò xīn júmiàn” 积极树立亚洲安全观 共创安全合作新局面 (Actively establishing an Asian security concept and creating a new situation of security cooperation)*, Zhōnghuá rénmín gònghéguó wàijiāo bù 中华人民共和国外交部, May 21st, 2014, https://www.fmprc.gov.cn/web/ziliao_674904/zjyh_674906/t1158070.shtml.

In September 2013, President Xi Jinping visited many countries of Central Asia, emphasizing the importance of cultural, economic and political bounds once characterizing the Eurasian area in the Ancient Silk Road era. For this reason, he tried to persuade those countries that a New Silk Road would be beneficial for everyone, making this project a large-scale investment involving almost half of the world's territories.

Xi Jinping became President of the People's Republic of China in 2013; since then, China's political core has been scarred by three main features, as Guy De Jonquieres explains: "rapid accumulation of power and high-ranking positions; a robustly self-confident manner and strongman image, increasingly burnished by a personality cult; and a flair for bold, eye-catching initiatives."²

It is not by chance that the president's hard work and ambitions, characterizing his "Chinese Dream"³, have risen many revolts in those neighboring countries convinced that China's influence is spreading too quickly around the world.

Since China entered the World Trade Organization (WTO)⁴, the Country never stopped frequently coming up with new projects, strategies or programmes aiming at making China a global leader in the international framework, both under the political and economic aspects. Consequently, all these maneuvers were partly responsible for triggering its neighbours' concerns and oppositions.

As a matter of fact, the ascent of China as one of the main leaders in the economic framework began in the early 1970s, through the attraction of foreign capital and resources that gave a great push to the export field. This unstoppable growth was subsequently supported by the Go Global policy, which refers to a set of actions intended to encourage Chinese investments in foreign countries. China's economic growth was slower and slower, characterized by the trade of cheaper goods often associated to poor quality and thus, for this reason, losing little by little their competitive power in the global market. According to President Xi Jinping, who coined the term "new normal", China needed to stabilize its economy, featuring a more sustainable growth marked out by more efficiency and lower costs for production of goods.

² Guy De Jonquieres, *art. cit.*

³ It is a term used for the first time by journalist which refers to President Xi Jinping's desire to build a moderately prosperous society and realize national rejuvenation.

⁴ The World Trade Organization set up on January 1st, 1995 is an intergovernmental organization with the purpose of regulating international trade.

The origin of the BRI must be contextualized in such a global economic background, in which China is trying to gain influence in the Asian countries, committing itself to build a solid and economically strong continent and hinder the American and European power in those emerging areas needing investments to build a competitive economic system in the global arena. The OBOR policy is frowned upon by the United States and Europe because the actual global economic system was established around their leadership, and even if the goal of the Chinese government is to integrate the multilateral and bilateral economic mechanisms in a wider framework and not to create a brand new global economy leadership, the other two leaders are slowly starting to feel the Chinese initiative as a pain in the neck as well as perceiving it as a threat to their global leadership.

In 2013, China had become the second largest economy of the world and the second largest importer of goods, as well as the third largest source of foreign direct investment⁵; this is the main reason why China can afford to finance many projects under the flag of the Belt and Road Initiative as well as being able to compete to become the direct opponent of the United States. This is why many are worried that China is going to be a threat to global economic solidity.

According to analysts, the direct consequence of United States' concerns is the fact that they may use the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership to contrast China's power in the regions involved in these treaty, such as United States (which retired in 2016 under the decision of the new elected President Donald Trump), Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam for the former and United States and the European Union for the latter.⁶

1.1. The Silk Road: A Way Crossing the World

In ancient times, the Silk Road (in Chinese 絲綢之路 *sī chóu zhī lù*) was a trading route connecting the East to the far West during the Han Dynasty (207 BCE – 200 CE). It consisted of about 8.000 Km of maritime and land itineraries divided in four main branches.

The northern route started from Xi'An⁷ (formerly Chang'An) and crossed the Gansu⁸ province, splitting into three further routes; two of them followed the mountain to North and South of the

⁵ Michael M. Du., *op. cit.*

⁶ *Ibid.*

⁷ Capital of the Shaanxi province, in Northwest China.

⁸ Province in the Northwest China, its capital is Lanzhou.

Taklamakan Desert⁹, reaching Kashgar¹⁰, the other one crossed Turpan¹¹, Talgar and Almaty¹². The routes splitted again towards West, to rejoin at ancient Merv¹³, in Turkmenistan.

The southern route went through the Karakoram mountains¹⁴ to reach Merv; from there, it stretched through Iran and Mesopotamia, finally getting to the Syrian Desert to the Levant, where Mediterranean ships made their way to Italy. The land itinerary expanded to North Africa up to Alexandria, where the ships departed on the way to Rome.

The Tea Horse Road (in Chinese 茶马道 chá mǎdào), also known as the Southwest Silk Road, is a caravan path (whence the reference to the horses in its name) connected China to South Asia extending over Sichuan, Yunnan and Tibet in Southwest China.

The maritime section of the Silk Road connected China to Southeast Asia and passed over the Indonesian archipelago, the Indian subcontinent, the Arabian territories finally extending to Egypt and Europe. Thus, it went through the South China Sea, the Strait of Malacca, the Indian Ocean, the Gulf of Bengal, the Arabian Sea, the Persian Gulf and the Red Sea. It also included the East China Sea and the Yellow Sea connecting China to Korea and Japan.

As it is clear from the description above, the ancient Silk Road was a huge combination of networks through which not only did the trade of goods happen, but also many countries, cultures and different ideas came in touch, giving birth to an extraordinary exchange.

Fundamentally, the Belt and Road Initiative includes the Countries previously situated alongside the Silk Road in Central Asia, West Asia, Middle East and Europe. Now, it is divided in two main branches, one via land and one via sea, respectively “The Silk Road Economic Belt” and the “21st-Century Maritime Silk Road”.¹⁵

⁹ Desert in Central Asia, situated for its most part in the Xinjiang, in Northwest China.

¹⁰ Province of Xinjiang in Northwest China.

¹¹ *Ibid.*

¹² Talgar is a town in Almaty Region, situated in Southeastern Kazakhstan.

¹³ Later Antiochia in Margiana, it is an oasis-city in Central Asia, today located near Mary in Turkmenistan.

¹⁴ It is a mountain range adjacent Pakistan, India and China, touching Afghanistan and Tajikistan.

¹⁵ National Development And Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China, “*Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*”, National Development and Reform Commission (NDRC), March 28th, 2015, http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html;

Mengjie, “*Full Text: Vision for Maritime Cooperation under the Belt and Road Initiative*”, Xinhua, June 2th, 2017, http://www.xinhuanet.com/english/2017-06/20/c_136380414.htm.

The Belt and Road is meant to be a project providing market and economic integration, together with funds for project of infrastructure buildings, cultural exchanges and widen trade, quite like beforehand.

The land corridor still has its starting point in Xi'An and proceeds through Northwest China touching Urumqi (Xinjiang), crossing many developing countries suffering for shortage of facilities, like Kyrgyzstan (Bishkek), Uzbekistan (Samarkand), Iran (Tehran), and going ahead towards Turkey (Istanbul), Greece (with the Port of Piraeus being one of the major investment activities of this period), finally reaching Europe, going through the main capitals of Moscow, Duisberg, Rotterdam (with its huge trade port) and Venice.

The maritime road sees its path through the most important seas, starting from the South China Sea, which holds a strategic position, and proceeding through the Indian Ocean, the Arabic Sea and the Red Sea, ending in the Mediterranean Sea.

The "Vision for Maritime Cooperation under the Belt and Road Initiative" states:

"In line with the priorities of the 21st Century Maritime Silk Road, China will deepen ocean cooperation by fostering closer ties with countries along the Road, supported by the coastal economic belt in China. 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 4 Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC). Efforts will also be made to jointly build the blue economic passage of China-Oceania-South Pacific, travelling southward from the South China Sea into the Pacific Ocean. Another blue economic passage is also envisioned leading up to Europe via the Arctic Ocean."¹⁶

China has recently been providing funds to Countries, many of which were labelled under the underdeveloped or developed flag and thus letting China be the major investor in their territories. The intrinsic meaning of these actions is that China is expanding its influence day in day out not only in the Asian areas; the unstoppable Chinese giant is now slowly and steadily winning the race.

In 2011 the Kenya government signed a Memorandum of Understanding with China Road and Bridge Corporation for the Mombasa-Nairobi Standard Gauge Railway's building, stretching through 485 Km, though it was only in May 2014 that the Chinese Prime Minister Li Keqiang signed an agreement with the government and the necessary funds were collected. 90% of the fund were provided by China Exim Bank, while the remaining 10% was furnished by the Kenyan government.

¹⁶ The State Council of People's Republic of China, "Vision for Maritime Cooperation Under the Belt ad Road Initiative (Seven language versions)", Belt and Road Portal, June 20th, 2016, <https://eng.yidaiyilu.gov.cn/zchi/qwfb/16639.htm>.

The construction started in 2014 and was inaugurated by the Kenyan President Uhuru Kenyatta in May 2017, being opened to passenger transportation the day after. On January 1st, 2018 the railway was opened to goods transportation as well.¹⁷

As far as the rest of Africa is concerned, in September 2015 General Electric Additive and Arcam AB, both working in the aviation, healthcare, additive manufacturing, lighting and transportation fields, have signed a Memorandum of Understanding with China National Machinery Industry Corporation, also known as Sinomach, which operates through tool making, construction equipment, agricultural equipment and infrastructure construction. Basically, they are both working hard to build wind turbines together with other facilities and to promote green energy in sub-Saharan Africa.¹⁸

Pakistan as well has taken advantage from the huge schemes the Dragon is striving to promote. In 2016 began the construction of the so-called China-Pakistan Economic Corridor (CPEC), a project involving 62 billion dollars and which, according to the Pakistani authorities, will not only benefit China and Pakistan, but also Iran, Afghanistan, India and Central Asia too. China is here as well the most important investor, since Pakistan is recently going through a serious energy crisis that could damage the whole Country's economic development as well as affect Pakistani people's livelihood.¹⁹

The financial assistance China is providing to Pakistan has a downside effect of exacerbating the friction between India and Pakistan, as well as the everlasting conflict between India and China.

¹⁷ National Reporter, "Kenya, China Sign Standard Gauge Railway Agreement", Daily Nation, May 11th, 2014, <https://www.nation.co.ke/news/East-Africa-China-Standard-Gauge-Railway/1056-2310836-vv12ciz/index.html>;

¹⁸ General Electric, "GE Additive and GKN sign a MoU for additive manufacturing collaboration", Press Release from the official website, October 17th, 2017, <https://www.ge.com/additive/press-releases/ge-additive-and-gkn-sign-mou-additive-manufacturing-collaboration>;

¹⁹ For further details, see:

China Pakistan Economic Corridor, "CPEC Vision & Mission", China Pakistan Economic Corridor official website, <http://cpec.gov.pk/vision-mission/3>;

Michael Kugelman, "The China-Pakistan Economic Corridor: What It Is, How It Is Perceived, and Implications for Energy Geopolitics", Belt and Road Hong Kong Trade Development Council, May 8th, 2018, <https://beltandroad.hktdc.com/en/insights/china-pakistan-economic-corridor-what-it-how-it-perceived-and-implications-energy>;

Lu Shulin, "Zhōng bā jīngjì zǒuláng shì yīdài yīlù de qíjiàn xiàngmù hé shìfàn xiàngmù: Zhāng xiǎo'ān: Zhōngguó zhōubiān pín pín qǐhuǒ le ma" 中巴经济走廊是一带一路的旗舰项目和示范项目：张小安：中国周边频频起火了吗 (China-Pakistan Economic Corridor Is the Flagship Project of OBOR", in *Is China's Neighbourhood on Fire*, Zhang Xiaonan ed] (Beijing: Shijie Zhishi Publishing House, 2016).

Regardless of the conflicts that have marked the political background both of China and India, the latter is nowadays beginning to represent an alternative to the economically powerful Country, as it is trying to thwart China's Belt and Road Initiative's expansion throughout the whole world.

The role of India in the international geopolitical scene has never been crucial compared to China's one, rather being only isolated in the Indian subcontinent. India has only recently gained importance to the eye of those Countries who see in it the only opponent to China's powerful demographic and economic expansion.

First, India and China are fighting against each other to increase their influence the most in Kazakhstan and Mongolia. Indeed, after an agreement signed in 2015 between India and Mongolia, this year on January 24th the Indian government decided to provide funds to build the first oil refinery in Mongolia starting from April. The day after, Kazakhstan expressed their willing to implement visa-free 72-hour transit to Indian citizen, after previously experimenting this arrangement with China as well.²⁰

As far as Southeast Asia is concerned, while Beijing government is interested in Manila, as it would give China full access to the Pacific area, India is gaining importance in the Philippines too. On January 23th India provided 1.2 billion dollars of investment, which are expected to create over 100.000 jobs in the country. Besides, India signed with Indonesia a cooperation agreement to implement bilateral defense through joint exercises, weapon deals and official visits of their leaders. On January 25th India hosted the leaders of all the ten countries to encourage them to establish the Association of Southeast Asia Nation aimed at promoting maritime security in the region.

In Central Asia, China is not only committed in building new high-speed railways, but it is also focusing in infrastructures like gas and oil pipelines; China-Kazakhstan oil pipeline, Turkmenistan-China gas pipeline and China-Kyrgyzstan rail work are just an example. Despite this, china's actions in regions like Azerbaijan and Georgia are still not meaningful, even if the two countries have recently recognized the importance of the OBOR infrastructure project and have shown signs of interest towards it.

²⁰ Jacob L. Shapiro, *"India's One Belt, One Road-Block"*, Geopolitical Futures, January 26th, 2018, <https://geopoliticalfutures.com/indias-one-belt-one-road-block/>.

Although India's investment in the ASEAN countries is giving a hand to grow little by little its influence, it still isn't enough to reach China's levels; in fact, China accounted for 14% of total ASEAN trade in 2014 and this percentage increased to 15.2% in 2015. On the other hand, India went from 2.7% in 2014 to 2.4% in 2015, showing a little but decisive decrease. According to Shiv Sena, an important political party in India's western state of Maharashtra, India's political approach is not enthusiastic; the benchmark of power cannot be reached through providing funds for facilities and frequent official visits or hosted summits. On the contrary, the strength and authority is measured by the ability of a given country to influence the other and make them do what it wants, whether they are willing or not. India is contrasting China, but none of its actions are symbol of that kind of power, the same soft power that has let China demonstrate its strength and its ability in expanding its influence without the support of wars or weapons.²¹

Contrary to what the Prime Minister Shinzo Abe previously wanted, another country that decided to join the BRI is Japan. Despite the controversy arisen because of the control in the South China Sea, the Japan government has announced that it will provide cooperation and financial help equal to one trillion dollars for the construction of infrastructures dealing with energy and logistics fields. The engagement of Japan, instead of being a competition against China, will allow Tokyo's government to get important economic benefits through investments as well as strengthening the connectivity between goods and people with the rest of the world, especially with the Indo-Pacific region as a whole. The fact that now Japan is also willing to consider joining the Asian Infrastructure Investment Bank is another relevant element to consider.

Of course, this engagement also implicates important challenges for the land of the rising sun. Apart from the difficulty of competing with cheaper prices and quick delivery of Chinese goods, trade and economic cooperation with China still must be governed by the principles of the liberal order, requiring fair and transparency. This means that Tokyo has to guarantee that the relationship with the US and thus the presence of the latter in the Pacific area is not a threat to a prosperous economic collaboration with China, as well as not an obstacle for Japan to pursue its own goals and objectives. As it is obvious, China and Japan still have memories of their ancient controversies, with Japan being forced to recognize the former's power in the Asian region and the unlikelihood to compete at the same level.²²

²¹ *Ibid.*

²² For more details, see:

Moreover, countries like United States, Europe, Russia, India and Australia are becoming more and more skeptical about Beijing's project: some of them think that China's moves are intended to contain India's influence development. Nepal, Myanmar, Indonesia and Pakistan are starting to worry about the validity and reliability of the projects as well. As if it wasn't enough, Afghanistan's terrorism, separatism and extremism, together with the domestic problems in Iran are a severe challenge to the wealthy future of BRI.

What about Europe? The Handelsblatt reported²³ that 27 out of the 28 European Union ambassadors drafted a report criticizing the Belt and Road Initiative, denouncing their worries about lack of transparency and fair free trade, and the belief that the initiative will only bring advantages to Chinese companies and institutions. The Hungarian ambassador was the only one who refused to sign this paper. In sight of the EU-China Summit on July 2018, the EU commission wants to work on a joint strategy to built roads, ports, gas pipelines to connect China and the rest of the world; with that paper they are not steadily refusing to take part in the new Silk Road, although there are expressing their demand to have a full win-win situation, as well as their anxieties that such a policy could incite European protectionism and divide the European Union countries through strengthening their bonds only with those countries who are willing to be part of the Chinese colossal project.

It is interesting to underline that China has recently joined Russia to cooperate for the construction of the so-called "Ice Silk Road". In a written interview which took place before President Xi headed to Moscow to conclude the agreement, he declared that China is eager to "participate in the development of the Primorye-1 international transport corridor proposed by Russia"²⁴, involving for the most part the Heilongjiang province. As Li Yang denotes in his article²⁵, the Chinese government also stated that the two countries will cooperate to develop and use maritime passages, specifically the Northern Sea Route, to foster an "Ice Silk Road", an Arctic Route crossing the Arctic Ocean leading up to Europe.

Sano Shutaro, "Japan's Engagement in China's Belt and Road Initiative", Australian Institute of International Affairs, February 23rd, 2018, <http://www.internationalaffairs.org.au/australianoutlook/japan-one-belt-one-road/>;

The Japan Times, "Japan and 'One Belt, One Road'", The Japan Times, June 24th, 2017, <https://www.japantimes.co.jp/opinion/2017/06/24/editorials/japan-one-belt-one-road/>;

²³ Dana Heide, Till Hoppe, Stephan Scheuer, Klaus Stratmann, "EU ambassadors band together against Silk Road", Handelsblatt, April 17th, 2018, <https://global.handelsblatt.com/politics/eu-ambassadors-beijing-china-silk-road-912258>;

²⁴ Quote from Li Yang, "China, Russia to co-build 'Ice Silk Road'", Belt and Road Portal, July 7th, 2017, <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/18744.htm>.

²⁵ *Ibid.*

As Chris Devonshire-Ellis of Dezan Shira & Associates emphasizes

“Russia and China are opening up the North-East Asian seaboard, which has special implications for the future of North Korea. In addition, it opens up further possibilities for joint operations between the two countries in terms of adding value to Russia and Siberia’s vast resources for markets in the US and Europe. The Russia-China trade corridor is developing fast and will be a major player by the end of the next decade.”²⁶

Does it mean that in the next few years China and Russia will extend their power in the North Korean areas? And if so, what are the possible implications?

Anyways, Chinese Premier Li Keqiang and Russian Prime Minister Dmitry Medvedev signed a joint agreement at the 20th China-Russia Prime Ministers' Regular Meeting in December 2015, drawing the attention to a bilateral commitment aimed at strengthening cooperation on development and utilization of the Northern Sea Route and carrying out research on shipping along the Arctic routes.²⁷

Last but not the least, it is important to mention that the One Belt One Road project involves an educational aspect as well. The University Alliance of the Silk Road (丝绸之路大学联盟) is a University Alliance in Xi’An Jiaotong University, part of the C9 League University²⁸ in Western China, established in 2015 with one hundred-fifty universities of thirty-eight countries. This institution, which is a non-governmental and non-profit organization, aims at promoting educational development, talent training, cultural communication, policy studies in the Belt and Road regions through student exchanges and joint researches. Some of the Universities involved include: Harbin Institute of Technology, Washington University in St.Louis, Hong Kong Polytechnic University, Moscow Power Engineering Institute, Nazarbayev University, Al-Farabi Kazakh National University, California State University Northridge, CentraleSupélec, Politecnico di Milano, University of Liverpool, National University of Sciences and Technology (Pakistan), National

²⁶ *Ibid.*

²⁷ For further details:

Li Yang, “China, Russia to co-build ‘Ice Silk Road’”, Belt and Road Portal, July 7th, 2017, <https://eng.yidaiyilu.gov.cn/qwyw/rdxw/18744.htm>;

Russia Briefing, “Russia, China Agree On Primorye-1 Corridor; Opens Up Heilongjiang To Asia-Pacific Markets”, Russia Briefing, May 15th, 2017, <https://www.russia-briefing.com/news/russia-china-agree-primorye-1-corridor-opens-heilongjiang-asia-pacific-markets.html/>;

Jiixin, “Interview: “Silk Road on Ice” to enhance Russia-China cooperation in Artic: Russian expert”, Xinhua, November 27th, 2017, http://www.xinhuanet.com/english/2017-11/27/c_136782902.htm;

²⁸ Official alliance of nine elite universities in China. For further information:

University Alliance Of The Silk Road, Official website, uasr.xjtu.edu.cn/About_UASR/UASR_Introduction.htm.

University of Singapore, Pusan National University, Chiang Mai University, and Tampere University of Technology.²⁹

1.2. One Belt, One Road: Route and Objectives

There are some common elements which can demonstrate how the ancient silk road and the belt and road are birds of the same feather. First, China focused on remarking how just like the ancient silk road, the Belt and Road Initiative is an opportunity of benefit for everyone; second, both of them represent a chance to link the countries under many aspects, such as free trade, cultural contact among different people, connected markets, financial exchanges and so on; third, implications borne by the both of them, affecting the global geopolitical system.

The four principles President Xi Jinping focused on during his speech at the “Belt and Road” International Cooperation Summit are as follows³⁰:

- Peaceful cooperation (和平合作 hépíng hézuò): with the metaphor of famous ancient travelers armed with camels and good intentions, President Xi Jinping intends to remark the fact that China does not want to appear as a conqueror running for a throne from which holding the power on the whole world; on the contrary, China wants to build bridges to have a link with every country and cooperate peacefully with each and every one of it.
- Openness and inclusiveness (开放包容 kāifàng bāoróng): the Belt and Road initiative has no limits and can include every country which wishes to take part in the project and give contribution to it;
- Mutual learning (互学互鉴 hù xué hù jiàn): needless to say, the new silk road is a great chance to get in contact with different cultures, to promote the exchange of good and to mutually learn from one another;
- Mutual benefits (互利共赢 hùlì gòng yíng): last but not the least, the flow of goods, people, capital, technology and innovation can be beneficial not only for China but especially for the underdeveloped countries involved, establishing a win-win situation.

The “Belt and Road” International Cooperation Summit (BARF) was held in Beijing on May 14th/15th 2017. It drew twenty-nine foreign head of state and government and counted representatives of more than one hundred-thirty countries in Africa, Asia, Latin America and

²⁹ As reported on the official website of the University Alliance of the Silk Road, Xi’An Jiaotong University.

³⁰ As reported on the speech held by President Xi Jinping, WANG Yeshe 王晔 摄, *art. cit.*

Europe and seventy international organizations. China's goal was to make as many countries as possible participate to this Forum in order to let them know that the Chinese government's most important objective is to support the process of globalization right through the spread of infrastructures, buildings and other facilities provided with the Belt and Road Initiative (BRI).

The initiative stands on five principal objectives on which China committed to focus on: free trade; monetary circulation based on promoting the use of the renminbi; political communication among the leaders of the countries involved; road linkages concerning not only railways or pipelines, but also the development of internal infrastructures, clean energy, telecommunications and planning; people communication through cultural exchange, tourism, connection of different languages and religions.

Since the first time the Chinese government announced this project, the world's political and economic structures went through profound changes. These changes consequently led to changes in the objectives and financing of the BRI.

As far as the changes in the objectives of the BRI are concerned, the author of the article "*Yīdài yīlù sān nián zhī jiān dà biàn shēn*" 一带一路"三年之间大变身 (*One Belt One Road, Big Changes Within Three Years*) He Qinglian 何清涟 compares two different periods to concretely explain this transformation.³¹

In this piece, she asserts that at the beginning the BRI had been designed to export excess production capacity abroad and provide an efficient allocation of resources, with the Asian Infrastructure Investment Bank (AIIB) at its center. This is the main reason why many analysts and pundits labelled the BRI as a "New Marshall Plan"³². According to Kaho Yu³³, overcapacity is not something that Chinese industries have never heard of, especially as far as steel, cement, solar energy and coal are concerned. Therefore, many Chinese companies have decided to turn to the international market and export their overcapacity, with particular focus on the energy sector, because projects involving the building of pipelines, grids, solar panels, power plants and refineries are the one requiring more investments. Of course, the construction of such infrastructures not only give the opportunity to boost regional economic development, but it also helps the Chinese

³¹ He Qinglian 何清涟, *art. cit.*

³² The Marshall Plan was an American initiative aimed at helping the Western Europe to reconstruct its economy at the end of the World War II (1939-1945).

³³ Erica Downs, Mikkal E. Herberg, Michael Kugelman, Christopher Len, Yu Kaho, "*Asia's Energy Security and China's Belt and Road Initiative*", The National Bureau of Asian Research Special Report No. 68, November 2nd, 2017.

government to partly work out regional instability and social frailty, as poverty is one of the main causes for political issues in China.

Xinjiang fits perfectly in this description. In this province there is the majority of Turkic-speaking Muslim population, characterized by discontent and frustration towards Beijing's governance. Plus, it is the main source of terrorism in China, both for its independence aspirations and a radical Islamism spreading in the region. According to former Chinese ambassador to Islamabad Lu Shuling³⁴, the China-Pakistan Corridor could give economic benefits to the region, as this project includes the construction of the Port of Gwadar. It will give the opportunity to Xinjiang to be no more landlocked, reducing the costs for transportation in the province and thus contrasting the terrorism led by poverty. Together with Xinjiang, many underdeveloped provinces see in the OBOR project an opportunity to get more funding and investments to nurture their infrastructure system and get out of their backward condition. Plenty of them have already started to allocate trillions of renminbi destined to finance OBOR-related infrastructure projects, leading to a significant growth of China's GDP.

After the opening of the AIIB in 2013, the propaganda of the BRI gradually changed in 2016, due to the American elections that saw Donald Trump become the new President of one of the biggest Nations having a substantial role in the global economy.

As soon as he reached the top of the political pyramid, the new leader Donald Trump showed his anti-globalization trend and decided to withdraw from the old president Barak Obama's Trans-Pacific Partnership agreement (TPP)³⁵. Hence, the Chinese government took the American withdrawal as a chance to fill its place as a leader in the Asia – Pacific region, as well as pushing the BRI to become the new flag guiding the other countries towards globalization.

Furthermore, as far as the financing modalities are concerned, many countries which took part in the OBOR International Cooperation Forum wondered where money come from, whether there are any risks in such a huge investment and what China has to say about the profitability of this plan.

³⁴ Peter Cai, *art. cit.*

³⁵ The Trans-Pacific Partnership was signed on February 4th, 2016; it is a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and United States. When the latter decided to get out of the agreement, the remaining Nations negotiated a new trade agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which incorporates most of the clauses of the previous TPP.

It is interesting to point out some highlights from the President Xi Jinping's speech during the opening ceremony of the Belt and Road International Cooperation Summit Forum held in Beijing on May 14, 2017.

Together with dwelling on the need to implement infrastructure facilities and develop platforms, forums and institutions suitable to financially support the initiative, he also focuses on the mutual benefits of it. Introducing the Belt and Road as a win-win situation, in which all the countries can get profits in terms of money and development of their internal facilities, the President does not fail to demonstrate how much China is involved in creating a balanced, all-inclusive and perfectly integrated economic system.

“我们要打造开放型合作平台，维护和发展开放型世界经济，共同创造有利于开放发展的环境，推动构建公正、合理、透明的国际经贸投资规则体系，促进生产要素有序流动、资源高效配置、市场深度融合。我们欢迎各国结合自身国情，积极发展开放型经济，参与全球治理和公共产品供给，携手构建广泛的利益共同体。”³⁶

“We must build an open cooperation platform, maintain and develop an open word economy, jointly create an environment conducive to open development, promote the establishment of a fair, rational and transparent international economic and trade investment rules system, promote the orderly flow of factors of production and allocate resources efficiently. The market is deeply integrated. We welcome the Countries to actively develop an open economy, participate in global governance and supply of public goods and work together to build a broad community of interests.”

It is obvious that such an approach has the purpose of convincing the world that China is not oriented in putting their own interest first, even if not everybody bought it. Clearly, it is necessary to split the implications of the initiative in two, since they concern both China and its partners.

As far as the implications for China are concerned, the Belt and Road strategy goes hand in hand with the XIII Five Year Plan ending in 2020. It follows that first and foremost, an important implication is that China has a secure transport of gas, oil and other significant goods, together with having access to Central Asian energy resources.

Secondly, since China is suffering from production overcapacity of the industries, deflation and rising debt management problems, it can help in better distributing Chinese goods in the global market and allocating its industrial overcapacity.

³⁶ Wang Yeshe 王晔 摄, *art. cit.*

Third, through direct investments China can improve its internal economic integration and compensate the gap between the more developed coastal areas and the western provinces, such as Xinjiang and Tibet, which emerge more backward.

Fourth, through the Belt and Road Initiative, the Chinese government intends to promote the use of the Renminbi and thus the internationalization of it. Actually, it is blatant that such a project in the long term needs common cooperation and financing, making the likelihood of the risk as clear as a bell for every part economically involved in the BRI. Many countries who took part in the Beijing Summit showed their disappointment when President Xi announced to be confident that they would provide funds and take the risk: many of them are still under-developed or developing countries that cannot act as huge investors as the others. But what mostly caused their disenchantment was the fact that the Chinese government expressed the desire to play an active role by financing the construction of the One Belt One Road with their local currency. According to their point of view, the renminbi bears the risk of depreciation compared to the US dollar, which is a much stronger currency.

Undeniably, the Belt and Road also affects the countries along which it unfolds, as this kind of policy's pros and cons have important implications that are raising the concerns of many countries.

The first and maybe the most profitable implication for the partners is the development of infrastructures, trade and investment patterns, directly proportional to the dimension of their commitment in the initiative and their economic possibilities. This is why many underdeveloped countries believe that the majority of the profits are oriented towards China, as they can only marginally contribute.

Plus, given the opposition of China to a US-centered global management, China is heading towards a globalization no more driven only by the western countries, believing that the integration of the Asian countries will give vitality to the global economic system.

It is impossible to believe that the Belt and Road is not a political tool that China intends to use in order to stand out in the Asian area and create a new political and economic system that can let the Chinese government to compete with the United States and Europe on the global framework. This inevitably leads to a lack of trust in creating an efficient cooperation process as many

countries are worried that China could threaten their national security and cause several territorial quarrels, especially in Asia.

The fact that the Chinese government is emphasizing so much on the need for globalization and the will to create cultural, political and economic bridges along the Belt and Road path is interpreted by many as an excuse to expand its influence on the East and Central Asia areas, though these areas are not the only one fretting.

For instance, the government of Australia is upset about Beijing's internal political interference. According to the analysts' point of view, for the Chinese government Australia represents an alluring target under several aspects. First of all, Australia is an important, if not one of the biggest, Chinese trade partners; second, in its territory there is a considerable presence of Chinese immigrants, most of which are foreign students representing a significant source of income. Experts' conclusion is that despite the political frictions, a collaborative partnership is essential to both of them.

In South-East Asia and Africa many leaders are complaining about the comeback of a new colonialist era, as they are convinced that China's primary goal is to expand their control on their territories through soft power and economic policies. The relationship between China and India are rather tense, not to mention the fact that China had to face some resistance in North Korea and South Korea; the Asian countries' main concern is that China could gain too much influence here and stand out against them, as they still have not forgotten about the ancient Chinese empire's tributary system.

In Sri Lanka, many revolts have been reported on January 2017 against the construction of a port and an industrial zone in the southern part of the country nearby Hambantota. The reason behind it is that the creation of an industrial zone would force thousands of people to move, creating conflicts between them and the government.³⁷

As far as Europe is concerned, the implication's question is a bit different. Pundits have recently pointed out that China's most quantity of investments are headed towards Europe, surpassing even the United States. Why is this happening?

³⁷Jane Perlez, "Xi Jinping Pushes China's Rise Despite Friction and Fear", The New York Times, October 22nd, 2017, <https://www.nytimes.com/2017/10/22/world/asia/china-xi-jinping-global-power.html>.

According to Huang Yuchuan³⁸, there is an economic and political reason. The first one is linked to the fact that Europe's industry is mainly focused on manufacturing, something that perfectly fits the Chinese market's demands. The second reason is connected to the political structure of Europe as well as security concerns of some EU members instead. In fact, as for the political structure, given that the EU members are economically competing against each other, China is said to use the so-called "divide and conquer" political strategy. What does it mean? Basically, if China knows that some EU countries do not welcome its capital, it can easily enter the European market going through other EU countries which are glad to receive its investments.

Germany, England and France are the three European countries who are more concerned than the others about the enter of China in their national market, mostly because they are afraid that through the takeover of their companies, China could absorb their technological know-how and exploit it at its advantage in a forthcoming future.

Moreover, the OBOR related projects could lead to changes in some policies; this is the case of Israel. The country could become a mediator between the leading powers in term of economic and trade cooperation due to its strategic position.

This is the main reason why many European countries have found themselves in front of a urgent dilemma; is it beneficial to accept Chinese funds or should they protect their know-how and resources to all costs?

1.3. Funds and Money Management

As it is obvious that the countries' governments alone could not afford financing such a huge project, one of the most debated questions about the BRI is without a doubt the financing source. Where does the money come from? Is China going to finance the whole project by itself? With no doubt, without facilitating institutions none of the plans implementing infrastructure stability along the Belt and Road would be feasible.

Many national and multilateral funds have already started investing in the BRI, some of them beginning years ago and others being created specifically to support the development of areas involved in the project which lack of essential infrastructure facilities to properly fulfill the

³⁸ Huang Yuchuan 黄育川, "Ōuzhōu duì zhōngguó tóuzī de xīyǐn lì wèihé chāoguò měiguó?" 欧洲对中国投资的吸引力为何超过美国? (Why is Europe's attraction to Chinese investments more than the United States?), FT zhōngwén wǎng FT 中文网 (FT Chinese Net), July 26, 2017, <http://www.ftchinese.com/story/001073547?full=y&archive>.

initiative. According to the Research Institute of Finance, part of the Development Research Center of China's State Council, the total amount of investments needed to carry on the realization of the infrastructures and all the other activities counts \$1.4 trillion until 2020, with margins of increase³⁹. Undoubtedly, China is the main investor of the project, since its total outbound direct investment in projects related to the BRI is quoted to \$115.7 billion, China's 10.5% of ODI stock⁴⁰.

Of course, China and the single countries alone are not the only one investing in OBOR: many banks and many funds are involved as well.

The most important source of money for investment in the Belt and Road Initiative is the Asian Infrastructure Investment Bank (AIIB). In April 2009, during the Bo'ao Forum⁴¹, the Vice Chairman of the China Center for International Economic Exchanges proposed the creation of an Asian investment bank, due to the necessity of making better use of Chinese foreign currency reserves in case of a global monetary crisis.

The creation of such a bank was made more concrete thanks to the initiative of President Xi Jinping during his official visit to Indonesia in 2013, during which he reaffirmed China's opening for consultation with the rest of the Countries in order to discuss about the creation of the above-mentioned bank. The final initiative was inaugurated in October 24th, 2014 during the Asian Infrastructure Investment Bank launch ceremony.

Headquartered in Beijing, nowadays the AIIB is a multilateral development bank aiming at improving social and economic infrastructures in Asia and any Country who wishes to become part of the project. Indeed, the AIIB is the most important instrument of the Chinese economic penetration in all of them.

As such an initiative demands for efficient links and therefore a competitive but also competent infrastructure across the countries of the Belt and Road, according to the Articles of Agreement of the AIIB signed in June 29th, 2015 the bank

³⁹ Chris Devonshire-Ellis, "Who is financing the New Economic Silk Road?", Silk Road Briefing, September 21th, 2017, <https://www.silkroadbriefing.com/news/2017/09/21/financing-new-economic-silk-road/>.

⁴⁰ *Ibid.*

⁴¹ Modeled on the World Economic Forum, the Bo'ao Forum for Asia is a non-profit organization that hosts leaders, scientists and economists coming from various continents in Asia to share their ideas about the most important issues in Asia and the whole world as well.

“will provide or facilitate financing to any member, or any agency, instrumentality or political subdivision thereof, or any entity or enterprise operating in the territory of a member, as well as to international or regional agencies or entities concerned with economic development of the Asia region.”⁴²

This agreement also allows this bank to give financial support in many different ways, whether they be loans or investments in the equity capital of an enterprise.

It is interesting to underline that, as the Reuters news reports⁴³, Australia, Indonesia and South Korea were not present to the ceremony.

While Indonesia’s absence left the Chinese government astonished, since President Xi Jinping first announced the AIIB project during his visit there, South Korea’s one was not a surprise, as it is Washington’s strongest ally in Asia. Despite this, South Korea showed signs of rethinking about it and announced that joining the AIIB could be a great chance to get more investment to develop the infrastructure system in Asia, given the fact that the World Bank and the Asian Development Bank are not sufficiently able to manage funds to reach that goal. The final announcement of the South Korean government to join the AIIB made clear that the industries which will get the most benefits from this situation will be those involved in communication, transport and green energy.

On the other hand, initially Australia was said to be forced to stay out of the AIIB under the pressures of US Secretary of State John Kerry on Prime Minister Tony Abbott. Australia, along with the US, are worried about the ambiguous nature of such bank (it is not a secret that they have been demanding more transparency and coherency to the international standards about any project China has come up with), as well as seeing it as the most prominent opponent to the World Bank. The latter is, in truth, a financial institution that, like the AIIB does, provides loans to countries for the realization of capital project, as well as orienting its commitment to the reduction of poverty through investment, international trade promotion and facilitation of capital investment. It is made up by the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). It counts one hundred-eighty-nine members in the IBRD and one hundred-seventy-three in the IDA and has its legal headquarter in Washington. The World Bank is also one of the investors in the Belt and Road Initiative. The factor

⁴² Quote from the official website <https://www.aiib.org/en/about-aiib/who-we-are/financing-operations/index.html>.

⁴³ Reuters Staff, “Three major nations absent as China launches World Bank rival in Asia”, Reuters, November 5th, 2014, <https://www.reuters.com/article/us-china-aiib/three-major-nations-absent-as-china-launches-world-bank-rival-in-asia-idUSKCN0ID08U20141105>.

that convinced Australia to finally join the AIIB is the fact that the latter is focused on infrastructure development in the Asia-Pacific region, something that could be beneficial for Canberra too.⁴⁴

Surprisingly, Italy is one of the eighty-four countries who have decided to join the AIIB, with an investment of €2,48 million and becoming one of the founder members together with Germany and France.

Washington did not take this move well, since the AIIB is seen as a tool to contrast the power of the World Bank and thus did whatever it took not to let the European countries join it, albeit it must avoid any direct dispute with the Chinese government or exacerbating an already tense global situation.

The Asian Development Bank (ADB) is another important financing partner based in Manila, Philippines. Founded on December 19th, 1966 and initially counting thirty-one members, it is a financial institution which provides loans, grants, technical assistance and equity investments to fight poverty in Asia and Pacific regions and improve life health in those areas. In fact, when it was established its main goal was improving food production and rural development, even though now it focuses mostly on areas such as infrastructure, environment, regional cooperation and integration, finance and education, with a little target on health, public management and agriculture. How does the bank do this? The ADB provides assistance in “facilitating policy dialogues, providing advisory services and mobilizing financial resources”⁴⁵. Furthermore, ADB raises its funds thanks to its members and bond issues on the world’s capital market.

The New Development Bank (NDB) was set up by Brazil, Russia, India, China and South Africa during the fourth BRICS⁴⁶ Summit in New Delhi in 2012. In 2014, after the leaders of those countries approved the feasibility of the project, they signed an agreement which established the New Development Bank during the sixth BRICS Summit in Fortaleza. Once again, this bank focuses on strengthening the cooperation among its members and provides funds for global development. The bank only became a legal entity on July 7th, 2015 during the inaugural meeting of the Board of

⁴⁴ Reuters Staff, “Three major nations absent as China launches World Bank rival in Asia”, Reuters, November 5th, 2014, <https://www.reuters.com/article/us-china-aiib/three-major-nations-absent-as-china-launches-world-bank-rival-in-asia-idUSKCN0ID08U20141105>.

⁴⁵ From the official website of the Asian Development Bank <https://www.adb.org/about/our-work>.

⁴⁶ BRICS is an acronym of the five countries having an emergent economy and stands for Brazil, Russia, India, China and South Africa.

Governors and went fully operative after the signing of a Memorandum of Understanding with the Shanghai Municipal People's Government on February 27th, 2016. The areas on which the NDB focuses on are green energy, water sanitation, irrigation and transportation. Its headquarter is localized in Shanghai.⁴⁷

The European Bank for Reconstruction and Development (EBRD) was initially funded to provide money and help to the Eastern Europe countries after the end of the Soviet Union in 1991; since then, it has expanded its support to more than thirty countries, including those involved in the Belt and Road Initiative. It provides business advisory services and promotes trade financing in the industry, information and communication technologies, agriculture, transport, and infrastructure, with peculiar attention to green economy, nuclear safety and climate finance. It also works with governments to shape policies which improve economic conditions and people lives. It is currently owned by sixty-six countries from five continents, the European Union and the European Investment Bank and its headquarter is in London.

The Silk Road Gold Fund is managed by the Shanghai Gold Exchange and the headquarter is in Shanghai. It aims to split profits between the nations concerned and build up gold deposits of less developed countries, being active in the mining and extraction projects.⁴⁸

The proposal to establish China-Central and Eastern Europe Investment Cooperation Fund (CEEFund) was brought by the former Prime Minister of China Wen Jiabao in April 2012, but the inauguration was announced by Chinese premier Li Keqiang in November 2013 during the second summit of China Central and Eastern European Countries (China-CEEC Summit). With its headquarter located in Luxemburg, it is sponsored by The Export-Import Bank of China and Hungarian Export-Import Bank and its main focus is centered in the sustainable development of the economies of the regions where it operates, such as Poland, Czech Republic and Bulgaria.⁴⁹

Located in Almaty, the Eurasian Development Bank (EDB) was established by Russia and Kazakhstan in 2006. Its mission is to promote the development of market economy through the expansion of trade and the sustainable economic growth focusing on project related to infrastructure, energy, machine engineering, mining and petrochemical industry. This bank is

⁴⁷ New Development Bank, official website <https://www.ndb.int>.

⁴⁸ The Silk Road Gold Fund, official website <http://www.en.sge.com.cn/>.

⁴⁹ The China Central & Eastern Investment Co-Operation Fund, official website <http://china-ceefund.com/>.

currently gaining importance little by little as China, India and other Eurasian nations are negotiating some trade agreement with it.⁵⁰

The Investment Facility for Central Asia (IFCA), located in Brussels, was funded by the European Union in 2010 as part of the Development Cooperation Instrument (DCI) and provides EU support in Central Asia. It operates in cases where the regular market does not offer sufficient or affordable financing for priority investment projects. The financed projects deal with better energy infrastructure, increasing environmental protection and control on climate change, creation of small and medium enterprises (SMEs) and improving of social services and infrastructure, such as education and health.

The Shanghai Cooperation Organization (SCO) was founded in Shanghai by China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan (in 2016 India and Pakistan joined as well) to provide political, economic and military help. On the report of Michael M. Du⁵¹, this organization has yet failed to create a uniform cooperation between the countries, since they failed to reach efficient free trade agreements. Not to mention the ambitions of Russia, which has already created a Eurasia Economic Union (EEU) with Kazakhstan and Belarus, and therefore mining its own leadership in the SCO.

A similar case is the one of ASEAN – China Free Trade Area (ACFTA) signed between the ten countries included in the Association of South-East Asian Nations and China on November 4th, 2002 in Phnom Penh, Cambodia, aiming at deleting import and export operations tariffs on 90% of their products by 2010. According to Michael M. Du's opinion, this free trade as well lacks visibility and there is no point in expanding the CAFTA to the rest of the countries along the Belt and Road.⁵²

These institutions alone are not the only one having a supporting role on the whole project. In fact, there are established international forums, exhibition halls at regional levels and a few platforms hosted by the countries involved, like the above-mentioned Bo' Ao Forum for Asia and platforms like ChinaASEAN Expo, China-Eurasia Expo, Euro-Asia Economic Forum, China International Fair for Investment and Trade, China-South Asia Expo, China-Arab States Expo, Western China International Fair, China-Russia Expo, Qianhai Cooperation Forum, Silk Road

⁵⁰ The Eurasian Development Bank, official website <https://eabr.org/en/>.

⁵¹ Michael M. Du, *art. cit.*

⁵² Chris Devonshire-Ellis, *art. cit.*

(Dunhuang) International Culture Expo, Silk Road International Film Festival and Silk Road International Book Fair⁵³.

It is appreciable that so many institutions, forums and platforms are part of the project, but it is even more stunning how China is the only country being able to hold the reins incredibly well, showing a leadership power like no other and being the core of the coordination among all of them.

1.4. Fear the Dragon: Is the BRI Just Beneficial?

As mentioned before, the Belt and Road initiative has raised the enthusiasm as well as anxiety and oppositions under many aspects. Just like here are some countries believing that the BRI could be beneficial because of the advantages brought by the development of infrastructures and the connection with different cultures, there are some convinced that the project will only be an opportunity to China to extend its political and economic power against the already existing leaderships of the United States and Europe, as well as something that will let it absorb foreign technological resources to increase its competitiveness on the international market.

It is undeniable that through the BRI China will boost the internationalization of Chinese enterprises and create multinationals and supply chain with an important weight in the global economy, increasing their competitiveness on the market. The increase of exports to the BRI countries is another aspect that must not be neglected when talking about the advantages for the Dragon. Of course, the export will give a hand to manage the problem with Chinese industrial overcapacity and strengthen the role of the *renminbi*.

By all means, the first and foremost benefit that does not concern only China is the progress of underdeveloped countries, encouraged by the construction of infrastructures not only linked to transport, but also to telecommunication and technology. One example is the construction of the Mombasa-Nairobi Standard Gauge Railway, the China-Pakistan Economic Corridor or the several projects dealing with network connections in regions that could represent an important passage in the BRI. Many Asian regions and the African mainland as well are currently living in backward conditions, being cut out from the rest of the world because they lack efficient railways or have no ports or do not even have the chance to get in touch with the rest of the world.

⁵³ Michael M. Du, *art. cit.*

Regions like Kenya, Tanzania, Ethiopia, Djibouti and Egypt are a great opportunity for Chinese investors. In particular, Ethiopia's manufacturing industries and Djibouti's port have a relatively important role in the Belt and Road. It must not be forgotten that Ethiopia received three loans for a total value of 380 billion US dollars from the Chinese Government and China Export-Import Bank finalized to the development of its infrastructures. East Africa's project related to power and infrastructure sector not only bring benefits to this third-world region, but it is also a challenge for those Chinese enterprises who wish to emulate here their previous success in Southeast and South Asia. Zimbabwe is also involved in the development of ICT infrastructure thanks to China.

Nowadays, the Belt and Road counts an investment equal to \$350 billion and 1,700 projects completed or in development. Obviously, improving the infrastructure system and communication networks is beneficial to all the companies involved in the realization of those projects, especially in regions like South and Central Asia, Middle East, Eastern Africa and Eastern Europe.

According to Joe Ngai⁵⁴, the managing partner of Mckinsey's Greater China office, the Belt and Road can only be successful if economies benefit through localization and development of local know-how and people. As a matter of fact, one big initial problem was that when China decides to be part of a project, for instance dealing with the building of a new infrastructure like a port or whatever, Chinese government exploits its manpower made by skillful engineers, technicians and so on, leaving opportunity to use local labor only if it is convenient to them. Indeed, it is not a secret that China has always opened up to the rest of the world whenever it saw in it a chance to increase its internal resources or to grow more competitive on the market. It is the same reason why foreign investors who wish to operate in some specific fields, can enter in the Chinese market only through the creation of joint ventures with a Chinese partner, who will have part of the control on the enterprise as well as the chance to possibly assimilate foreign know-how believed useful to the Chinese expansion. As believed by Joe Ngai, the sooner China learns to give space to local capital and employees, the easier will it be for countries to understand that the BRI can be a win-win situation. President Xi Jinping has already showed signs of being willing to cooperate with the others, wishing for shared capital and shared risks condition.

⁵⁴ Derrick A. Paulo, "One Belt, One Trap? A debate over who benefits from China's new silk road", Channel News Asia, November 10th, 2017, <https://www.channelnewsasia.com/news/cnainsider/one-belt-one-trap-debate-benefits-china-silk-road-9384936>.

This Chinese Marshall Plan has been compared by pundits to the United States financial aid to other countries, the latter being only limited and of little help in developing local economies. This is why analysts think China should absorb the US lesson first and then think about how and to what extent it can give a hand to others, in order not to leave a little impact and be a better leader in the global framework.

People-to-people connection is without no doubt one of the benefits of the new silk road. The meeting of people coming from unfamiliar cultures is clearly a big chance to take off the blinkers and get out of a narrow-minded mentality, in some cases helping societies to fight racism or xenophobia. The Chinese government has made available more than ten thousand scholarships per year for students who wish to study or get proper training abroad. Of course, the fact that Chinese students come back home after a period of studying or training in a foreign country is something good for China, which through them indirectly has the possibility to absorb foreign know-how and skills, together with showing to the world its open-minded attitude.

Joe Ngai sees in this fact the reason why in the future there will be hundreds of Chinese multinationals and many will find themselves working for them. While initially the biggest investments will come from Chinese state-owned enterprises, pundits are asking themselves whether China will be capable enough to also attract private capital and get more support, as due to the range of the BRI, the one of enterprises, governments and banks involved is not enough. According to Joe Ngai, the hope is that the investments of state-owned enterprises will convince private investors that the BRI is a long-term and valuable project worth to invest in.

Up until now, Chinese state-owned enterprises have been brilliant in the railway, road, bridge and energy fields and by 2025 it is expected to see the Belt and Road take benefits from improved infrastructure including logistics, manufacturing and technology. On the other hand, international companies have the chance to cooperate with Chinese partners and benefit through the supply of goods to them whenever high standards or advanced technologies are required. Besides, international companies are crucial to those Chinese companies who need help in investing in foreign countries and managing the risks of such activities.

Among all the beneficiaries, Europe is certainly one of the most remarkable ones. First, as already mentioned before, the Chinese acquisition of European companies will give the opportunity to absorb as much technological know-how as possible. Second, the port of Piraeus is for Europe a chance to receive more Chinese investments, due to the fact that China is planning to

implement export through the Greek port. Third, Europe's trade links to Africa and Middle East are crucial to the BRI and another reason why Chinese enterprises are looking forward to acquiring more and more European companies.

Jean-Claude Juncker himself, the European Commission President, at the EU-China Summit held on June 2015 declared the importance of synergies between the European Fund for Strategic Investments (EFSI) and China's Belt and Road Initiative. On one hand, Juncker hopes to relaunch the rejuvenation of Europe through the BRI, with the creation of new jobs in the innovation, research, education and transport sectors. On the other hand, china hopes to revive its economy, which is slowly transforming into a consumption and outward investment kind of economy.⁵⁵

The focus of Chinese investors is obviously the Southern part of Europe and the Mediterranean Sea; the acquisition of the Piraeus Greek port is just an example of it, even though many European countries are eager to attract Chinese investments. As a consequence to the several Chinese investments in Europe, most European banks are adding or thinking to add the Chinese currency to their portfolio, because of the increasing belief that renminbi is a viable reserve currency, perfectly in line with the wish of the Chinese government to promote the use of its currency.

Although the undoubtedly economic advantages both for China and Europe, the BRI could also lead to some severe negative implications. Beside the anxiety that the OBOR project could be a useful instrument for China to absorb their know-how, some European countries are worried that the use of Chinese money can endanger the unity and integrity of the European Union. Moreover, the acquisition of the Greek port and the Chinese projects of further expansion are felt like a threat for the other bigger European ports, without mentioning the fact that many are complaining about an unfair situation; as a matter of fact, Chinese investors have shown how easy it is to acquire industries, ports of whatsoever infrastructure project whenever they decide to do it, but the same can not be told for foreign investors trying to do the same in mainland China.

Then, the closer Europe gets to China, the more the relationship with the United States are unsteady. Despite the fact that reciprocal aversion between China and America can be seen as old and belonging to the past, it is not a mystery that the new American president is opposed to globalization and any other project that China is trying to promote.

⁵⁵ Nicola Casarini, *"Is Europe to Benefit from China's Belt and Road Initiative?"*, Istituto Affari Internazionali, IAI Working Papers 15/40, October 16th, 2015.

Although the United States are not enthusiastic about the BRI, many American design and engineering companies have already signed contracts with Chinese partners. This means that there is still a shred of hope that the United States will become more active in the Belt and Road.⁵⁶

It is important for China to become selective about who wants to take part in the BRI and invest, regardless of the need for big investments, because the project is so big, and the investors are so many that chaos may cause the downfall and failure of the initiative. Many Chinese investors who are skeptical about the project have already started to address to the Belt and Road as “One Belt, One Trap”⁵⁷, because they are convinced that it will soon turn into a waste of resources.

The success of the Belt and Road Initiative lays on China’s ability to convince everyone that the benefits are worth the risk and that they overtake the possible future losses. As a result, in the future China will have to face some complexities and the help of the other countries is fundamental to reduce and manage them in a proper way, especially in those regions where legal and regulatory differences are serious. As a matter of fact, there is no guarantee that if China successfully carries out BRI projects in a region, it will automatically happen the same in another one. Then, the social and economic environment, together with the global unstable political situation play a crucial role in the favorable outcome of the One Belt, One Road.

⁵⁶ Silk Road Associates, *op. cit.*

⁵⁷ Derrick A. Paulo, *art. cit.*

CHAPTER 2.

The Railway Sector: Italferr's Case

It is clear that One Belt, One Road is a project involving the construction of infrastructures and facilities aiming at improving the connection between China and the rest of the world. This connection is possible through the sea with cargos crossing the most important waters and finally reaching Europe, and through the land, not only using road transport but mostly the railways.

2.1. Analyzing the Railway Sector in the BRI Framework

The biggest driver of infrastructure investment is the urban development of course. Many developing countries both in Asia and Africa are overcrowded and the more young people migrate towards the cities with the hope of a better future, the more the problem of an underdeveloped urban infrastructure becomes evident. This is the main reason why these countries are opener and opener to foreign investments; they need to face internal poverty, and, in this case, China could just be what might do the trick for them. It is not a mystery as well that many of these countries involved in the OBOR project lack proper infrastructure development, not only related to transport and telecommunication services, but also to hospitals, schools and proper water infrastructure, which are something missing there, signaling a failing economic growth.⁵⁸

Chinese contractors are taking part in several infrastructure projects of this kind in six major regions, among which the China-Pakistan Economic Corridor is the most interesting one, and are currently pointing to ASEAN countries. The estimated transport investment could reach the amount of \$200 billion with possibilities of increase due to the size of the BRI transport plan. As already mentioned before, the BRI can lead to an increasing demand of Chinese goods gaining competitiveness in the international market and, for this, it can help the Chinese government to get rid of excessive industrial overcapacity and promote the use of the domestic currency.

Since 2015 Chinese contractors have begun gaining more and more infrastructure contracts along the BRI route, reaching a share of new contracts 52% higher of the initial \$126 billion of the previous year. Their access to funding, cost competitiveness and fast turnarounds are the plus that has let them be this successful.⁵⁹ In order to convince as many countries as possible of the value

⁵⁸ Rachel Miu, Chong Tjen-San, Chris Leung, *"One Belt One Road Infrastructure Sector"*, Asian Insights SparX, DBS Vickers Securities, July 24th, 2017, p. 25.

⁵⁹ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, p. 1.

and benefits of the OBOR, China needs to revise its globalization strategy and maintain the centralization of control, as a statecraft model is required in such a project. 2017 is expected to be a greater year, with an increase in the value of the projects around 10%-15% more.

China Communications Construction Company (CCCC) is exposed more than other companies in OBOR-related projects. To date, its overseas backlog accounts 50% of the total projects. Besides, the company is currently balancing its growth and financial position, because the growing number of contracts leads to higher working capital need, thus it could create some drag on its balance sheet.⁶⁰

China Railway Construction Corporation (CRCC) is also involved, with a 25% of increase in overseas projects in 2016. It has the lowest net gearing ratio in the sector and it is expected to gain low double-digit earnings growth between 2016 - 2018.⁶¹

Unlike the previous two companies, China Machinery Engineering Corporation (CMEC) is focused on engineering, procurement and construction (EPC) of projects related to the energy and power fields. The most part of its revenue comes from Asia (46%), Africa (28.2%), South America (16.8%) and Europe (8.6%).⁶²

The BRI is actually a favorable circumstance to expand the Chinese influence overseas, providing more and more infrastructure investment plans in the countries along the OBOR and thus many opportunities for the Chinese contractors. In 2016 more than eight thousand contracts were signed and the turnover from the OBOR countries reached \$76 billion, with possibilities of future increase.

The key infrastructure sectors in the ASEAN regions are the power infrastructure (45%) one, mostly regarding electricity; transportation infrastructure (34%) and, at last, telecommunications infrastructure (21%). It is also important to remember that the total transport related investment in these regions is more than \$200 billion over a five - year period, just because the OBOR projects are only a first step towards major investments, especially due to the expansion of ASEAN economy.⁶³

⁶⁰ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, pp. 28-34.

⁶¹ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, p. 8.

⁶² *Ibidem.*

⁶³ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, p. 1.

Chinese contractors are involved in the construction of infrastructures in Africa, in particular Kenya, Sudan, Nigeria, Angola and Ethiopia. Those are countries that are currently offering several investment opportunities, as they lack an efficient railway infrastructure and China seems to be the only country really interested in getting a connection with it. In fact, even if the OBOR initiative is thought by most as a Eurasian infrastructure development project, China has shown up its interest in financing the construction or improvement of several African ports, many of which will be linked to the inner areas through roads and railways. Thus, many African countries have grown a positive attitude towards China and Chinese investments.

It must not be neglected that the infrastructure development factor is crucial in the relationship between China and Africa. As a matter of fact, already in 2014, the Chinese Premier Li Keqiang stated that China was willing to create a high-speed railway system in order to connect the fifty-four African capitals: since then, China and Africa have signed together several Memorandum of Understandings (MoU), committing themselves in the building of roads, railways, ports and airports useful to implement the African infrastructure system. And it is not by chance that among the African countries which signed those MoU there are several members of the AIIB, such as Egypt, Ethiopia, Sudan, Madagascar and South Africa.

Chinese investors are mostly interested in Djibouti, Egypt, Ethiopia, Tanzania, Zambia and Angola, especially as far as the constructions of ports are concerned. Those ports will be reachable through an efficient construction or implementation of an African railway system.

The first three railway projects to be completed were the Khartoum-Port Sudan railway in 2014, the Addis-Ababa Light Rail in Ethiopia and the Benguela Railway in Angola in 2015.

The Khartoum-Port Sudan railway is 762 Km long and is part of a bigger railway that starts from Wadi Halfa, on the border with Egypt, and reaches Wau in South Sudan. The other portions of the railway connect Atbarah and Sannar to Port Sudan and Sannar to Ad Damazin. Lastly, there is a line that runs through the al Gezira region. As it is obvious, it is situated in the Northern and Central part of the country; nowadays there is a Chinese interest to expand and improve the railways affected by years of negligence.

As far as the Addis-Ababa Light Rail is concerned, it was the result of the joint venture between the Ethiopian Railways Corporation and the China Railways Limited. The funds were provided by the Export-Import Bank of China. The railway is divided into two different lines: the first one is

16,9 Km long and it expands from Menilik II Square (North Ethiopia) to Kality (South Ethiopia), where the line connects with the Djibouti-Ethiopia Railway completed in 2016; the second one's length is 17,4 Km and starts from the village of Ayat (East Ethiopia) finally reaching Torhailoch (West Ethiopia). Besides, if now this railway counts thirty-nine stations on both the lines, the number could increase in the near future.

As to the Benguela Railway (Caminho de Ferro de Benguela – CFB) in Angola, it is a cape gauge railway connecting the Atlantic port of Lobito (a Benguela province and municipality) to Luau (on the border with the Democratic Republic of Congo). It is also connected to the Katanga Railway, giving access to the Copperbelts of Congo, a natural region in Central Africa situated between Northern Zambia and Southern Democratic Republic of Congo and which is mostly known for copper mining. It is 1,344 Km long.⁶⁴

The Abuja-Kaduna rail project was completed in 2016 and is 186 Km long. Being Nigeria's first high speed rails system, it is part of the country's railway modernization programme, featuring single standard gauge tracks and operating through passenger and freight trains.

On January 2018 the President Buhari commissioned ten new coaches in order to satisfy the demand of passengers. There seemed to be a contentious debate about the railways between the Senator Ben Murray Bruce of Bayelsa State and the Governor of Kaduna State Nasir Ahmad El-Rufai. From the debate some points emerged as follows: the achievement of the Kaduna train was the result of the previous Jonathan Government; the Obasanjo Administration raised financing and started the engineering, procurement and construction (EPC) of the Lagos-Kano dual track-standard gauge rail system and the Abuja Light Rail; the Yar'Adua – Jonathan Administration temporarily stopped both the projects for two years; the construction of the Abuja-Kaduna rail began in 2011 and was completed in 2014.

In order to check the truthfulness of these facts it is useful to analyze some issues. The Abuja Light Rail is a project aiming at building a light rail system in Nigeria's capital city. It is completely different from the Abuja-Kaduna railway which the President commissioned the coaches for, as a part of the Lagos-Kano rail. Moreover, during the Yar'Adua Administration running from 2007 to 2010, the President Umaru Yar'Adua was not satisfied with the few contracts and agreements established by the previous President Obasanjo; he believed that those contracts were not

⁶⁴ John Kelly Thornton, William Gervase Clarence-Smith, "Angola", Encyclopaedia Britannica, September 18th, 2018, <https://www.britannica.com/place/Angola#ref479942>.

approved by the National Assembly due to a contravention of the law, leading to a revocation of several of them and the suspension of the rail contract awarded by President Obasanjo.

As to the Railway Modernization Project, President Yar'Adua stalled the project because of his will to strictly follow the law and thus he avoided to fund any contract that he believed was not approved by the National Assembly. Then, on October 2009 the Federal Government signed an agreement with the China Civil Engineering Construction Corporation (CCECC) to reassess the Nigerian Railway Modernization Project, dividing the previous railway project into five segments, among which there was the Abuja-Kaduna one. The Minister of Transport Ibrahim Isa-Bio declared that the administration needed to review the plan due to the initial high costs of construction and absence of a funding plan; also, there were some issues with the law that were discovered, leading to a negative consideration of the plan. The Abuja-Kaduna railway project was finally financed under President Jonathan (from May 2010 to May 2015) with the help of a concessionary loan of \$500 million coming from the Chinese Government, with a 2.5% interest to be payed back within twenty years. The Abuja-Kaduna railway took five years to be completed, being inaugurated only on July 2016.

The Abuja Light Rail instead was initially announced by the Nigerian President Obasanjo on May 15th, 2007 during the inaugural ceremony for the Light Rail Mass Transit Project established by CCECC, but it remained abandoned for a while. During Yar'Adua's presidency, the project was suspended only to be moved forward by President Jonathan in 2010. The project, which needed the funding of the China Export-Import Bank, is still waiting to be completed.

What can be deducible from the clarifications above is that the Abuja-Kaduna train was not the handiwork of the Jonathan Government, as it was completed when that President left the Government. Also, it is true that during the Obasanjo Administration there was an initial conceptual design for the Lagos-Kano dual track standard gauge and the Abuja Light Rail system, but they were fully designed only under the Yar'Adua – Jonathan Administration. Thus, it is not true as well that the Olusegun Obasanjo Administration raised funding for the Lagos-Kano dual track standard gauge rail system or even started the EPC for the Lagos-Kano track, as neither the \$2.5 billion loan was executed, nor the funding required were provided to the counterpart to start the project. The financing funds were only raised under the Goodluck Jonathan Administration. It is false that the Yar'Adua – Jonathan Administration stalled both the projects for two years, as the contracts could not be accomplished for two reasons: the first one is that there were no funding

arrangements or loan contracts; the second one is that the Obasanjo Administration did not make the full 13% mobilization payment. Lastly, it is true that the Abuja-Kaduna railway's construction started in 2011, but it was not finished until 2016.⁶⁵

One of the major rail transport projects in Africa is the Mombasa-Nairobi Railway.⁶⁶ Kenya's new railway is the biggest infrastructure of the country since 1963; nevertheless, it has divided the public opinion between those who were enthusiastic about the project, as it symbolizes a step towards development, and those who were skeptical about it. The project involved approximately \$3.2 billion, but its relatively high cost is not justifiable if compared to Ethiopia's Addis Ababa-Djibouti line's investment of \$3.4 billion, which is a longer and electrified route. About this, the Kenyan Government responded that regardless of the project itself, the investment financed the construction of many bridges and tunnels needed to create an efficient railway and thus the two projects cannot be compared. Furthermore, as Nancy Kacungira reports the Transport Minister James Macharia said:

“the Kenyan government expects the new line to boost GDP by 1.5%, allowing the Chinese loans to be paid back in about four years.”⁶⁷

As far as the investment opportunities in Africa are concerned, there are some railway projects to be completed and the management of which the Nigerian government decided to entrust to the CRCC. More precisely, they are the Lagos-Calabar and Lagos-Kano Railways, the Abuja Rail Mass Transit Phase II (all of the three projects concerning Nigeria) and the Chad-Cameron and Chad-Sudan Railway in Chad.⁶⁸

Lastly, China has asserted the will to restore the Tanzania-Zambia Railway (TanZam or TaZaRa), which was built with the help of the dragon back in 1970 to transport copper to the port and it is still a symbol of the friendship between the two countries. Once these railways are connected to

⁶⁵ For further details about the above-mentioned contentious, see:

Fact Check Nigeria Staff, “*The Contentious Abuja-Kaduna Railway – Whose Achievement Is It?*”, Fact Check Nigeria, January 12th, 2018, <http://www.factchecknigeria.com/facts/contentious-abuja-kaduna-railway/>.

⁶⁶ For further information, see:

Nancy Kacungira, “*Will Kenya Get Value for Money from its New Railway?*”, British Broadcasting Corporation (BBC), June 8th, 2017, <https://www.bbc.com/news/world-africa-40171095>;

Kenya Railways, “*The Railway Master Plan in Kenya & the Region*”, news from the official website, <http://krc.co.ke/standard-gauge-railway/>;

National Reporter, “*Kenya, China Sign Standard Gauge Railway Agreement*”, Daily Nation, May 11th, 2014, <https://www.nation.co.ke/news/East-Africa-China-Standard-Gauge-Railway/1056-2310836-vv12cjz/index.html>.

⁶⁷ Nancy Kacungira, *art. cit.*

⁶⁸ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, p. 4.

the Democratic Republic of Congo, the port of Dar Es Salaam of Tanzania will be connected as well to the Lobito Port in Angola, as the Lobito-Luau railway is already operational since 2015.⁶⁹

Besides, the China Civil Engineering Construction Company (CCECC) is currently involved in the building of a railway that will run from Chipata to Serenje, thus connecting Zambia to Mozambique. In this way, the Addis-Ababa-Djibouti railway will be extended and there will be a second belt running through Tanzania and Zambia.

In 2015 the Suez Canal Authority has registered the transportation of 167 million tons of Chinese goods, equal to 41% of the total traffic in the Suez Canal from South to North. This data is proof of the raising exchange between China and the Mediterranean countries, as well as a symbol of the Chinese motivation to invest in an East-West railway system to reduce the costs of transport.

In the Middle East, President Xi Jinping announced that China is interested in investing \$55 billion in sectors like energy, transportation, utilities and other infrastructure projects.

China is also very active in Asia, in particular in the regions which are part of ASEAN. It is estimated that the Chinese investments in the ASEAN countries reach \$200 billion; these are investments that not only concern the OBOR initiative, but which goal is to build an efficient infrastructure and grow the economic and political relationships between ASEAN countries and China. Chinese foreign direct investments in the ASEAN regions are growing strong and up to 2015 they have reached \$1.7 billion. The country that China has built its influence the most in is with no doubt Malaysia. Despite the initial mistrust of the Malaysian government, China has been establishing more and its presence there; Chinese contractors have indeed signed fourteen agreements with Malaysia in 2016, not to mention the Chinese companies that have been entrusted with the realization of two important railway projects: the Gemas-JB double-tracking project and the East Coast Rail Link, both worth \$15 billion.

The Belt and Road Initiative includes six land blocks, among which the China-Pakistan Economic Corridor (CPEC) is the one that has made more progress. Intended to prioritize the development and modernization of the Pakistani area, it involves the construction of many special economic zones and infrastructures, such as roads, railways, ports, airports and other communication

⁶⁹ For further information about the Tanzania-Zambia railway, see: Tazara Official Website, *"Tanzania Zambia Railways"*, <http://www.tazara.co.tz/>.

channels aiming at promoting bilateral connectivity of people and goods, logistics, trade and development of economic fields such as agriculture, tourism, finance, human resource and so on.

The estimated cost of the projects included in the CPEC counts \$38 billion. As to the energy field, nineteen projects have been started and their cost is around \$25 billion: \$21 billion allocated for the construction of seventeen priority projects and the remaining \$4 billion for the two actively promoted projects. As far as the transportation sector is concerned, there are five roads and three railway projects that are still under way, requiring an investment of about \$12 billion, more than the half of which will be used to improve the already existing railway system. The CPEC could represent the only way through which China could be linked to Central and South Asia, giving a help to the stalled economies in this area.⁷⁰

Another project that is attracting loads of investments is surely the Gwadar Port. Gwadar is located on the southwestern coast of Pakistan and represents a link between Pakistan and China via water. It is not by chance that in 2016 the China Overseas Port Holding Company began the construction of a Special Economic Zone here, investing more than \$2 billion.⁷¹

Apart from the CPEC, Pakistan is also involved in the construction of a pipeline with Iran. This pipeline, which is almost two Km long, was relaunched in 2010 after Iran finished building the pipeline running from Asaluyeh to the Iran-Pakistan border. The Iran-Pakistan pipeline is yet to be finished, as the section that could bring natural gas from India to China has not been decided yet.⁷²

⁷⁰ For more details, see:

China Pakistan Economic Corridor, “CPEC Vision & Mission”, China Pakistan Economic Corridor official website, <http://cpec.gov.pk/vision-mission/3>;

Michael Kugelman, “The China-Pakistan Economic Corridor: What It Is, How It Is Perceived, and Implications for Energy Geopolitics”, in Erica Downs, Mikal E. Herberg, Michael Kugelman, Christopher Len, Kaho Yu, “Asia’s Energy Security and China’s Belt and Road Initiative”, The National Bureau of Asian Research Special Report No. 68, November 2nd, 2017, pp. 15-27;

Lu Shulin, “Zhōng bā jīngjì zōuláng shì yīdài yīlù de qíjiàn xiàngmù hé shìfàn xiàngmù: Zhāng xiǎo’ān: Zhōngguó zhōubiān pín pín qǐhuǒ le ma” 中巴经济走廊是一带一路的旗舰项目和示范项目：张小安：中国周边频频起火了吗 (China–Pakistan Economic Corridor Is the Flagship Project of OBOR”, in *Is China’s Neighbourhood on Fire*, Zhang Xiaon ed] (Beijing: Shijie Zhishi Publishing House, 2016);

Penelope Marbler, Lea Shan, “Chinese Investments in Infrastructure Worldwide”, Institut de Relations Internationales et Strategiques (IRIS), Asia Programme, June 2017.

⁷¹ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, pp. 17.

⁷² *Ibidem*.

The Pan-Asia Railway Network has its origin back in 2006 and when it was first proposed, it consisted of three paths: one Eastern route, one Central route and a Western route; all of them had their starting point in Kunming.⁷³

The eastern route links Kunming to Bangkok via Vietnam and Cambodia; a railway link from Vietnam to Laos was also included, but the link from Phnom Penh to Ho Chi Minh is yet to be designed. The estimated cost for the project is around \$600 million provided for the most part by the Chinese government. Besides, there is an additional \$4 billion investment for the Savannakhet-Lao Bao Railway reconstruction. The Chinese high-speed rail (HSR) technology could be beneficial for the building of a North-South Express Railway of Vietnam, due to the low cost of this kind of construction.

The central route starts from Kunming and crosses Laos, Thailand and Malaysia to finally reach Singapore. The railway linking Kunming to Yuxi is finished, while the Yuxi-Mohan section is still underway. China has committed itself to the construction of the railway linking Boten to Vientiane in Laos, which is expected to finish in 2020 since its beginning in 2015; besides, the railway from Bangkok to Singapore in Thailand is already efficient. As an implementation to the Kunming-Singapore railway, in 2018 the construction of a high-speed rail from Bangkok to Chiang Mai by Japan is expected to begin; two more HRS' proposals are underway: the Bangkok-Nong Khai railway, which construction began in 2016, and the Bangkok-Hat Yai/Padang Besar railway, which is still being planned and could be connected to Kuala Lumpur and Malaysia to reach Singapore at last.

Then, the western route links Kunming to Bangkok going through Myanmar State. The section of Dali-Ruili railway in China is still being completed and it is expected to come into operation by 2022. Nevertheless, the railway from Lashio to Ruili has still not been planned, while there are some upgrading plan for the lines linking Myitkyina to Mandalay and Mandalay to Yangon. Furthermore, authorities are considering the rebuilding of the railway line from Yangon to the Thai border. The Kunming-Yangon HSR was revoked in 2014 because of political issues.

Vietnam is also focused on improving the infrastructure system of its ports, mainly following its Masterplan on Economic Restructuring (2013-2020) and the Masterplan for Vietnam Seaport

⁷³ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, pp. 18-19.

System Development. The government is trying to make the Hon Khoai deep-water port a strategic port to attract foreign investments.

Thailand's strategic role in the BRI must not be neglected: besides the railway connections, there is also an important maritime connection represented by the Thai Canal (also known as Kra Canal) that links the Indian Ocean and the South China Sea.

Myanmar certainly is aiming at attracting foreign investments for internal infrastructure and industry development, perfectly fitting the National Comprehensive Development Plan (2011-2030). The country is also important under a strategic and logistic point of view: China needs access to the Indian Ocean from Yunnan, thus the construction of the deep-sea port on the Bengal Bay.

Since the launching in 2010 of the Economic Transformation Programme (ETP), Malaysia is striving to achieve a high-income economy within 2020. Through the economic partnership with China and its focus on export and trade in general, the Malaysian government wishes to benefit the most through the Belt and Road compared to the other ASEAN countries.⁷⁴

It is important to underline that the Malaysia HRS project, namely the Gemas to Johor Bahru double track, is 197 Km long and represent the last piece of link of the whole double tracking Pan-Asia Railway project. In the project were involved the CRCC, Company A and the CCCC in October 2016. In addition, in 2018 it is expected to begin the construction of the East Coast Rail Link, which will be 620 Km long, financially supported by the China Export-Import Bank. In addition, Guangxi Beibu Gulf International Group is participating in the expansion of the Kuantan port, a Malaysian port facing the South China Sea; a Malaysia-China Kuantan Industrial Park (MCKIP) has been proposed as well, in order to attract investments in high-technology and environment-friendly industries.⁷⁵

Indonesia as well is becoming an important part of the OBOR project. The country's Masterplan for Acceleration and Expansion of Indonesia (MAEI) fits perfectly with the Chinese needs to be connected more efficiently in this part of the world: the Indonesian government is aiming at developing the economic growth centers through the establishment of industrial clusters and special economic zones, linking these centers through airports, ports and roads. As a matter of

⁷⁴ Asia Pacific Management Team, *"One Belt One Road – Connecting Asia Pacific"*, Bridging Asia, German Banking – Financial Solutions by NORD/LB Asia, Norddeutsche Landesbank, 2017, p. 7.

⁷⁵ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, p. 5; pp. 19-20.

fact, the Indonesian and Chinese government have signed an agreement to invest in the construction of a high-speed railway running from Jakarta to Bandung, a project that is expected to be finished by 2019 and that sees China providing the 40% of the total investment. It seems that Indonesia has understood the benefits of opening up to international partners, with an important focus on a better integration in the ASEAN market as to play a more important role in Asia.⁷⁶

The China-Indochina Peninsula Economic Corridor is instead aimed at strengthening the cooperation between China and the ASEAN countries, as it sees multiple infrastructure projects that may help China and Laos to find new models of integrated development of the border economy.⁷⁷

Besides Africa and Asia, Europe is another continent of crucial importance for China and the OBOR project. In fact, it is where the Belt and Road arrives after crossing the rest of the eastern world. Several are the European countries interested in being part of the BRI, as they see in it an important instrument through which they can improve their economic situation (which in some cases is in a downfall status); on the other hand, there are still some EU members who are worried about the scope of the Chinese government and thus prefer not to be part of it.⁷⁸

By 2015, China had made purchases for \$65 billion in listed companies on European stock markets, even surpassing Japan. Even if Germany remains the country China is attracted by the most, the Dragon is now showing its interest towards Eastern and Southern Europe.

Russia is the first European country reached by the BRI.

As a matter of fact, there are two corridors that have been developed in recent years: the Primorye-1 and the Primorye-2. The former involves cargo ships weighing anchor from Vladivostok to the West coast of the United States and Europe, whereas the latter expects cargoes heading towards Korea and Japan, distinctly implementing the regional traffic of China and Russia. This initiative is highly attractive for the Heilongjiang province's manufacturers, as it is landlocked and needs a link to Asia-Pacific areas.

⁷⁶ Asia Pacific Management Team, *op. cit.* p. 7.

⁷⁷ Rachel Miu, Chong Tjen-San, Chris Leung, *op. cit.*, p. 20.

⁷⁸ For further information about the European Union's opinion about the BRI, see:

Ravi Prasad, "EU Ambassadors Condemn China's Belt And Road Initiative", *The Diplomat*, April 21st, 2018, <https://thediplomat.com/2018/04/eu-ambassadors-condemn-chinas-belt-and-road-initiative/>;

Dana Heide, Till Hoppe, Stephan Scheuer, Klaus Stratmann, "EU ambassadors band together against Silk Road", *Handelsblatt*, April 17th, 2018, <https://global.handelsblatt.com/politics/eu-ambassadors-beijing-china-silk-road-912258>.

Additionally, both the routes have already been tested: a joint venture between Russia's Vostochnaya Stevedoring Company (part of the Global Ports group) with Heilongjiang Sea Land Channel International Logistics have already transported 250 TEU's of sawn timber for markets in Italy. Besides, an experimental shipment of test cargo shipped from China to Korea. Russia's Far East Investment and Export Agency is studying test transportation of cargo from China to Russia, says the Ministry for the Development of the Russian Far East.⁷⁹

The world's longest railway line linking China to Europe is the Yiwu-Madrid railway line, covering 13.000 Km. The trains are run by different companies which are a joint venture between the Deutsche Bahn AG and Russian Railways. They depart from Yiwu, a trading center located in South of Shanghai, cross Kazakhstan, Russia, Belarus, Poland, Germany and France and then arrive in Madrid, the Spanish capital. It was in mid-November that China first launched the train, which compared to a sea route, takes much shorter time to travel from one point to another: the journey lasts twenty-one days, while the same path covered through a sea journey would take about six weeks longer. Of course, the long railway line switches the engines every 800 Km and its trains have the containers reloaded to rail cars of different gauge at Dostyk, Brest, Belarus and Henaye. Even though the train service makes everybody spare time, the same cannot be told about the costs; in fact, it is 20% to 30% higher. Another problem that the train undergoes is surely the sudden climate change that could affect the cargo; as an example, if the train is transporting food or other perishable goods, the very low temperature of Russia can deteriorate the products. Spain remains the seventh trade partner of China and the latter is the biggest overseas commercial partner of Spain; as a matter of fact, the volume of the trade in 2013 reached €20 million. The Youxinou line is effectively the world's largest railway line, longer than the previous one which was the Trans-Siberian railway. With a length of 9 Km, it runs across Asia to get to the Pacific area, departing from Vladivostok to Moscow.⁸⁰

⁷⁹ For further details:

Russia Briefing, "Russia, China Agree On Primorye-1 Corridor; Opens Up Heilongjiang To Asia-Pacific Markets", Russia Briefing, May 15, 2017, <https://www.russia-briefing.com/news/russia-china-agree-primorye-1-corridor-opens-heilongjiang-asia-pacific-markets.html/>;

World Maritime News, "China, Russia Team Up on Ice Silk Road", World Maritime News, July 10th, 2017, <https://worldmaritimeneeds.com/archives/224690/china-russia-team-up-on-ice-silk-road/>.

⁸⁰ More details on:

Amanda Macias, "The World's Longest Railway Is Stalled In Madrid", Business Insider, January 26th, 2015, [https://www.amazon.it/dp/B004CRSLTE/ref=sspa_dk_detail_4?psc=1&pd_rd_i=B004CRSLTE](https://www.amazon.it/dp/B004CRSLTE/ref=sspa_dk_detail_4?psc=1&pd_rd_i=B004CRSLTE;);

Huffington Post, "Treno Youxinou, la linea diretta fra Cina e Spagna per le merci. Percorsi 13 mila Km in 21 giorni, rotta più lunga del mondo", Huffington Post, December 10th, 2014, https://www.huffingtonpost.it/2014/12/10/treno-yixinou-cina-spagna_n_6301240.html.

Another direct rail line from China to Europe is the Beijing-London line. Inaugurated on January 2017, the freight train service runs from the Chinese capital to Great Britain through a 12.000 Km long rail track, taking eighteen days for the journey to end.⁸¹ The other railway line from China to Europe connects Beijing to Berlin. It consists of more than one step: one can choose to stop in Moscow or Warsaw and get to another train to Beijing.

Another significant railway project concerning the central part of Europe is the Belgrade-Budapest line, that links the two capitals of Hungary and Serbia with a 350 Km length and that shortens the travel time between the two cities from eight hours to almost three. This high-speed rail line is part of the planned Budapest-Belgrade-Skopje-Athens railway, functional to connect the Greek port of Piraeus, recently acquired by China, and Central Europe.⁸² In fact, China is willing to invest in upgrading Greece's railway system, especially on a northern route that crosses Thessaloniki and reaches Macedonia and on a Macedonian line linking Greece to the Hungaro-Serbian high-speed railway line. Once all these projects are finished, there will be a high-speed rail running from the Piraeus port to Budapest. Then, another rail line between the Mediterranean and the Danube will allow trains to reduce the shipping times, making the Chinese products more competitive on the European market and hence offsetting the rising production costs in China.

2.2. One Belt, One Road and Italy: What Can Our Country Offer?

Italy is certainly one of the European countries involved the most in the BRI project, representing a symbol of rejuvenation of the ancient bond between the country of Marco Polo and the Dragon.

The relationship between the two can be dated back to the Roman Empire precisely thanks to the economic and commercial trades happening in the Silk Road. The trade of silk in exchange of glassware and high-quality cloth was just the beginning of a bond which slowly grew to become a stronger political tie.

⁸¹ Jonathan Webb, *"The New Silk Road: China Launches Beijing – London Freight Train Route"*, Forbes, January 3rd, 2017, <https://www.forbes.com/sites/jwebb/2017/01/03/the-new-silk-road-china-launches-beijing-london-freight-train-route/#235b63101f13>.

⁸² For further information, see:

Hungary Today, *"China To Finance Construction of New Budapest-Belgrade Railroad"*, Hungary Today, December 17th, 2014 <https://hungarytoday.hu/china-finance-construction-new-budapest-belgrade-railroad-43460/>;

Aleksandar Vasovic, *"Belgrade-Budapest Railway Part of Chinese 'Express Lane' to Europe"*, Reuters, December 17th, 2014, <https://www.reuters.com/article/europe-china-east-idUSL6NOU11ZN20141217>.

The role of Italy in the BRI framework was discussed during the debate held in Palazzo Giustiniani (Rome) on February 23rd, 2017, organized by the Limes review. Many Italian and Chinese managers and ambassadors participated in the meeting, during which the most important experts in the field intervened, such as Pietro Grasso, the Italian President of the Senate, Maurizio Gentile, CEO and Director General of the Italian railway network, Paolo Costa, Chairman of the port authority of Venice, Mario Virano, Director General of the Tunnel Euralpin Lyon Turin (TELT) s.a.s., Carlo Carganico, CEO and Director General of Italferr, and Lucio Caracciolo, Director of the Limes Review.

The salient speech of the CEO Carganico remarked the state-of-art of the Italian relationship between China and Italy and, most importantly, the actual role Italy plays in the Belt and Road project.⁸³

The relationship between China and Italy, characterized by Chinese investments in Italy equal to €8 billion, represent a unique opportunity for the Italian enterprises: China has the financial resources and Italy the manufacturing skills required to cooperate together in the rest of the European market which demands for modernization and improving of the infrastructure sector.

Nevertheless, after three years from the launching of the OBR project, Italy still has not gained the pivotal position needed to fulfill its scopes. It is deductible from the map that the Chinese National Administration published on December 2016⁸⁴: Italy was not included as a stage in the New Silk Road routes. As a matter of fact, in the recently published map, the northern route gets interrupted in North Europe; the second route bypasses Italy and continues towards the Atlantic Ocean, suggesting the infinite possibilities that the BRI will provide in the long run.

On the contrary, the map published by Xinhua agency in 2013⁸⁵ saw in Venice the conjunction ring between the Economic Belt and the Maritime Road.

Many were the diplomatic opportunities during which examining in depth and discussing about the Sino-Italian relationship in the light of the BRI; the informal meeting between the former Prime Minister Matteo Renzi and the President Xi Jinping on November 2016 in Sardinia seemed to confirm the potentiality of Italy in the Chinese strategies; the Chinese ambassador Li Ruiyu's

⁸³ Ferrovie dello Stato, "*L'Italia e le vie della seta*", Speech of Italferr's CEO Carlo Carganico, original document made available by the author, February 23rd, 2017.

⁸⁴ Ferrovie dello Stato, "*L'Italia e le vie della seta*", *doc. cit.* p. 6.

⁸⁵ *Ibid.*

intervention during the conference held in 2016 in Trieste, organized by Iniziativa Centro Europea (InCE) and the European Bank for Reconstruction and Development (BERS) were supportive about that; not to mention the several cooperation agreement signed between the two Countries already active⁸⁶.

The former Renzi Government had defined 2020 has an important year for Italy in the light of the BRI; a year that represents the end of the XIII Five-Year plan and the fiftieth anniversary of the Sino-Italian relationship.

Among the diplomatic missions, the summits and the agreements signed, in Europe there is a full focus on the actions aiming at the realization of the nine Core Corridors, four of which directly involve Italy: it is the case of the North Sea – Baltic Core Corridor linking the ports of the East Baltic Sea to the ones of the North Sea, reaching the ports of Trieste, Venice and Rome; the Scandinavian – Mediterranean Core Corridor, which crosses the Baltic Sea from Finland to Sweden and passes through Germany, the Alps and Italy (there are connections with the ports of La Spezia, Livorno, Ancona, Bari, Taranto, Naples and Palermo); the Rhine – Alpine Corridor, one of the busies freight routes in Europe that connects the port of Rotterdam to Antwerp and the Mediterranean Sea through the port of Genoa; the Mediterranean Core Corridor, which links the Iberian Peninsula to the Hungarian – Ukrainian border and for which the high-speed railway line Turin-Lyon seems to be fundamental.⁸⁷

In order to be worthy of the leading role in BRI framework, two factors seem to be the key to that: interoperability and integration of the systems. In this regard, it is relevant the intervention of the Union Internationale des Chemins de fer (UIC), thanks to which Italy has developed the signaling system “European Rail Traffic Management System / European Train Control System” (ERTMS / ETCS), standards that for the Trans European Network – Transport (TEN – T) are expected to be accomplished by 2030 and which, in the long term, will allow a fluid link between China and Europe.

⁸⁶ Here, the reference is about the Memorandum of Understanding signed in 2015 between the ports of Venice and Ningbo. The two will cooperate together to strengthen the boundaries between the West and the East thanks to the flow of information, plans and projects, aiming at reinforcing the route already crossed by the Ocean3 ships and the alliances between CMA CGM Group, United Arab Shipping Company (UASC) and China Shipping.

⁸⁷ Italferr, “*Transport su vie della seta*”, interview draft made available by the author, March 5th, 2017, pp. 2-3.

It is fundamental as well the development of technical solutions to make the Chinese and Russian trains less longer and improve the stations that right now are not able to get them in because of their small dimensions.

Plus, the strong outburst to the intermodal factor as a point of connection between the junction on the New Silk Road is pivotal too. What does it mean? Investing in the freight transport, reorganization and simplification of the bureaucracy behind the port authorities and the connection between the different means of transport are just a few topics on which the Minister Graziano Delrio is working on.

The realization of inland areas and railway connections that allow the entrance of bigger trains dedicated to freight transport are strategic and necessary and one of the objective of Italy is indeed to make the southern ports of Italy more geographically suitable (something that will surely help the increase of jobs in this area); the future integration with the Azienda Nazionale Autonoma delle Strade S.p.A. (ANAS) will give a useful contribution to it with no doubt. All these actions will have to be based on quality, safety and environmental protection for an overall virtuous and sustainable growth.

According to the CEO Carganico, the development of the above-mentioned elements will be of great importance for Italy to play a primary role in the OBOR project, and the Italian ability to realize and modernize them will be the main driver for the relaunch of Italy in the international framework too.

The interest of Beijing government towards Italy has never been hidden, as stated in the article by Huang Yuchuan.⁸⁸ As the author affirms, recently China has beginning to show a much greater interest investing in Italy, even surpassing the one for the United States. Despite being a much smaller country than the United States, there are two main reasons behind that.

The first one is linked to the economic aspect, which can be divided into two minor fragments: the target and the risks of the investments. As to the target of the investments, the author explains the point of view of private investors and state-owned enterprises. On the one hand, private investors eagerly accept Chinese investments because of their hope to realize their own

⁸⁸ Huang Yuchuan 黄育川, "Ōuzhōu duì zhōngguó tóuzī de xīyǐn lì wèihé chāoguò měiguó?" 欧洲对中国投资的吸引力为何超过美国? (Why is Europe's attraction to Chinese investments more than the United States?), FT zhōngwén wǎng FT 中文网 (FT Chinese Net), July 26, 2017, <http://www.ftchinese.com/story/001073547?full=y&archive;>

capital funds' diversity. On the other hand, state-owned enterprises are looking forward to absorbing as much technologic know-how as possible or are simply trying to take their place in a more developed and globalized context. Of course, the opinion is not shared by everyone: many experts are worried that China could represent a threat to Government security and are complaining about the unfair competition on the Chinese markets. Not being sure about the Chinese rules on licenses or copyright (in the light of not just a few cases of acquisitions of foreign companies and all the know-how linked to them) and the low competitive prices found on their market, the pensiveness is justifiable.

As to the risks connected to Chinese investments, the Chinese and European industries seem to be birds of the same feather. What the author means is that, while Europe, and Italy as well, appears to be more focused on manufacturing industries, which is something that perfectly fits the high Chinese demand, the American industry is more oriented towards entertainment, metal or mining industries, fields which are far from the Chinese necessities right now. The concept of "Made in Italy" is linked to this topic, as it has always bewitched the world because of the association to high-quality and beautiful products, and China is not excluded for sure.

The second reason why Italy seems to attract more and more Chinese investments is linked to its policy. As mentioned before, the fact that China can easily turn to countries who better welcome its money like Italy does, is one of the factors that have let the Italian market to be more and more invaded by the imponent and powerful Chinese presence.

Nicola Casarini affirms in his IAI Working Paper:

"Since early 2014, the People's Bank of China (PBOC) – through its investment arm, the State Administration of Foreign Exchange (SAFE) – has invested more than €3.5 billion on stakes of about 2%t each in ten of Italy's largest companies: these include Monte dei Paschi di Siena, Unicredit, Saipem, Mediobanca, Fiat Chrysler Automobiles, Telecom Italia, Prysmian, Assicurazioni Generali, ENEL and the state-controlled ENI (oil and gas operator). This has made the PBOC the tenth largest investor in Italy's stock exchange. Moreover, in May 2014 the Shanghai Electric Group bought a 40% stake in power engineering company Ansaldo Energia for €400 million. This was quickly followed by China's State Grid's acquisition of a 35% stake in energy grid holding company CDP Reti for €2.1 billion. In March 2015, China National Chemical Corp (ChemChina) bought a majority stake (16.89%) in Pirelli, the world's fifth largest tire maker, in a deal worth €7 billion. Beijing has, so far, invested more than €6.5 billion in listed companies on the Italian stock market, a sum which corresponds to around 10% of total Chinese investments in European stocks."⁸⁹

⁸⁹ Nicola Casarini, *"Is Europe to Benefit from China's Belt and Road Initiative?"*, Istituto Affari Internazionali, IAI Working Papers 15/40, October 2015.

This is certainly a symbol of the growing interest of China towards Italy, which could offer great investments opportunities in the Belt and Road initiative and henceforth have the chance to stand up the European framework and demonstrate to be a competitive power in the same way as Germany, France or Great Britain. It must be said that our country is of great interest because of its position in the middle of the Mediterranean Sea; the ports of Venice and Genoa are the two biggest one in the territory. The involvement of Italy in the BRI not only will bring profits to the country through Chinese investments, but it will also be beneficial for the Chinese government. Why is that?

Nowadays Chinese goods that reach Italy are transported via land through the railway lines China is investing on. Then, once the trains reach the biggest existing port, such as the Rotterdam port, there is a railway line running from Rotterdam and arriving to Venice. From Venice, the goods are then distributed throughout the whole country. This journey is a very long one, implying that the goods could reach Italy within plenty of time. The solution to this problem, apparently, is to invest in Genoa or Venice ports in order to enlarge their cargo capacity and let them be the direct port towards which the goods are destined.

As far as the Genoa port is concerned, it is located in a central position in the Mediterranean Sea; according to Marco Bucci⁹⁰, Genoa city mayor, the city's strategic position could be functional to confirm and rejuvenate the political and commercial relationship between China and Italy, facilitating technology, information and people exchange flows between the two with no need to cross other countries.

This could lead to a shift in the transport of Chinese goods in Europe; Genoa port has the chance to become the first major port of Europe, where goods are directly shipped to, instead of arriving in Hamburg or Rotterdam and then be transported via railway to Italy. To fulfill this goal, it is important for Italy to demonstrate its openness to the international business and its ability to be competitive on the global market.

The conviction of a stable growth in the maritime sector has led China to make efforts in investing in several pivotal ports for the New Silk Road in order to increase the efficiency of its commercial routes. It is not by chance that the entire maritime Chinese business is accounted for

⁹⁰ Ufficio Stampa Del Comune Di Genova, *“The New Silk Road for Italy”*, convegno a Palazzo Ducale”, official website of Genoa's Municipality, January 24th, 2018, <http://www.comune.genova.it/content/new-silk-road-italy-convegno-palazzo-ducale>.

\$970 million, with annual capacity of 200 million of TEU equal to 31% of exchanged goods through the sea in the entire globe.⁹¹

In the last ten years the volume of Chinese investment in the Mediterranean area has risen up to \$129 billion, making China the second trade partner for Europe right after the USA. These investments were actually focused in acquiring stakes of logistics infrastructures; in fact, nowadays the Chinese hold the shareholding of important enterprises, such as the Terminal Antwerp Gateway of Anversa (25%), the SCCT-Suez Canal Container Terminal (20%), Fina Liman Hizmetleri Lojistik and Kumport Liman Hizmetleri ve Lojistik (65%), both Turkish companies.⁹² Yet, the most important acquisition that the Chinese investors have accomplished is the COSCO Pacific, letting the 67% of the shareholding of the Piraeus port be in the hands of the Dragon, who promised a further investment of €350 billion in the next five years. The port of Thessaloniki is another port of relevant interest for China.⁹³

It is remarkable in the BRI framework as well the cooperation between the Italian and Greek railways; the main section of the latter has been recently taken over by the Italian railways with the scope of investing in that area and establishing a relevant Italian presence in that market, aiming at being the main representative of the Chinese when they will make operational the line running from Beijing to the Piraeus port.

Moreover, the Chinese government is keeping acquiring plots of land alongside the Greek coast not only for a touristic scope; it actually wants to build logistic areas functional to warehousing and assembly of goods to be imported in the European market; some have the suspect that this move is directed to label Chinese goods as European and, in this way, bypass the European customs duties against dumping⁹⁴. Countries like Italy, France, Portugal, England, Belgium, Poland and so on, import a not insignificant quantity of Chinese goods with very low prices because of the Chinese dumping; this is why Germany, which imports in Europe its Germany-labelled goods produced in its own industries located in China, is opposing to the application of the custom duties on its products. During the conference held in Monaco on February 2017, the outgoing German

⁹¹ Corrado Ruggieri, *“Nuova Via della Seta”*, documento originale messo a disposizione dall’autore, March 5th, 2018.

⁹² *Ibidem*.

⁹³ *Ibidem*.

⁹⁴ The term “dumping” indicates a situation in which a country or company exports a product at a price lower in the foreign importing market than the price in the exporter’s domestic market.

Minister of Foreign Affairs declared that, according to his vision, the New Silk Road is just a Chinese attempt to shape the world following the Chinese business interests.

In line with the Chinese strategy carried out in the Mediterranean area, Italy has doubled its volume of exchange with China between 2001 and 2015, showing how the country could be a natural partner for Beijing. Yet, maintaining the efficiency of its ports, investing in its enlargement and making easier the bureaucracy processes of docking are the key elements that in the future will influence the Chinese investments in Italy.

But not only the ports are the main investment attraction for the Chinese government. In fact, Italy owns a developed railway system attracting Chinese foreign investments. The direct train line running from Mortara⁹⁵ to Chengdu⁹⁶ is actually the first direct line linking the two Countries, demonstrating the fact that Italy is able to provide a very competitive railway system, equal to the above-mentioned Youxinou line or the direct line from Beijing to London. This Mortara-Chengdu line covers 10.800 Km and will take about twenty days to reach the destination, surely less than a journey by plane or by ship.⁹⁷

Before discussing about the opportunity that the Italian railway system can offer to Chinese investors and more generally to the BRI, it is interesting to point out the improvements carried out on this sector and thanks to which nowadays Italy is becoming more and more attractive.

It is indeed happening a deep revolution concerning the railways transport system's market, a long process which began back in 1990 and which should guarantee the development of a field considered fundamental for the Italian economy progress. As a matter of fact, an efficient and well-developed railway system is a pivotal element to strengthen the freedom of a single market and, in the light of this consideration, opening to a fair and free competition between operators in the national markets seems to be the right solution to this. Despite this, the so-called liberalization

⁹⁵ Mortara is a municipality of Pavia, in Lombardy.

⁹⁶ Chengdu is the state capital of Sichuan, located in Southwestern China.

⁹⁷ More information on:

Claudio Bressani, *"La "nuova via della seta" da Mortara alla Cina: il primo treno partirà il 28 novembre"*, La Stampa, November 10th, 2017, <http://www.lastampa.it/2017/11/10/edizioni/novara/la-nuova-via-della-seta-da-mortara-alla-cina-il-primo-treno-partir-il-novembre-6Ypezo4eukqc0Z0IOF1PNO/pagina.html>;

Michele Sasso, *"La Via della Seta passa da Mortara. Nasce il polo per le merci dalla Cina."*, La Stampa, July 17th, 2017, <http://www.lastampa.it/2017/07/19/italia/cronache/la-via-della-seta-passa-da-mortara-nasce-il-polo-per-le-merci-dalla-cina-0JOIIKuxGAptfmOypS5djL/pagina.html>.

is not itself enough to boost production, although being fundamental to the development of the railway system.

The evolution of the railway system is peculiar if compared to road transport, the latter having slowly acquired more and more importance for several reasons. One of these is certainly the high complexity of technology behind the railway system and the less flexibility and local extensiveness of the train service compared to road transport, even if with transported load being equal, the railway system is less polluting and consumes less electric power. Another point against railway transport is the fact that, as far as the goods are concerned, it does not contemplate the opportunity to door-to-door transportation because of the rigidity of the itinerary or a just-in-time delivery rather than a stock one. In the last decade in Italy, the trend shows a decrease in goods delivery through railways of 6,5%⁹⁸. Last but not the least, the price-related conditions have traditionally endorsed the road transport.

Due to the political awareness of the impossibility to solve this problem through coactive actions, the introduction of a market-based mechanism which affected economic aspects of the railway system seemed to be a fresh new proposal to work out the complication.

The actualization of the liberalization process of the Italian railway system has led to several admirable results, such as licenses and safety certifications issued to at least thirty-eight railway enterprises; the rise of new enterprises linked to the railway sector; improved quality of the system; the activation of passenger transportation services through an agreement called “private authorized applicant” not having whatsoever the nature of a railway enterprise or a public entity; the transformation of Ferrovie dello Stato S.p.A. (FS S.p.A) into two different companies dealing respectively with the management of the infrastructure and the production of transport services, both having the legal form of limited liability companies and thus with independent juridical and organizational structures.

Obviously, the positive aspects of the liberalization process concern more efficiency and quality of the Italian railway system, but as said before, the liberalization itself is not enough for a developed railway transport and modal counterbalance. It is indeed necessary to keep operating to pursue these two goals and show the potentiality of it.

⁹⁸ For more details about the liberalization process of the railway's system, see:

Enzo Celli, Laura Pettinari, Roberto Piazza, *La liberalizzazione del trasporto ferroviario*, “soggetti e regole del mercato”, Giappichelli, Turin, 2006, p 6.

Ferrovie dello Stato Italiano is one of the biggest enterprises in Italy, managing all the aspects of the railway transport and contributing to develop an integrated logistic and mobility project. Since 1992 the company is 100% held by the Ministry of Economy and Finance and controls the other societies working in the four fields of the industry, such as transportation, infrastructure, real estate services and other services. All these societies have their own business specificity and managing autonomy in pursuing their respective business goals. Ferrovie dello Stato as parent company, pinpoints the strategies to follow and guarantees the coordination of the industrial policies of the other operating societies.

As the official website reports⁹⁹, FS S.p.A. is the leader on passenger transport on rail with a share of 88% on the market and on good transport with 7%. The rail network is made up of more than 16.700 Km, 1000 Km of which are dedicated to the high-speed rail service. This company is part of Union International des Chemins de fer (UIC), the association that represents the railway sector in the global framework and that plays the role of consultant and advisor for investment projects, TEN-T (Trans European Network – Transport) European corridors, China, USA, India and Russia included.

Busitalia and Mercitalia are maybe the two main societies held by FS S.p.A., the former aiming at becoming the most imponent player on a European framework of long-distance travel by bus (nowadays this kind of service has linked fifteen Italian regions and more than ninety Italian and German cities with a fleet of sixty buses) and the latter being the main factor of revolution in transportation of goods and logistic services. In 2017 the Azienda Nazionale Autonoma delle Strade (ANAS) becomes part of FS Group, contributing to give birth to the first integrated pole of railways and roads in Europe both for people and goods. Busitalia is defined international by reason of its acquiring two societies, one in the Netherlands and one in Germany; Trenitalia has recently bought the railways in Greece and is now managing some railway lines in England. Moreover, Mercitalia is the railway society dealing with the transport of goods especially in Germany, which is its second carrier.

But what makes FS Group even more peculiar is the fact that it does not only operate inside the national territories. It is, in fact, active in exporting the development of the rail web made in Italy throughout the whole world: the Mediterranean area, Middle-East, East Europe, the Balkans, Latin

⁹⁹ For further information about the FS Group, see: <https://www.fsitaliane.it/>.

America, USA, India and Australia are all countries in which FS S.p.A. makes everyone aware of its presence.

Through the new Business Plan 2017-2018, the FS Group has strengthened its ambition to realize construction projects and services creating a long-lasting value, redefining the sector in the light of the intermodality concept. This strategy aims at about €94 billion of investment within ten years and it is based on five pivotal points: integrated mobility involving all the operators in the field; integrated logistics and improved organization of the cargo sector; integration between rail and road infrastructures; international development; digitalization.

Besides, as a society caring about the global pollution threat, FS S.p.A. is committing itself in promoting an environmental-friendly development that sees the latter perfectly integrated with the social and economic aspects. This means that the company is working on more comfortable and technologically more evolved trains, modern stations integrated with the underground web and a balanced unification between rail and road systems.

2.3. Italferr: Competitiveness and Strategies

In Italy, the company which takes care of the engineering design, the development of new technologies, the tender documentation and the supervision and managing of the railway sector on behalf of FS S.p.A. is Italferr. The concretion to this is with no doubt represented by the high-speed and high-capacity (Alta Velocità/Alta Capacità AV/AC) railway system, one of the excellent engineering creations of the company. It is an understatement to say that this system has revolutionized the freight and passenger transport, as it did not only modernize the whole sector, but it also gave contribution to the economy of the country, letting there be faster trains or subways always paying attention to the safeguard of the environment and the historical heritage of the territory. It is a matter of fact that the infrastructural works in Italy unearth ancient artifacts or must live together with the already existing ones.

In the northern part of Italy, Italferr took care of some railway projects that today are still underway¹⁰⁰. On the Turin-Lyon rail, some studies about the addition of a new section between Avigliana-Orbassano-Bibio Pronda are being carried out. As to the Turin-Modane rail, some intervention between Bussoleno and Avigliana have the scope to extend the line.

¹⁰⁰ For further details about Italferr's studies and projects in Italy, check: <http://www.italferr.it/content/italferr/it/progetti-e-studi/italia.html>.

The line linking Turin to Milan, Milan to Verona and Verona to Padua and Venice are part of the TEN-T Core Corridor n.3 “Mediterranean”, which connects West and East Europe. Italferr has taken care of the construction of some infrastructure aiming at improving the functioning of the lines and their extension.

The Milan-Genoa line is part of the TEN-T Core Corridor n.6 “Rhine-Alpine (Genoa - Rotterdam)”, but here the interventions are still underway. On the contrary, the line linking Milan to Bologna is operative since December 14th, 2008 and is part of the TEN-T Core Corridor n. 5 “Scandinavian – Mediterranean (Helsinki – La Valletta)” linking the Mediterranean Sea to the Northern part of Europe. Bologna-Florence railway line is operative since the same day of the Milan-Bologna one and is part of the same TEN-T Core Corridor n.5. The Bologna-Verona line is part of the same corridor, which meets in Verona the TEN-T Core Corridor n. 3.

Florence-Rome high-speed rail line was the first one to be realized, on February 24th, 1997. In this case, some intervention about the improvement of the electric substations of the section between Rovezzano and Settebagni are being carried out.

The last high-speed rail line is located in the Southern part of Italy and connects Rome to Naples, crossing Frosinone, Naples and Caserta. This one is part of the TEN-T Core Corridor n.5 too and it became operative on December 13th, 2009.

Besides the above-mentioned high-speed rail lines, Italferr also took care of the intervention in many other rail lines located throughout Italy, not to mention the subway sector, focusing on their reconstruction, modernization and improvement, letting the Italian railway system be more functional and punctual both on the freight and the passenger transport sides.

In the framework of the strategic infrastructural investments, following the “Sblocca Italia” Decree Law, the realization of the Naples-Bari and Palermo-Catania-Messina lines were defined as a priority on the national side, being both part of the TEN-T Core Corridor n. 5.

But Italferr was also present through no captive projects¹⁰¹. Italferr has indeed shown to be able to provide a panel of infinite possibilities that nowadays can count diversified expertise proposing high-technical services and solution and specialized know-how. The management of one hundreds pavilions during the Milan Expo 2015, the preliminary design and planning of the

¹⁰¹ For further details about no captive projects, see: <http://www.italferr.it/content/italferr/it/progetti-e-studi/italia/no-captive.html>.

Civitavecchia Port, the Gallery of Virgolo and the Bra's Station, not to mention the technical activities for the environmental monitoring of the A4 highway's extension to three lanes are just a few examples of Italferr's ability to export their know-how and Italian engineering excellence in every infrastructural aspect.

Corrado Ruggieri is the Advisor of International Affairs inside the Italferr society. His role is to be the counselor to the President and to the CEO of his company; this is why he describes his job as above and outside the structure of the company. He has been working for the railways holding for nine years and does the same advisor job in the Italcertifer company, which is a little company that issues the certificates to the trains to come into operation. It is important to highlight that not every country in Europe has such a well-organized company, even if according to the law it is mandatory to have certifications for trains to get on the railways. Hence, Italcertifer is also involved in selling these certifications (about software on board, certification about the security of the train, certifications about the reachable speed of the train and so on).

As far as the Italian railways in the OBOR framework are concerned, Italferr is the one with the most majestic presence; born on October 25th, 1984 with the goal of promoting the excellence of the engineering made in Italy on the national and international markets, the company has headquarters in every continent, with seventeen representative offices abroad and many engineering plans in several countries. Italferr is one of the sixty companies that Ferrovie dello Stato owns, but it is the only one with such a strong international projection; the other three significant societies are Busitalia, Trenitalia and Mercitalia.

In particular, Italferr deals the engineering and projecting part of the railway system, without managing the proper realization of the lines. On behalf of Italferr, Mister Ruggieri went to the United States, Colombia, Greece, Georgia, Saudi Arabia and follows some projects in Africa, both in the Mediterranean and the Inner areas.

Italferr is present in Europe with many activities involving the planning and redaction of technical and economic studies.¹⁰²

The basic gallery of Brennero (BBT SE) is part of the TEN-T Core Corridor n.5 "Scandinavian – Mediterranean (Helsinki – La Valletta)". The basic tunnel is a double-barreled one, each single

¹⁰² For more details about all the projects that Italferr is following in Europe or which the company has already completed, check: <http://www.italferr.it/content/italferr/it/progetti-e-studi/europa.html>.

track has a bypass every 333 meters, there is a central culvert under it and intermediate safety areas. This route from Monaco to Verona covers 55 Km, with the two tunnel gates located nearby the train stations of Innsbruck in Austria and Fortezza in Italy. Italferr, as a society already operating in the project of Brennero's gallery and having signed a contract for the managing activities related to the "Cunicolo Esplorativo Periadriatica" from 2011 to 2016, in 2014 has signed the contract related to Project Management Consulting services concerning the building activities of the "Sottoattraversamento Isarco" (nearby Fortezza), located in the South area of the Brennero gallery. Besides, Italferr has helped the BBT SE to obtain the certification of the Integrated Managing System in accordance with the laws UNI EN ISO 9001, UNI EN ISO 14001 E BS OHSAS 18001¹⁰³. The activities are expected to end in 2023.

The new high-speed line Turin-Lyon is part of the TEN-T Core Corridor n.3 "Mediterranean". The geometric configuration is equal to the basic gallery of Brennero, the cross-border section is 65 Km long from Saint-Jean-de-Maurienne in Savoia and Bussoleno in Piedmont, Val Susa. The main section is the basic tunnel, which is 57 Km long. Italferr is here working to the revision of the project both on the Italian and the French sides. The activities finished in 2017.

As to the finished ones, Italferr was charged by the Lyon Turin Ferroviaria (LFT), today known as Tunnel Euralpin Lyon Turin (TELT), to work on the engineering plan concerning the route from S.J. de Maurienne to Bruzolo. The new line, which has its most important section represented by a subalpine gallery 57 Km long, has a strategic importance because it links the West and East Europe. This activity was finished in 2007. Moreover, on January 2011 the activities concerning the Geognostic tunnel of La Maddalena were completed as well. Italferr was here working on the study concerning the feasibility of this technical and environmental project, being part of the Framework Agreement named "Opere civili, Geotecnica e Ambiente" acquired in 2008.

In Switzerland, the Switzerland Federal Railways (FFS) has prepared to rejuvenate and restructure the existing installations, including the substitution of Chiasso's Apparato Centrale Elettronico (ACE), in the light of the increasing volumes of traffic deriving from the new Alpine tracks of Gottardo and Ceneri. Regarding this, in 2014 Italferr was entrusted with the project of the new 3 kV electric substation of Chiasso, and in 2015 they signed a new contract for a further

¹⁰³ As reported in the official website of the Italferr company, <http://www.italferr.it/cms/v/index.jsp?vgnextoid=e3c9f4e8a9452510VgnVCM1000008916f90aRCRD&vgnnextchannel=b7fda147c0a4b410VgnVCM1000008916f90aRCRD>.

development of the substation, the contact line, the safety installments and the detailed study of the environmental problems connected to this. In 2016 Italferr was entrusted with another assignment concerning further detailed studies of the project and performances related to new construction projects in Chiasso's railway station. On March 2017, Italferr has strengthened the cooperation with the local railways winning the planning of new technologic installments and the chance to take care of the construction of the new 3 kV electric substation. The activities began in 2014 are expected to end by September 2018. Furthermore, in July 2017, Italferr was entrusted with the coordination and redaction of the documents needed to make the new 2x15kV system operative on the Luino-Giubasco line, together with helping in obtaining the operating authorization issued by the Agenzia per la Sicurezza Ferroviaria. The activities finished on July 2018.

As to the United Kingdom, Italferr is cooperating with PWC through consultation services in the first phase of the HS2 project, a high-speed line connecting London to Birmingham. The activities will include support to the managing team for the supply chain, assurance governance, strategic and operative procurement and commission management. This kind of activity will involve two Italferr experts for three years.

In Norway there is a work in progress concerning two different projects. As leader of the group formed by Tecnica y Proyectos S.A. (Spain), Norconsult (Norway) and Technogarden (Norway), Italferr signed the "Framework agreement for technical consultants to the Norwegian ERTMS National Implementation Project" in cooperation with the Norwegian railways Jernbaneverket. The scope of it is to offer technical assistance in the technological upgrading project related to existing signaling systems on the Norwegian railway and help to implement the ERTMS technology systems related to ERTMS System Integration, ERTMS Trackside Signaling Systems and Traffic Management Systems. Italferr's assistance consists of tender documentation drafting, participating in the evaluation of offers, assistance in contract signing and during the testing phases.

What's more, the Norwegian National Rail Administration Jernbaneverket in 2015 has entrusted the Acciona Ghella Joint Venture (AGJV) with the contract EPC TBM, providing the projecting, procurement and subsequent building of the Follo Line. AGJV relies on Lombardi SA company and Italferr to verify the project under the following aspects of the railway system: armament, electrical traction, contact line, Lights and Motive Power, Supervisory Control and Data

Acquisition (SCADA) and Reliability, Availability, Maintainability Safety (RAMS). Follo line is a double-track railway line counting 64 Km of length starting from the Oslo station; as far as the investment in this project is concerned, the EPC TBM contract establishes: a 19 Km long double-barrel railway gallery; an intermediate underground rescue area including two assembly caves of TBM, rescue galleries and the related Asland by-pass; two escape tunnels 3 Km long with related by-pass; electromechanical devices including a ventilation system, watertight doors and fireproof system; railways systems (not including the signaling system). This verification task, with January 2017 as effective date, will end on November 2017.

In Albany, Italferr is developing studies on the feasibility of a new train station in Tirana. The project was financed by the European Bank for Reconstruction and Development (EBRD). Here, Italferr's studies concern the quantification of costs and benefits of the project, collection of data about the existing rail traffic and the drafting of the building, managing and maintenance concession.

In Bosnia and Herzegovina, Italferr was involved in the technical assistance regarding the capacity building of the Railway Regulatory Board (RRB), together with the IRD Engineering. This kind of technical assistance dealt with RRB employees' training, the upgrade of the procedures concerning the license issuing to train drivers and studies about the efficiency of the railway sector. This project was financed by the European Union, it began on September 2016 and ended up on August 2017. Moreover, Italferr was entrusted with the revision of the railway rules in Bosnia and Herzegovina by the Sarajevo Delegation of the European Commission. Once the technical assistance to the Transport Ministry was finally completed, the new rules will have to follow the Railway Regulatory Body. This activity was finished within July 2011.

Italferr also worked on the preliminary and detailed design of the Hrvatski Leskovac-Karlovac railway line, in Croatia. It is a 45 Km long V-b Corridor connecting the Rijeka port to Zagabria and Budapest. The project is 85% financed by the European Union through IPA¹⁰⁴'s accession funds and 15% financed by the national budget. It includes the expansion of the line between Hrvatski Leskovac and Karlovac together with studies about the environmental impact, costs and benefits of the transportation and the project itself. The project should be finished within October 2018. Besides, Italferr was also entrusted by the Croatian government with studies about the Corridor X,

¹⁰⁴ IPA, or Instrument for Pre-Accession Assistance, is a financing way of the European Union to give access to the funds to the countries entering in the European Union.

the main rail and road communication route. It links Germany and Austria to Greece and Turkey, with a Croatian section of 270 Km length and a section from Okucani to Novska which required further technical, economic and environmental studies. The activities about this project began back in April 2009 and finished on May 2010.

Thanks to the funds provided by the European Commission, Italferr also had the chance to help the Czech railways with the application of the European directives on railway interoperability in 2004. Italferr also supported the Slovakian railways with the upgrading of the Bratislava Raca-Trnava railway line and provided technical assistance to check if the works followed the Federation Internazionale des Ingenieurs-Conseils (FIDIC)'s regulations. The goal of the project consisted of favoring the access to the TEN-T transport network and to the neighboring countries transport network as well. Here, the activities ended in 2006.

In Slovenia, Italferr helped the Slovenian Ministry of Transport to upgrade the signaling and safety systems on the Divaca-Koper railway line in 2001; in the same way, Italferr supported the upgrading of the Mezotur-Gyoma railway line, a section which is 18 Km long being part of the Corridor IV (Dresden/Nuremberg-Prague-Vienna-Budapest/Bucharest-Constance/Sofia-Istanbul). This project was 54% financed by IPA funds of the European Union and 46% financed through Hungarian funds.

In Rumania, Italferr carried out five different projects. The first one is about technical supervision of infrastructural road and rail access to works to the Calafat-Vidin bridge over the Danube. In this project Italferr was responsible with the coordination of the whole project, which began on May 2009 and terminated on August 2013. The second one sees Italferr involved in the same way in the technical assistance in modernizing a 430 Km long rail network, which is part of the Corridor IV: Brasov-Sighisoara (130 Km long), Predeal-Brasov (26 KM long) and Craiova-Calafat (107 Km long). This project was 85% financed through the IPA funds of the European Commission as well and 15% financed by Rumanian railways. The activities began on July 2007 and were finished by June 2013. The third one, which finished in 2009, involved technical assistance for the development of an Integrated Quality and Environment Management System and was financed by the World Bank. The fourth project was a review of a feasibility study on the railway line from Simeria to the Hungarian border; its activities ended in 2004. Eventually, in 2001 were ended the activities involving the sixth project about technical assistance in preparing project documents concerning the Central European Initiative (CEI) funding programme.

Then, in Serbia Italferr provided assistance in the creation of a computerized national rail network management and maintenance system from October 2010 to October 2013; Italferr was also entrusted with the drafting of preliminary planning design of the new Zezelj bridge over the Danube, nearby the city of Novi Sad; this activity ended in 2009. Lastly, Italferr was also responsible with the drafting of a Serbian National Transport Plan, defining the developing scenario of the whole infrastructure system (ports, roads, railways and airports); this activity ended in 2009.

Italferr was also active in Montenegro with two important projects. The first one is the main design for the railway restructuring in the country, which ended back on June 2011. The second one involved the updating of the Belgrade-Bar railway line, finished at the end of 2010.

In Bulgaria, Italferr was involved in the technical design and detailed Zoning Plan for the modernization of the railway section Sofia-Pernik-Radomir. The latter is part of the TEN-T Core Corridor n.4 "Orient/East Med" and it is 45 Km long. The activities, which began on January 2015, ended on October 2017.

Italferr is also active with various projects in the Middle East area¹⁰⁵.

As to Saudi Arabia, Italferr and Italcertifer guarantee standard certifications of safety and quality for the new high-speed line linking Medina to Mecca. This project includes the realization of a 450 Km line reaching the speed of 320 Km/h. As a demonstration of the Italian engineering excellence, the contract was approved by the Saudi Railway Organization and it was recently extended to December 2018. On August 2013, Italferr won the tender about the planning of the new Saudi Landbridge railway line linking Riyadh and Jeddah. About this, Italferr also took care of the managing aspect, obtaining the approval of the Minister in charge after handling the relationship between all the stakeholders involved in the railway line. On August 2015, a contractual addendum signed with the Saudi Public Investment Fund (PIF) established the extension of the line from the port of Jeddah, on the Red Sea, to Al Jubail, on the Arabic Sea, counting a total length of 1300 Km. The activities ended on June 2017.

As far as the countries part of the Arab League are concerned, on November 2010 Italferr signed the contract financed by the Arab Fund for Social and Economic Development aiming at the

¹⁰⁵ For further information about the projects of Italferr located in the Middle East area, see: <http://www.italferr.it/content/italferr/it/progetti-e-studi/medio-orient.html>.

execution of the Arab Network Railway Study project. This study has the scope of planning all the necessary infrastructural works to create a railway line connecting the whole Arabian world. The countries involved are Egypt, Iraq, Jordan, Lebanon, Saudi Arabia, Syria, Yemen, Libya, Sudan, Morocco, Tunisia, Kuwait, Algeria, United Arab Emirates (UAE), Bahrain, Qatar, Oman, Mauritania, Somalia, Palestine, Djibouti. Thus, it emerges as one of the most ambitious and vast projects on an international level, both for the dimension and the socio-economic aspects deriving from it.

In Oman, Italferr accomplished two different projects. The first one concerns the National Railway project which contract was signed with the Minister of Transport and Communication of Oman on July 2013 in Muscat. The new lines will extend for 2244 Km and will link the Northern border of Oman to the Union Arab Emirate and Muscat and the Southern part of the country to the Ad Duqm port, Salalah and the Southern border of Yemen. This kind of project is one of the elements of modernization of the whole transportation system of the Sultanate of Oman and, in the light of this, Italferr cooperated with the University “La Sapienza” of Rome to realize a training programme lasting two years in order to transfer technical know-how to the future young managers of the Oman Rail. Its activities ended on November 2016. Moreover, on July 2016 Italferr signed a contract with the Oman Rail providing consultancy services for the Mineral Line design, known as Sector 4d and with a length of 212 Km that will link Amal to Duqm. The activities of it were accomplished on December 2016.

As to the projects still underway, Italferr is playing the role of multifunctional consultant for the mineral line railway project, which has the scope of linking the main mineral sites of Oman located in the Southern part of the Sultanate in the Al Duqm port, providing rail connectivity to the several oil and gas logistic centers. In this case, Italferr is responsible for the revision, upgrade and validation of the studies about technical standards, philosophy of the services and maintenance and commercial philosophy; furthermore, Italferr is helping in drafting the tender documentation as well.

Since June 2013, Italferr is developing the design and build of the red line north underground metro of Doha, in the west bay area, Qatar. The company is in this case responsible for the design of the line, the management of the RAMS, the Value Management Engineering, the System Assurance Management, the Requirements Management and the Interface Management. Since January 2016, the company has been also involved in the planning of all the mechanical, electrical

and plumbing (MEP) installments of the stations, an activity developed following the new Building Information Modeling (BIM) methodology. The activities are expected to end on March 2018.

In addition to that, Italferr is responsible for the project management consultancy and technical support for the tramway network of Lusail, 15 Km away from the above-mentioned Doha. This contract provides the accomplishment of civil works, the realization of technologic and plant design and installation services, the development of maintenance installments and supply of railway rolling stock for the 4 planned lines, which are 38 Km long and count ten tunnels and thirty-seven stations. The activities began in 2016 and they are going to last fifty-one months.

On February 2011 Italferr was entrusted by the client Omran Razavi, General Contractor headquartered in Tehran, with the technical assistance for the construction of the metal girders of the railway line bridge on the Euphrates river. The assistance of Italferr in this case provided help on the production of the various elements and recurring inspections on it. Then, following the planning of the railway line from Damasco to Daraa already ended, in 2011 Italferr followed the executive design of the freight station in Sbena and of the maintenance area for railway rolling stocks of Kadem station. Then, in 2006, Italferr carried out the development and upgrading of the Syrian railway line.

In Yemen, Italferr worked on the design of the road tunnel on the Sana'a – Al Hodeidah route, with a length of 5 Km. the activities concerning this project began on July 2009 and ended up on February 2010.

As Africa is considered the second fastest developing economy in the world after Asia, it is of great interest to Italferr. The "African Lions" (such as Algeria, Libya, Ethiopia, Kenya, Uganda, Tanzania and Mozambique) rank among the top world economies for the surge in their GDP.¹⁰⁶

As far as Algeria is concerned, there are two projects still underway. The first one concerns the technical assistance to the Agence Nationale d'Études et de Suivi de la Réalisation des Investissements Ferroviaires (ANESRIF) for the management of an Algerian railway program. Besides developing some projects like the "Nouvelle Ligne GV" and the electrification of the coastal line "Ligne Rocade Nord", Italferr supported ANESRIF with technical, management and juridical assistance services. This contract was delayed to June 2018. On 2015 Italferr signed an

¹⁰⁶ For more information about the projects in Africa which Italferr's is taking care of, check: <http://www.italferr.it/content/italferr/it/progetti-e-studi/africa.html>.

agreement for the modernization of the Algerian railway, creating a shareholder group in which Italferr shares 49% of it.

Concerning the finished projects here, Italferr was charged by the Algerian Ministry of Transport with the reorganization of the railway sector on March 2011 and, from 2014 to 2016 Italferr was actively involved in the final design for the fourth “Rocade of Algiers”.

In Egypt Italferr concluded on 2011 the activities for the pre-feasibility of the high-speed Cairo-Alexandria line. Starting from September 2016, the company was also involved in the supervision works for the modernization of the signaling systems on the Behna-Zagazig/El-Ismaïlia/Port Said and the Zagazig/Abu-Kebir corridors. From February 2016, Italferr and the Egyptian National Railway (ENR) signed a contract known as “Migration to ETCS level 1 – on board and track side – on Alexandria – Cairo – Asyut main corridor”. The services that Italferr is going to develop regard the definition of a migrant strategy to the new ETCS level 1 system; a preliminary examination of the costs; the preparation for the functional details and the preliminary design of the migration both on the train and on the track side; the processing of the necessary changings to the Operational Rule Book of the Egyptian railways and the interaction between the ATC system and the ETCS level 1 system. Lastly, Italferr will provide all the required tender documentation and it will help the railways during the whole changing process. There is also the chance that Italferr could be entrusted with the supervision of the works by ENR.

As to Morocco, Italferr together with Italcertifer is working on the external and independent assessment of the surveys concerning the safety and signaling installations for the Casablanca-Tangier MED line. The lined is composed by the Casablanca-Kenitra line and Sidi Yahya-Ras R’Mel line, it is 370 Km long and includes thirty-one stations. The activities about it began on June 2015 and ended on March 2018. Italferr was also called on June 2017 to carry out the same activity for the Casablanca Junction, with the expectation for it to end by January 2018.

On November 2016, Italferr signed contracts for the development and upgrading work on the main railway line of Pointe Noire – Brazzaville. The activities started on January 2018 and will presumably last about three years. Then, between August and November 2015 Italferr was charged by Agenzia Nazionale per la promozione all’estero e l’internazionalizzazione delle imprese italiane all’estero (ICE) with the updating of the master plan related to the transport network in the Democratic Republic of Congo. Between November 2016 and February 2017, Italferr also took

care of the review of the final design project for the vehicle and railroad bridge between Kinshasa and Brazzaville and of the preliminary design for the railway line between Kinshasa and Ilebo.

In Ethiopia Italferr showed its presence through three different projects. On July 2015, the company signed a contract with the Ethiopian Railway Organization (ERC) according to which the former will supply Capacity Development (assistance to the developing areas of Project Management, Strategic Planning, Corporate Finance and Safety Regulatory Body) and Technical Support (training for the Ethiopian staff that will be charged with the control on the new Addis Ababa Light Rail Transit). Then, on January 14th, 2014, Italferr signed another contract in Addis Ababa related to consultancy services that Italferr should provide for the Rail Operations Legal Framework, Operations Management, System Development and Master Document Preparation. These two activities both ended by February 2018. It must also be pointed out that Italferr signed a contract for technical assistance with the World Food Programme (WFP) for food assistance linked to the transport of food and supplies. This last activity started on December 2016 and ended by December 2017.

In Tanzania, Italferr signed a contract effective from June 2017 to June 2018 about the development of functional requirements for signaling and telecommunication services and the designing of a signaling system based on the ETCS Level 2 System and Computer Based Interlocking related to the Tanzania Central Corridor (TZCC) Package 1: Dar Es Salaam – Morogoro. Then starting from March 2018 for the following six months, Italferr will provide technological consultation services for the railway line connecting Morogoro to Makutupora.

At last, in the Arab Maghreb Union, on November 2017 as leader of the grouping formed by the Tunisian society Comete International and the Algerian Medevco, Italferr worked on the feasibility studies about the overhaul and rejuvenation of the Trans-Maghreb line. The project, which was financed by the African Development Bank (BAD) and will last about nine months, defines the activities about the whole modernization of the line section between Casablanca-Algiers-Tunis and the highlight of the necessary measures to invest on it. As the project is aiming at creating an integrated railway system in the Maghrebi area, it has a strategic importance.

Italferr's mission in Central Asia is to strengthen and consolidate its position on the international market, also considering the favorable conditions of economic development here.¹⁰⁷

In Turkey indeed Italferr took care of various projects, such as the Light Train connection to Esemboga Airport – Ankara, the assignment of which ended on June 2017. The Light Train Connection Esemboga Airport-Ankara is still being under studies and preliminary detailed design; the link will be 27 Km long and will run from the Esemboga Airport to the Turkish Capital. The project, which includes the building of eight galleries and seven stations, two of which underground, has lasted from 2013 to September 2017 and required circa €1,5 million.¹⁰⁸

From April 2009 to 2012, Italferr also developed the preliminary and executive project for two maintenance plants of high-speed train on the section between Ankara and Istanbul. In 2011, Italferr also carried out some consultancy services for Market Research in the freight sector, thanks to the financing funds of the World Bank. Both the projects were entrusted by the Turkish Railways Türkiye Cumhuriyeti Devlet Demiryolları (TCDD).¹⁰⁹

As to the Istanbul Strait Road Tube Crossing Project, in Joint Venture with Altinok Engineering Company, Italferr is supervising and revisioning the project of the Eurasian Tunnel since 2014. It will be 15 Km long, 3,4 Km of which will run 25 meters under the sea; the gallery will cross the Strait of Bosphorus and will link the Istanbul coast to the Asian one. With a pre-operation that lasted until January 2018, the project required €11 million, with a 51% share belonging to Italferr.¹¹⁰

Then, together with the SWS Society, on June 2017 Italferr signed a contract as Design Verification Engineer (DVE) with the enterprise consortium of the Turkish Kolin-Kaliyon-Cengiz (KKC). The construction of the Marmaray was carried out through three different rails: the first one is the Halkali Kazlıcesme section (19 Km on the European side), the second one is the Kalicesme – Ayrikkcesme section (13 Km under the Bosphorus) and the third one is the Ayrikkcesme – Pendik section (19 Km on the Asian side). The first and the third one are still underway, while the second one was completed on October 2013.

¹⁰⁷ For further details about Central Asia's projects of the Italferr company, see: <http://www.italferr.it/content/italferr/it/progetti-e-studi/turchia--iran-e-centro-asia.html>.

¹⁰⁸ Valentino Guidi, "Sedi ITF Via della Seta", original document made available by the author, March 5th, 2017, p. 1.

¹⁰⁹ *Ibidem*.

¹¹⁰ *Ibidem*.

In Iran, Italferr was entrusted by the Iranian Islamic Republic Railways in December 2015 with the execution of the engineering and planning of the high-speed rail line linking Tehran to Qom and Qom to Isfahan; in particular, Italferr is currently helping them with the technical-contractual documentation. Together with local engineering society IRAN OSTON, Italferr will proceed to verify and control the realization of the Tehran-Qom-Isfahan high-speed railway line, which is indeed an EPC entrusted to the China Railway Engineering Company (CREC). Italferr began providing its services in August 2016 and the work is expected to finish within 2021, with a total investment of €9 million.¹¹¹

In Uzbekistan, JSC Uzbekenergo has decided to rely on Italferr for the project implementation support of the electrified railway line Angren-Pap, which will link Tashkent to part of the Ferghana Valley. The technical assistance provided by Italferr is focused on many aspects, such as the international procurement and both management and contractual supervision; monitoring and evaluation of the activities, with particular reference to the management of the loan obtained for the realization of the project; evaluation of the project under the light of the environmental impact of it; consultancy services as far as the improvement of the asset management is concerned; training on the asset management and the financial aspect of the project. The project started in 2016 and is expected to last three years.¹¹²

In the Central Asia countries, Italferr took care of the railway and telecommunication restructuring of the former Union of Soviet Socialist Republics (USSR), like Kyrgyzstan, Tajikistan, Uzbekistan, Kazakhstan and Turkmenistan on behalf of the European Union.

Always charged by the European Union, Italferr provided services of transport engineering, known as “Motorways of the Seas for the Black Sea and the Caspian Sea”. This kind of study, which ended on January 2001, was related to the development and promotion of motorways on the Caspian Sea and the Black Sea, linking infrastructures also to the land network. Thanks to this activity financed with the new European Neighbourhood and Partnership Instrument (ENPI) funds, through which it was possible to highlight a series of adjustment interventions useful to develop the wherewithal of the infrastructural network and to attract international investments aiming at the flow of goods between Europe and the Eastern world.

¹¹¹ *Ibidem.*

¹¹² Valentino Guidi, *doc. cit.*, p. 2.

In India, Italferr is planning and supervising the construction of the Indian Anji Khad Bridge, a 750 meters long bridge with a central span of more than 260 meters hanging up on a canyon of more than 200 meters. The project, which will cross the Northwest area of the country and will reach Pakistan, began in 2016 and is expected to last three years.¹¹³

Besides, together with the Spanish company Ayesa Ingenieria y Arquitectura and the Indian partners of the Consulting Engineering Group LTD and Ayesa India, Italferr will help the Mumbai Metropolitan Region Development Authority (MMRDA) in developing two new subway lines in Mumbai. The three companies will act as General Supervisors of all the activities necessary to build the lines needed, since September 2016 until the next five years.¹¹⁴

Moreover, on February 2017 Italferr signed a Memorandum of Understanding with Rites, a state-owned Indian company active in the engineering field, aiming at cooperating both on the Indian and Asian markets. This agreement will surely widen the business chances on the Indian market. On March of the same year, Italferr signed a contract with Dedicated Freight Corridors Corporation India Limited (DFCCIL) with the scope of building new corridors for the freight transport. The contract, which is called “Quality & Safety Audit Consultancy Services – Sahnewal-Khurja-Dadri Section Eastern dedicated Freight Corridor”, gives Italferr the role of technical assistance focused on quality and safety to the Indian client. The contract’s duration is about four years and sees an amount of €4 million, 71% of which shared by Italferr.¹¹⁵

On 2009 ended the activities about the high-speed Puna-Mumbai-Ahmedabad rail’s feasibility studies and, charged by the Ministry of Indian Railways, Italferr provided technical training for the Indian railway managers through lessons and field-based visits carried out between October and December 2008.

The presence in the Australian continent is instead very young.¹¹⁶ As a matter of fact, until 2016 Italferr provided consultation services to the Public Transport Authority Australia, the institution which manages the public transport in the Western part of the country. These services aimed at highlighting the necessary actions to modernize the existing practices and the maintenance management, all based on diagnostic vehicles.

¹¹³ Valentino Guidi, *doc. cit.*, p. 3.

¹¹⁴ *Ibidem.*

¹¹⁵ *Ibidem.*

¹¹⁶ For more details about Australian’s projects which Italferr is following, see: <http://www.italferr.it/content/italferr/it/progetti-e-studi/oceania.html>.

The inadequate railway system in North America favors the emerging of new important investment programmes. In USA and Canada many projects of modal integration with the metropolitan and regional networks are underway. For instance, as subcontractor of the Louis Berger Group, in California Italferr supported the Joint Venture formed by Costruttori Salini Impregilo and Security Paving in the tender about the design and build contract package 4 of the high-speed Californian railway. Italferr's activity was about the accomplishment of the central route of the future high-speed rail, in the Central Valley between Fresno and Bakersfield, waiting for the connections with San Francisco and Los Angeles, located respectively in the Northern and Southern part of the country. The performance was carried out between May 27th, 2015 and mid-October of the same year, but the activities ended by December 2015.¹¹⁷

At the same level, the presence of limited public funds in South America pushes the railways managers to look for private investors.¹¹⁸ In this area, Italferr participates in important tenders in Brasil, Peru and Mexico, the latter considered as one of the eight economies with the highest growth rate in the next ten years.

In Argentina, on March 19th, 2018, Italferr fulfilled the role of main designer of the whole design, executive and support process during the realization of the Sarmiento line. Due to the volume and complexity of the performance, the activities will last about five years starting from March 2018. In addition, between May 2016 and 2017, Italferr signed with the Union Temporal de Empresas Consorcio Nuevo Sarmineto (UTE CNS) the contract for the realization of the Soterramiento Sarmiento line. The project, though which Italferr will provide support and design services, consists of the reconstruction of the urban line in Sarmiento, 36 Km long from Buenos Aires city center to the Western sides of the country.

The accomplished works in Brazil are substantially three. The first one was finished by 2016 and was related to the preliminary studies and technical assistance provided to the Triunfo Participacoes e Investimentos for the Açalandia-Barcarena railway line. On 2015, together with the Brazilian Logit, Italferr fulfilled technical assistance for the intervention performed on the Sinop – Miritituba, the States of Mato Grosso and Para sectors, also known as the Ferrograo line about one thousand Km long and part of the study programme led by the Agência Nacional de

¹¹⁷ For further details about North America's projects, check: <http://www.italferr.it/content/italferr/it/progetti-e-studi/america-del-nord.html>.

¹¹⁸ For more information about the projects that Italferr company is following in South America, see: <http://www.italferr.it/content/italferr/it/progetti-e-studi/america-del-sud.html>.

Transportes Terrestres (ANTT) for the priority routes and for which the Brazilian government will experience invitation to tenders.

Italferr also provided technical assistance to Estacao da Luz Participacoes (EDLP) and Companhia de Participacoes em Concessoes (CCR) for the Trens Intercidades project, an intercity train network presented to the São Paulo Brazilian government as a private offer. The activities began on January 2014 and ended on September 2014.

On behalf of Tren de Occidente, the Pacific railway network authority, Italferr provided technical assistance for all the activities related to the new railway connection in Valle del Tuy (Colombia) – Puerto Cabello (Venezuela). This assistance was substantially related to the reconstruction and freight transport on the route linking Buenaventura port to La Felisa, crossing important cities like Yumbo, Cali, Palmyra, Buga and Carthage. The railway counts 500 Km, 160 Km of which cross the mountains. The activities about it ended in 2004.

In Peru, since July 2017, Italferr is carrying out feasibility studies and detail designs of the Trasandino Tunnel, under the name of “Estudio de pre inversión a nivel de factibilidad del proyecto de construcción del TÚNEL TRASANDINO”. The studies mainly concern the definition of the more convenient corridors under the transport, economic and environmental point of view, while the detail designs are about tunnels, stations, interports and other necessary infrastructures, including the reconstruction of the existing infrastructure network. Plus, from April 2015 to 2021, Italferr is taking care of the system integration and interface management during the design and realization of the Metro Lima line’s 2 and 4 branches.

At last, in Venezuela after developing the design of the El Palito – Encrucijada route and the preliminary design of the railway connection Moron – Intermodal port of Puerto Cabello, on behalf of the Consorcio Gruppo Contuy Italferr realized the definitive and executive design of the railway infrastructure between El Palito and La Encrucijada. The project includes the construction of several infrastructural installments functional to passenger and freight transport, such as interports, terminal and containers that will have to interact with the road transport. Nowadays this route links Puerto Cabello to the greater centers of Valencia and Maracay, but in the future, it is expected to link also the city centers of San Juan de los Morros, Calabozo and Cabruta, the main port on the fluvial route Orinoco-Apure. The activities about this project ended in 2010.

Nevertheless, the relationship between Italferr and China is more complicated.

In 2016 without ever working with China, the CEO Carganico went there on behalf of Renato Mazzoncini, the former CEO of Ferrovie dello Stato, and together with the Minister Gentiloni they met some Chinese entrepreneurs interested in working with Italferr. The society they represented is the China Railway Signal & Communication Corporation (CRSCC) and since the beginning they expressed their will to sell signaling systems in Europe and Italy with the help of Italferr. Regardless of the fact that the Italian market is saturated with this kind of business, there was no trace of an advantage for Italy. This is why they finally agreed in working together in other countries; whenever that Chinese company is called to work on a project somewhere, the engineering of it would be entrusted to Italferr and vice versa. On this basis, a Memorandum of Understanding was signed on December 2nd, 2017 when Corrado Ruggieri and President Carganico went to Beijing because of a two-days retreat organized by the Italian Embassy, followed by the whole Italian business community who had shown interest in working in or with China or who was already working there. According to the MoU signed by Carlo Carganico and Niu Jianhua, General Manager of CRSCC, they are aiming to a partnership finalized to a long-term cooperation on international markets, based on mutual competences and know-how. President Carganico stated:

“this initiative is part of a wider global development project and perfectly suits the Business Plan 2017-2026 of the FS Group; it aims at expanding the international alliances in order to be able to compete on more and more markets, acquiring more clients and establish new partnerships in line with the mission of our society.”¹¹⁹

The two societies have planned to compete for a contract in Egypt regarding Alexandria’s and Cairo’s subways and there has been a proposal for a project in Africa too. Ruggieri also proposed, on behalf of Italferr, to participate in the planning of the railway line running from Singapore to Kuala Lumpur.

As to the Philippines, Italferr is keeping in touch in the recent year with an industrial entrepreneur who is also Philippines’ itinerant ambassador in Saudi Arabia; together with him, who obtained the permission from the Philippine government, Italferr is planning to the realization of a railway line. Of course, the signaling system would be entrusted to the CRSCC.

On February 8th, 2018, the Chinese company CRSCC visited Italferr’s headquarter again with the aim of developing project synergies on foreign markets, reinforcing the strategic relation with the

¹¹⁹ Italferr, *“Italferr: M.o.U. con la società “CRSCD” per lo sviluppo di progetti infrastrutturali sui mercati internazionali”*, comunicato Ferrovie dello Stato, December 2nd, 2017, http://www.italferr.it/ifer/Media/News/Italferr_MoU_Societa_CRSCD.

Chinese company and facing common challenges in the light of the mission of a mutual growth. The delegation was welcomed by the CEO Carlo Carganico and the top managers to follow up the MoU signed previously on December 2nd in China. The partnership surely became stronger as it heads towards a global development project to broaden the international alliances by leveraging the skills, know-how and strength of the two companies.¹²⁰

The example provided by the cooperation with the CRSCC is maybe the only concrete one that Italferr has obtained as far as the relationship with China is concerned.

The Mongolian territory deserves a special mention.¹²¹

Mongolia, in the Northern part of China, has recently entered in the sphere of interest of Italferr's activities. As a matter of fact, in 2012 Italferr had tried to establish boundaries with this region, but it all came to nothing. Why is that? Mister Corrado Ruggieri actually explained that until three years ago, it was nearly impossible to have connections with this area, also considering the absence of an Italian embassy there that could operate as an intermediate between Italferr and the Mongolian Railways. It was only on July 2018 that Italferr had the chance to meet the Italian Ambassador in Ulan Bator Andrea De Felip, who confirmed his willingness to cooperate with the Italian company in order to help the territory to further develop its railway system. The financial crash of many banks, which the European Monetary Fund (EMF) and the World Bank are still trying to help through their funds, surely did not help an already fragile situation.

The orographic situation of the Mongolian territory does not encourage infrastructure investments. This is due to the fact that the most part of it is composed of stark hills on which the very low temperatures of the winter season prevent the growth of any kind of plant and the population density is such as to make Mongolia look like an almost depopulated territory.

The only two sources of revenues for Mongolia are the recently boosting tourism and charcoal transport. The only two railway companies there are indeed trying to push on passengers' transport to enhance tourist activities in the area, but it is a fact that the most part of the trains are dedicated to coal transport. As a consequence, the pollution there has become a severe

¹²⁰ Italferr, "Nuova visita della cinese "CRSCD" per lo sviluppo di progetti infrastrutturali sui mercati internazionali", Italferr Official Website, February 8th, 2018, <http://www.italferr.it/content/italferr/it/media/news/2018/2/8/nuova-visita-della-cinese-crscd-per-lo-sviluppo-di-progetti-infr.html>.

¹²¹ The pieces of information provided about the Mongolian projects of Italferr refer to the second meeting with Mister Corrado Ruggieri.

problem through the years. For instance, the authorities advise against circulating in Ulan Bator during certain months of the year.

The interest of Italferr towards the Mongolian territories was arisen by the cooperation agreement between Russia, China and Mongolia to build two railway corridors that could link up the three countries with a view to the railways integrated in the BRI and have the chance to be better connected to Northern Europe, more specifically to the port of Rotterdam. The first one should link Beijing, Tianjin and Hebei to Hohhot, reaching Russia; the other one extends from Dalian, Shenyang, Changchun, Harbin and Manzhouli to Chita, in Russia. Obviously, both the railways will be focused on passengers' and freight transport, to incentivize cultural and commercial flows.

As soon as Italferr became aware of this agreement, which is still underway, it was necessary to have the complete development plan of the Mongolian railways, in order to have a better chance of connection with this area.

Following the meeting of July 2018, Italferr is recently working on the agreements with the Mongolian Ministry of Transport, the Minister of Mines (which is the most important person there, as he is the richest of the country) and the Chairman of the Mongolian Railways, as it was confirmed the interest of the Mongolian Government to establish a cooperative relationship with the Italian company.

It must be specified that in Mongolia there are only two railway companies. One is managed by a Joint Venture between Mongolia and Russia, with the latter holding the majority share of it; due to the lack of profits coming from it, Russia is recently leaving aside the management of their railways, therefore leading to friction between the two countries. On the contrary, the other railway company is totally a state-owned one, being this the reason why this is the one Italferr is currently trying to cooperate with.

Although the relationship with China has already been prosperous under a politic and economic point of view, there could be much more progress that could be done for the Chinese investments in the railway sector. According to Corrado Ruggieri, the difficulty relies in the fact that Chinese investors give the impression of not being interested in a positive income for their partner, as long as they can get their profit. When talking about the first meetings between Italferr and the CRSCC,

Mister Ruggieri pointed out the desire of the Chinese partners to invest, without being clear about the eventual objective or the outcome for the Italian side.

Considering all the critics that have been moved towards the BRI by many countries around the world, it is not the first time that someone complains about the Chinese way to introduce measure as big as a One Belt, One Road can be without being clear about the scope, this leading to mistrust and political skepticism. Therefore China, which for many years has been focused on building the image of a powerful country, now does need to work on the image of a country who wants to cooperate with the others not just in sight of a personal profit, but with the will of sharing risks and advantages too.

2.4. Behind the Railway's World: Technologies and Standards

The Agenzia Nazionale per la Sicurezza delle Ferrovie (ANSF) deserves a special mention, as without it, it would not be possible the contribution of the private investors in the railway sector, both on the freight transport and in the passengers' one, in particular related to the high-speed technology. One of the weightiest contributions that the company has focused on has been channeling the investments towards the installation of safety technologies and the application of standards that have optimized efficiency and quality of the trains, even of those ones being part of the Core Corridors crossing Europe and thus not being completely under the Italian company's control.

Since the beginning of 1990, it was clear that a revolutionary process in the railway sector was necessary in order to revamp the rail transport; the above-mentioned liberalization, together with the attention payed to environmental sustainability and the social-economic development were the keys to that.

But this was not enough, as the train derailment in Viareggio, on June 29th, 2009 demonstrated. It was necessary to have an authority issuing safety certifications to trains and guaranteeing that all the trains in operation respected certain standards.

Since its foundation on June 16th, 2008 in Florence, ANSF has been concentrating its activities on better improving the safety of the railways; as a matter of fact, its first victories have been related to doors to be unlocked from inside the trains, the automatic safety system for the train running, safety systems for level crossings which custody is given to users on private roads,

certifications for those responsible of the maintenance of the trains and the improvement of security for those working on the trains' maintenance.

But together with technological improvement, it was beginning to grow the awareness that some steps had to be taken in the technical and commercial aspects. The main innovations concerned the “put on the market” concept instead of the “put on service” of the vehicles; the authority to which it will be mandatory to send a request for the certifications (Agenzia Europea and NSA¹²² or, if the request is sent by an area including more EU members, the European Railway Agency); the requests must be sent online; all the railways enterprises must only use vehicles compatible with the routes and the national regulation.

It took exactly five years before the ANSF could become completely independent from the FS S.p.A. group and carry out all its functions, divided into three main categories: regulatory activities, authorization activities, control and inspection activities and other activities related to consulting and proposing new projects to other companies and institutions for the better improvement of the railway service.

It goes without saying that the core activity of the company is related to safety certifications and authorizations issued to all the railway enterprises that wish to become operative on the national territory. When the ANSF company first started the activity, only twenty-eight enterprises had obtained the safety certification; seven of which were authorized to carry out passengers' transport, thirteen could be operative for the freight transport and eight of them could do both. Nowadays, in the light of new certificates issued but also of some revocations, the certified enterprises are thirty-six, divided as follows: ten of them dedicated to passengers' transport (two of them through the high-speed service), seventeen dedicated to freight transport, eight to both and only one to operation services.

To conclude, it is thanks to Italferr and ANSF if nowadays Italy can flaunt a developed railway system, though not flawless, that constitutes a great investment attraction for Chinese investors and the BRI but also a bureaucratic obstacle for them to make an easy and fast investment.¹²³

¹²² National Security Agencies.

¹²³ Further information about the Agenzia Nazionale per la Sicurezza delle Ferrovie are available on Agenzia Nazionale Per La Sicurezza Delle Ferrovie, “10 anni dell’Agenzia Nazionale per la Sicurezza delle Ferrovie”, Florence, April 2018.

CHAPTER 3.

Corrado Ruggieri: Questions&Answers

Corrado Ruggieri is the current Advisor in Italferr, being responsible for the verification of deliberations from the FS S.p.A.'s Board of Directors, the institutional and international affairs, the management and control of the company's audit and for the contracts with local companies. He has also worked in the Board of Directors in the Agenzia Spaziale Italiana (ASI) and currently serves as "Gentiluomo di Sua Santità" inside the Vatican City.

This chapter will display all the questions and answers that came out during our meeting, highlighting both the expert's opinion about Italy in the BRI framework and some collateral information.

Q: It is a fact that the Northern ports of Italy, such as Venice, Genoa and La Spezia, are those involved the most in the BRI. What about the Southern part of Italy? Is Gioia Tauro included in the project?

A: The most relevant problem concerning the port of Gioia Tauro is the depth of the waters. When entering inside a port, cargo ships need them to be at least twenty meters deep, as their keels reach eighteen meters under the water. This is a matter about which the port authorities in North Italy are working on; on the contrary, Gioia Tauro is, to date, unable to let big cargo ships come in and is still not trying to solve the situation.

Q: Who should Gioia Tauro turn to, to solve the situation?

A: To date, we can count twelve port authorities managing at least three adjacent ports; twenty fewer than before. Gioia Tauro's one can turn to the European Investment Bank (EIB) or to the European Bank for Reconstruction and Development (EBRD) or, again, to the World Bank, all willing to finance the operation.

Q: Should we affirm that Gioia Tauro's port authority is not interested in getting the funds, then?

A: As a matter of fact, EBRD, like all the other two, is looking forward to financing the operations needed, as it is its core business to do so. Plus, Italy is one of the forty-four shareholders of such Bank, which has even a representative office in Ulan Bator. The problem with Gioia Tauro is the lack of technical competency to provide a serious and up-to-standards business plan to persuade the

banks to finance their project of expansion. Maybe because the port authority does not even speak English.

Q: Can we say it is fault of our “Italian way” of managing things?

A: Of course. The Italian bureaucracy, together with the lack of necessary punctuality and competences are surely something to blame. Nevertheless, the Italian industry is full of excellences specialized in science fields. For instance, in Capua there is the headquarter of Centro Italiano Ricerche Aerospaziali (CIRA), for which I served in the Board of Directors for some years. Moreover, in Apulia, Vito Petosa, founder of the Angel Group, developed a special coach to check the safety of rail tracks. He recently made an agreement with the Virgin Galactic Company, held by Sir Richard Branson.

Q: Can the Chinese way of not being clear about their real objectives be one of the reasons why there seems to be a wall between them and the other countries, Italy included?

A: it is indeed one of the main reasons why many countries do not trust their intentions. Chinese investors give the impression of being thieves, coming in any country they like and buying companies only to absorb foreign technology. Besides, joint ventures in China are obliged to make available the knowledges and the licenses of both the partners, making it a legalized theft. The Chinese Government can remedy to all of this, but it is surely a process that needs time and that cannot be carried out within three months or three years. One year ago, President Xi Jinping called all the managers of small and medium enterprises, making them aware that they are an instrument of the Party and that, when making business, they always must keep in mind the fact that the profits for the Party are something that comes first. The presence of the Party not only in the business activity but also in any other aspect of life makes it difficult for the enterprises to operate in view of mutual interest, obliging them to operate in view of the benefits the Party could get through a certain business, instead. Therefore, it is very difficult to have a frank and straightforward dialogue with them.

Q: As far as the BRI framework is concerned, if we should rank in order of importance all the countries involved, where would the position of Italy be?

A: To answer this question it is necessary to analyze the two positive elements of our country and the negative one. First, one of the main positive features of Italy is, with no doubt, its ductility. What I mean to say is that Italy is capable of being in every situation and managing it in a softer way

if compared to other countries. Plus, small and medium enterprises are another key element for the growth of Italy in the BRI framework, due to their flexibility. Nevertheless, Italy lacks the ability of being systematic. For instance, when the French President Macron went to Beijing to sign some agreements concerning both politics and economy aspects, he went there with an entire delegation, having previously set all the meetings and presenting himself as a serious person with enterprising spirit. Despite this, Italy remedies by sending Confindustria's delegations and any other enterprise interested in doing business with the Chinese, trying to present at least an equal team of experts. In conclusion, I would not put Italy among the top-three, but not even in a position at the bottom; I would say it is in a medium-high position.

Q: How many years are necessary for Italy to be ranked at least among the top-five countries?

A: At least ten years. Italy has undeniable advantages, one being the made in Italy, which still represents a great attraction for the rest of the world. Italy is, indeed, the first exporter in the world of Prosecco, the typical Italian sparkling wine, and of a series of machinery related to robotics, high-technology, biomedicine and biotechnology. Pharmaceutical industry is an Italian excellence, too. Moreover, it is the second exporter of marble. Everything that is "Italian sounding" fascinates.

Q: Which is the country Italy has the most profitable exchanges with?

A: maybe the United States of America. The importing-exporting activities between the two are smooth. Therefore, President Trump's will to impose so many custom duties could represent a collapse not only for the Italian or American economy, but for the global economy as well.

Q: Considering your overall experience in meeting many politicians coming from any part of the world, who impressed you the most in a positive way?

A: I think the Japanese Emperor and his wife impressed me the most, for their grace, their composure and politeness.

Q: Who impressed you in a negative way, instead?

A: Every American delegation I met did not made a good impression. Maybe they are not used to our welcoming protocol, but I remember Hilary Clinton bringing her personal hairdresser to our official meetings in the Vatican City, or his husband making a nap on the couch right after an offered buffet! The former President Barack Obama and his wife are maybe the only two American people who made a good impression.

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