



CENTRO STUDI  
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# The Italian Gateway for BRI toward Europe

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## Abstract<sup>1</sup>

*This paper addresses the perspectives of enhancing the partnership between the European Union (EU) and China in the framework of the Belt and Road Initiative (BRI). After the introductory presentation of the agreement reached so far, the paper develops in two sections, presenting the critical points that still affect EU's attitude toward the initiative and the specific case study of Italy. The first paragraph underlines the discrepancies between the skepticism of the Union to adhere to BRI, because of the uncertainties related to China's compliance with EU bureaucratic procedures and standards, and several individual European countries' interests in approaching the initiative. The second paragraph focuses on the Italian case, the achievements done in responding to BRI and the possible steps forwards. Italy is trying to become part of the project and to enhance the connectivity with Chinese partners. The bilateral relations in the domain of transportation are flourishing: after the negotiations between the Italian ENAC and the Chinese Civil Aviation Administration of China in 2015, the already prosperous air connections have improved, expanding the number of direct flights even further. Nowadays direct routes from major cities are in place, but there is a common interest in creating more connections and diversifying the arrival airports, in order to enhance commercial and touristic flows. Similarly, thanks to its high-quality railways well connected to Italian ports as well as European networks, Italy aims at overcoming the current difficulties for developing a structured connection with China and becoming an important logistic hub at the conjunction of BRI's land and maritime route. The paper will conclude with an evaluation of how Italy-China synergies can influence the consensus toward BRI inside EU and stimulate more collaboration in the framework of the initiative.*

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## Introduction

Since its inauguration in 2013, the Belt and Road Initiative (BRI) has proposed a new system of multilateral interconnection, able to nullify the geographical distances among countries in name of a new concept of integration and cooperation. Encompassing four geopolitical areas (South and Central Asia, Middle East, the Indian Ocean and the Mediterranean Sea) and three different continents (Asia, Africa and Europe), the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road aim at recalling the geographical concept of Eurasia as well as at strengthening its geopolitical meaning as united block, able to reshape the balances in the international order. In the light of this aspiration, Europe appears as the natural, but also the desirable, opposite end of these threads. Indeed, with a population of more than 700 million people and a nominal GDP of about \$20 billion<sup>2</sup>, the Old Continent represents a perfect partner for giving value to the proposal of a new model of mutual-beneficial development. However, Europe is a deeply variegated scenario, crossed by different political and economic pushes and divided into different poles, which can cooperate or compete among each other: the European Union (EU), formed by 28 member States<sup>3</sup> and representing the second economy in the world<sup>4</sup>; Russia; the Balkan Peninsula, which lays on the EU's western flank and is an important corridor straight to the heart of the Union, but is not still part of the EU<sup>5</sup>; Turkey, a natural bridge between the Middle East and Europe and formally still a candidate country of EU.

Even though all these groups play a crucial role in the BRI project, the political and economic weight the EU has worldwide makes it an essential interlocutor for China in realizing the potential of the initiative. Indeed, the perspectives of speeding up the exchanges and the communication as well as of further interconnecting the interests of the two actors represent the perfect culmination of the plausible results produced by the Chinese project.

From its side, the EU looks with more and more interest toward China and its new attitude of promoting and defending the achievements reached by globalization and liberalism so far. In a moment when the United States, the EU's traditional partner on the other side of the Atlantic Ocean, has withdrawn on more protectionist stances, creating dangerous empty space in the global leadership, Europe is finding new

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<sup>2</sup>The GDP has been calculated by summing up the data for 2017 of all the countries in the European continent.

<sup>3</sup> Despite the Brexit referendum, Great Britain will be officially an EU member until 2019.

<sup>4</sup> According to the International Monetary Fund estimates 2017 as well as World bank and United nation data 2016.

<sup>5</sup> At the time of writing this paper, Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia are candidate countries, that is they are integrating EU legislation into national law. Bosnia and Herzegovina and Kosovo don't fulfill the requirements to join EU yet.

convergences with Beijing. Moreover, the appeal of improving the economic ties with a prosperous system, like the Chinese one, and of creating new ways of privileged access to the eastern giant market represent two important bells that are ringing more and more loudly in several European countries' minds. However, beside these blatant pros, the European Union as an institution is still evaluating how and at which condition to join the Belt and Road initiative. In fact, since now the enthusiasm toward the project has been shown more by single member states rather than the Union as a whole. The discrepancies in defining technicalities related to the implementation of the projects agreed in the framework of BRI and the lack of common procedural standards have created obstacles for China's proposal to be fully approved in Brussels. Even if in principle the European community has declared its interest toward the new silk roads, the EU is moving forward with great caution, using the bilateral mechanism already in place in its relationship with China to create a shared framework of cooperation suitable also for BRI. However, this reluctance has not slowed down the interest of several single member states, which have started to welcome the initiative as individual sovereign nations.

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## The current EU involvement in BRI framework

The Belt and Road initiative has set a new tessera in the mosaic of the EU-China relation. The ties between the European Union and China were established in 1975 in the first place, but it was just in 2003, with the creation of the Comprehensive Strategic Partnership, that the bilateral cooperation was broadened and deepened in several areas. This pathway toward a more holistic dialogue was definitely enshrined with the officialization of the EU-China 2020 Strategic Agenda for Cooperation<sup>6</sup>, jointly signed in 2013, which created the conditions for China and Europe to become more interdependent on important issues, such as peace and security, prosperity, sustainable development, and people-to-people exchanges. This brought not just to the creation of a mechanism for consultation but especially to the use of platforms (like the EU-China High level Strategic Dialogue, the High-Level Economic and Trade Dialogue, EU-China industrial Dialogue and Consultation mechanism, EU-China Dialogue on Information Technology, Telecommunication and Informatisation, EU-China Innovation Cooperation Dialogue, EU-China High Level people to People Dialogue) for increasing mutual understanding and consequently improving political trust on a wide range of crucial policy areas. The evolution of the international order that occurred in the last five years and the emergence of a new China's attention for strengthening its ties with foreign countries has brought the EU to re-evaluate the extent of its partnership with Beijing and to find ways for shaping the collaboration accordingly to the new global dynamics.

In this framework, the Belt and Road Initiative has represented one of the most sensitive driver for changes that the European institutions had to take into account for properly balancing the dialogue with China. Having recognized the vision behind BRI and its transformative potential, the EU has adopted a cautious and pragmatic approach toward the proposal, in order both to give a constructive contribution to it but also to consider all pros and cons. As suggested by the European Parliament and Council in June 2016<sup>7</sup>, the EU's engagement with China intends to be based on a positive agenda that can combine the benefits of the partnership with a principled and pragmatic management of differences. Since 2015 BRI has become an important point in the strategic partnership between EU and China. In September of that year the Commission and the Chinese government signed a Memorandum of

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<sup>6</sup> [http://eeas.europa.eu/archives/docs/china/docs/eu-china\\_2020\\_strategic\\_agenda\\_en.pdf](http://eeas.europa.eu/archives/docs/china/docs/eu-china_2020_strategic_agenda_en.pdf)

<sup>7</sup> [http://eeas.europa.eu/archives/docs/china/docs/joint\\_communication\\_to\\_the\\_european\\_parliament\\_and\\_the\\_council\\_-\\_elements\\_for\\_a\\_new\\_eu\\_strategy\\_on\\_china.pdf](http://eeas.europa.eu/archives/docs/china/docs/joint_communication_to_the_european_parliament_and_the_council_-_elements_for_a_new_eu_strategy_on_china.pdf)

Understanding for realizing the EU-China Connectivity Platform, which aims at promoting the cooperation on infrastructures, technology, formulation of standards as well as synergy between China's new Silk Road and similar initiatives on the European side, like the Trans-European Transport Network (TEN-T) policy. During the second meeting of the EU-China Connectivity Platform, which took place in June 2017, the two sides clearly identified the potential included in their partnership, that is: policy exchange and alignment on the principles and priorities in fostering connectivity between EU and China; projects on cooperation and investment, both at the level of strategic planning of priority corridors involving countries along these corridors, where EU member States, China and possibly other parties can cooperate. As prescribed by the strategy, the purpose of this partnership is to politically and financially support those initiative (on EU's TEN-T routes or its extensions in third countries, the BRI's corridors or related to the aims of the MoU) to upgrade infrastructures which contribute to sustainable growth in the Euro-Asian region. In order to achieve the Platform's goal properly, EU and China agreed on putting emphasis on transportation facilitation (with a special focus on container trains, decarbonized and green transport) which enhances cost-effectiveness, operating efficiency and the diversification of goods.

The shared interest in enhancing cooperation in such important domains is confirmed also by the strengthening of financial cooperation, especially in regard to the infrastructural development funds. China is the first extra-European country to contribute to the European Commission's Investment Plan for Europe and in January 2016 Beijing joined the European Bank for Reconstruction and Development (EBRD). EBRD agreed on signing a MoU with the Silk Road Fund in June 2016, which set forth its interest in working closely with China for filling the 400 billion-per-year worth infrastructural gap that affects both Europe and Asia and represents an opportunity for incentivizing developments in both regions that can be effectively caught just working together. A positive synergy in the same framework is under way also through the European Investment Bank (EIB). The EIB's Director-General, Jean-Christophe Laloux, confirmed the support of the European financial institute for the Belt and Road initiative, while attending the first international forum on BRI which took place in May 2017 in Beijing. It has been just the last strong example of the interest of EIB toward China's initiative as, after the opening of an office in Beijing in 2016, EIB has already stepped up the cooperation with the Asian Infrastructure Investment Bank (AIIB), to support investment in strategic projects and to streamline the joint financing of specific initiatives.



Despite the general interest shown by the mechanisms of interaction described, they anyway represent a limited economic cooperation yet, EU, in fact, keeps not engaging with BRI on a strategic and holistic level. The differences existing between the two parties on technical procedures and regulations, such as the application of different quality standards or different credit treatments towards debtor countries, as well as the lack of a clear understanding of the project, brought Brussels to adopt a cautious and sometimes critical approach toward the initiative. However, the reticence shown at the central level doesn't match the single member States' interest for the Chinese initiative. Indeed, since its inauguration, progressively more and more European countries have shown a growing attention for the both ideas of receiving Chinese investment as an help for improving their own infrastructure and of enhancing the interconnection and exchanges with a such a big market, as China's one. The engagement with Chinese firms, in fact, has been seen as a valuable instrument to enter Asian markets as well as to stimulate local growth. In the light of this interpretation of BRI, the answer slightly differed among countries<sup>8</sup>.

Eastern and Central Europe has been the most receptive area toward BRI so far: as a natural bridge between China and West Europe, it represents an ideal region for the success of China's initiative, as the need for foreign investments for nurturing the local development, on European countries' side, and the interest in becoming an important economic player in the European context, on Chinese side, meet there. This tendency has been confirmed by the attention paid by all sides in shaping the consultative mechanism of EU 16+1 (which includes 11 EU member States and 5 candidates)<sup>9</sup>, created on China's proposal in 2012, into a privileged forum for debating about the plausible ways of speeding up the realization of multilateral projects under the label of BRI. Even if the lack of regulatory constraints has facilitated the investment especially in non-EU States (such as, Bosnia and Herzegovina, Macedonia and Serbia), some projects have been proposed or are ongoing also in EU16+1 European members. In particular, Czech Republic, Hungary and Poland are the main recipients of Chinese attention, for their potential role of connecting belt between Central Asia and Europe's western flank. Among the projects currently sponsored as part of the new silk road, a great popularity was achieved by the reconstruction of the 340-kilometers long railway line between Budapest and Belgrade (that should have

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<sup>8</sup> All European countries joined AIIB. Mentioning the States' answer to China's initiative, the paper means to underline which countries has shown interest or have opened formal discussions on the possibility of carrying out concrete projects related to the BRI.

<sup>9</sup> The group is formed by: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia.



linked the Greek Piraeus port to Central Europe via Macedonia, Serbia and Hungary) as well as by the so called Adriatic-Baltic-Black Sea seaport cooperation, for integrating the development of ports, logistic hub and transport corridor in the related countries. Despite the discussions and the verbal declarations of intents, the effective implementation of all the proposals is still faint.

Western and Northern Europe have put in place a colder approach toward the initiative. The already good trade relations with China as well as the limited need for Chinese investments to improve their infrastructures, on the one hand, and the marginal importance of some States for the general success of BRI, on the other, reduced the direct involvement in the initiative of countries like Germany, Netherlands and France. For example, in Germany it is limited to the improvement of five line of railways, rebranded under BRI but already working, connecting German cities to China: (Leipzig-Shenyang, Duisburg-Chongqing, Hamburg- Zhengzhou, Hamburg-Harbin and Nurnberg-Chengdu). At the political level, the interest in protecting the EU procedural standards and the respect of European legislations in the field of tenders, transparency and investments brought Berlin to slow down its promotion of the initiative. Similarly, despite its traditional role as hub for transportation from and to Europe, Netherlands has had a limited participation in BRI so far. The engagement is driven by Dutch and Chinese logistic companies rather than the respective governments.

Finally, with regard to Southern Europe, it is one of the most promising scenario for BRI to express all its potential, but countries have not responded to China's initiative with a clear strategy yet. If we consider for South Europe the Mediterranean cost, Greece, Italy and Spain are the main actors to be regarded at. Among these, Greece currently hosts the biggest and best recognizable BRI-related project in Europe: the port of Piraeus. Even though the interest of Chinese company China Ocean Shipping Company (COSCO) was shown in 2008 in the first place (much earlier than the formulation of the new silk roads), under the framework of Belt and Road the port has been improved and the operations related to it boosted. However, even if potentially it would be a crucial hub for entering Europe, the lack of cutting-edge national transports system, especially rail-network, inevitably affected the importance of the investment. As regards Spain, there is a general interest in jumping on the BRI's train, but the projects developed so far are still limited. The railway connecting Yiwu-Madrid is dedicated to the transportation of low-added value goods and it is not yet

able to be self-profitable<sup>10</sup>. In addition to the railway sector, also several Spanish Port Authorities expressed interests in establishing contacts with Chinese investors, in order to become part of the Maritime Silk Road, such as Barcelona (where Hutchison Port Holdings invested almost €450 million) and Valencia (COSCO acquired a 51% stake Noatum terminal in 2017). However, the lack of a broader strategy at national level and the priority given to the single business opportunity, is affecting the overall results of the Spanish participation to BRI.

In this framework, Italy has not officially joined the initiative. However, in the last year a more enthusiastic and interested approach has been adopted by Italian stakeholders, both at the institutional level and inside the economic community. Indeed, the possibility to exploit the strategic geographical position for becoming an important actor inside such a crucial multilateral project, on the one hand, and the perspective of the political and economic results that a closer relation with China could generate for the country, on the other, has pushed Italian actors to further evaluate the project.

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<sup>10</sup> One Belt One Road and the reconfiguration of China-EU relations, X. WANG, J. RUET and X. RICHER, March 2017: <https://cepn.univ-paris13.fr/wp-content/uploads/2017/03/DT-CEPN-2017-04.pdf>

## **The Italian position on Belt and Road and the perspectives of closer ties with China**

If in the first four years after the inauguration the country was a marginal observer of the project, in 2017 Italy has risen its attention to the Belt and Road Initiative. The greater importance attributed to the Chinese vision was proven by the attendance of the Prime Minister, Paolo Gentiloni, at the Belt and Road Forum for International Cooperation in Beijing on the 14<sup>th</sup> and 15<sup>th</sup> of May 2017, the only leader of G7 countries to be present. Recalling the millennial friendship existing between Chinese and Italian cultures and civilizations, Gentiloni indicated the new silk roads as a special tool at China and Italy's disposal to boost the bilateral relations at 360 degrees. Indeed, the BRI umbrella offers the two countries the possibility to develop and exploit the bilateral economic relations and exchanges, but also to pave the way for a win-win cooperation in third markets that would seal mutual knowledge and political trust between Rome and Beijing as systems.

Geographically located at the heart of the Mediterranean Sea, at the crossroad among the western flank of the Middle East, North Africa and the southern shore of Europe, Italy is the natural and the historical ending land of the silk roads connecting the Far East with the West. With the rethinking of the ancient routes and the drawing of the 21<sup>st</sup> Century Maritime Silk Road, the country has also

become the hub of intersection of BRI's sea and land dimensions. This strategic position makes Italy a privileged bridge from the Mediterranean toward Europe, and vice versa. The most blatant added-value which Italy can contribute to BRI with is the quality and the location of its ports, especially those of Genoa and Trieste, that can grant Chinese project efficient intermodal hub for overland and sea trade with European markets. The two cities deemed more suitable than other Italian ports to stand the volumes of trade that BRI would bring in the Mediterranean and as better connected to national and international transportations.

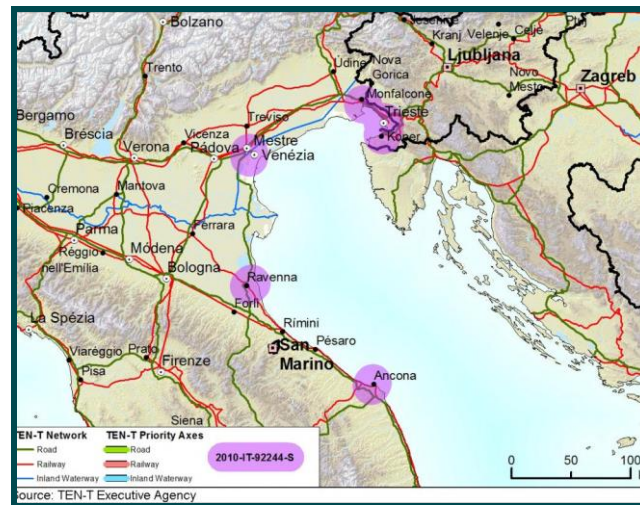


Figure 1: Location of Trieste Port and NAPA. Edited by Ce.S.I.

Trieste spearheads in the Adriatic Sea, inside the so called five-ports-alliance, or North Adriatic Port Association (NAPA), which involves the Italian ports of Trieste, Venice and Ravenna, the Slovenian city of Koper and the Croatian one of Fiume, and aims at creating a network suitable for serving the mega-ships coming from China and at easing the connections with European markets. For the quality of its port as well as the interconnection with the local technological and business environment, Trieste is attracting the attention of the China Communication Construction Company (Cccc), one of the most important Chinese state-owned company, and the third biggest reality worldwide, engaged in design and construction of transportation infrastructure. The increase of traffic transiting through the port (66.588.816 tons in 2017<sup>11</sup>), the advantages connected to accessibility and its free port status, its high-level intermodality (granted by its internal rail network dedicated to freight train serving all the docks<sup>12</sup>), its better connection (compared to those of other port in Mediterranean, such as the Piraeus) to Balkan Peninsula, Germany, Austria, Czech Republic, Hungary, Switzerland and Luxembourg, are all features that make Trieste the most interesting hub for BRI to access Central and East Europe.

While Trieste is a potential open door in the Adriatic Sea, the port of Genoa is the twin gate in the Tyrrhenian. After the reform of the Italian Port Authorities in 2016,

<sup>11</sup> Statistic Bulletin 2017, Italian Ports Association, <http://www.assoporti.it/sites/www.assoporti.it/files/statistiche/Bollettino%20Statistico%20anno%202017.pdf>

<sup>12</sup> In 2017 the rail traffic was about 8651 trains, +13% compared to 2016). The Port Authority's goal is to reach 250 trains in 2018.

the Western Ligurian Sea's Port System Authority<sup>13</sup>, ruling the Genoa infrastructure, is also in charge for the port of Savona and Vado, that all together are parts of the so-called Genoa Port System.

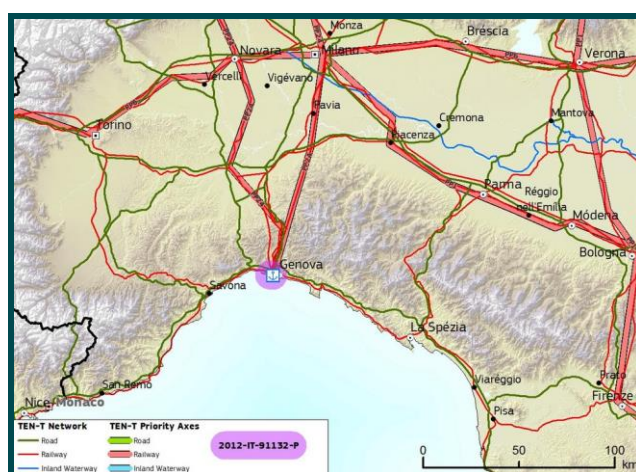


Figure 2: Genoa Location and connections to European transport network. Edited by Ce.S.I.

In addition to the investment already financed for the improvement of the Apm Terminal of Vado Ligure (with the construction of the multipurpose platform that will be operated by Maersk) by the Chinese company Zpmc, the port of Genoa has been indicated as the second pillar of the Italian direct participation to BRI and has already shown its will to open up to Chinese interlocutors. The development plan already foreseen by the Authority, which aims at handling 20 million of TEU per year, is going to further improve the existing structure, that can count on over 30 specialized terminals annually handling over 60 million tons of all types of cargo and equipped to accommodate the latest generation of mega ships due to the natural deep-water. Potentially, for cargo shipping from East Asia the journey to Europe would be 10 days shorter disembarking in Liguria rather than in Rotterdam. In order to efficiently exploit this capacity, Italian authorities are going to implement the transport network connecting these Ligurian ports with the hinterland, the neighboring regions (Lombardia and Piemonte) and the international market as well. It is the case of the so-called Third Pass, the high-speed railways connecting the port of Genoa through Torino and Milan to finally reach Switzerland and Germany, that should be finished by 2022. It would allow Genoa Port to become the privileged portal toward Central and West Europe.

<sup>13</sup> In Italy, the port system authority is a public body with legal personality, which, among the institutional purposes, is in charge of the management and the organization of goods and services in the respective port area.

The intermodal nature of these ports, on the one hand, and the ongoing development of the road and rail arterial routes connecting both Italian regions (and their business environments) among them and Italy with Europe, underline the value that the entire Italian transport system has for realizing that vision of an integrated connectivity inborn in BRI.

Indeed, Italy is a crucial country in the framework of the European initiative of the Trans-European Transport Network (TEN-T), the set of linear and punctual infrastructures (rail, road and river) (urban nodes, ports, interports and airports) considered relevant at Union level, launched by the UE regulations 1315/2013 e 1316/2013. The TENs infrastructures, as in the Treaty on the Functioning of the European Union (Article 170), aim to facilitate the interconnection of national infrastructural networks and their interoperability, taking especially into account the need to connect insular, landlocked and peripheral regions to the central regions of the Union. With particular regard to the transport networks (TEN-T), the general objective is to establish a single multimodal trans-European network to integrate land, sea and air transport. Inspired by the White Paper *“Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system”*<sup>14</sup>, the rationalization of TEN-T aims at three goals: to reduce greenhouse gas emissions by 60%; to optimize the performance of multimodal logistics chains; and to increase the efficiency of transport and infrastructure using IT systems (ICT). The network is articulated in two levels: a global network (to be implemented by 2050), which aims to ensure full coverage of the EU territory and accessibility to all regions, and a central network at EU level (to be implemented by 2030) based on a "corridor approach". The corridors of the central network must include at least three different means of transport, cross at least three Member States and provide access to sea ports. The central network is divided into 9 main corridors: 2 north-south corridors, 3 east-west corridors and 4 diagonal corridors.

<sup>14</sup> <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52011DC0144>



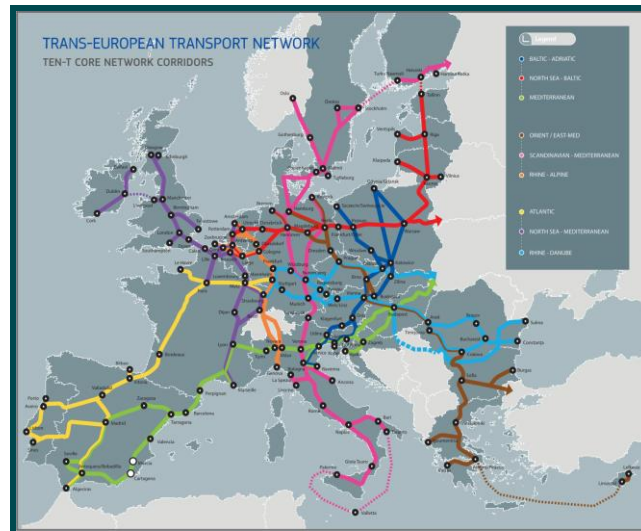


Figure 3: TEN-T network. Source Railwaypro.com, Edited by Ce.S.I.

Of these routes, four encompass Italy, and specifically:

- The Mediterranean Corridor connects the Iberian Peninsula with the Ungro-Ukrainian border along the Mediterranean coast of Spain and France, crossing the Alps and touching the Adriatic coast in Slovenia and Croatia. The main railway projects along the corridor are the Lyon-Turin connections and the Venice-Ljubljana section. In Italy it crosses North Italy from West to East, linking Turin, Milan, Verona, Venice, Trieste, Bologna and Ravenna. The Italian section includes the railway connections Milan-Brescia, Brescia-Venice-Trieste, Milan-Mantua-Venice-Trieste and Trieste-Divača;
- The Rhine Alpine Corridor crosses Switzerland, the Ruhr Rhine, the Rhine-Main-Neckar regions and the agglomeration of Milan. It goes through the passes of Domodossola and Chiasso and reaches the port of Genoa. The main corridor projects are the Gotthard and Simplon tunnels. The Italian section of the corridor includes the Genoa-Milan-Novara rail links, including the already mentioned Third Pass of the Giovi, of the Milan-Genoa High Speed/High Capacity line, as well as a series of interventions related to the construction of the new Gotthard tunnel entirely located in the Swiss territory;
- The Baltic-Adriatic Corridor crosses southern Poland (Upper Silesia), Vienna, Bratislava, the Eastern Alps Region and northern Italy. It links Austria and Slovenia to the northern Adriatic ports of Trieste, Venice and Ravenna, passing through Udine, Padua and Bologna. The Italian section starts at the Tarvisio pass and ends in Ravenna and includes the Vienna-Udine-Venice-Ravenna and Trieste-Venice-Ravenna rail connections;



- The Scandinavian-Mediterranean corridor crosses the Baltic Sea, Germany, the Alps and Italy. The most important projects are the fixed connection of the Fehmarnbelt and the Brenner Tunnel, with the respective access routes. The corridor crosses Italy from the border with Austria to Palermo. In addition to the Brenner tunnel, it provides rail connections for linking norther cities like Trento, Verona, Bologna, Florence, Livorno and Rome with the main urban centers of the South Italy, such as Naples, Bari, Catanzaro, Messina and Palermo.

In this framework, the role of Italy for the success of an efficient interconnection at EU level appears blatant and it is a valuable card to play in trying to raise China's interest toward Italian possibilities, in order to reach a win-win partnership that could see Italian and Chinese stakeholders work jointly and in synergy for achieving the same goals.

Along with the opportunities related to attracting more investments in the framework of BRI for developing some key infrastructures, Italy is working hard for improving the channels of direct exchanges with China, in the field of both goods and knowhow but also at the level of people-to-people contacts. The clearest examples of this interest can be found, once again, in the transportation domain. The first example in this direction is the recent inauguration of the first freight rail direct line between Italy and China, from Mortara (near the northern city of Pavia in Lombardia region) to the Chinese terminal of Chengdu, via Alashankou (China-Kazakistan) and Brest (Belarus-Poland). Inaugurated last December, it is supposed to operate one service a week and to cover the distance of 10.800 kilometers in 17-19 days. Despite the problems currently affecting the connection, the project aims at implementing and improving the direct service by 2020, in order to speed up the connections and easing faster exchanges of high-quality or perishable goods.

Moreover, the Italian commitment toward the strengthening of its connection to China is passing through the air transportation sector.

Since 2015, the Italian Civil Aviation Authority (ENAC) and the Civil Aviation Administration of China (CAAC) reshaped the agreements ruling the bilateral aviation relation and opened the way to an increase of the direct exchanges. According to ENAC's data, over the four-year period 2014 - 2017 the flow of passengers transported along the Italy-China route has steadily increased. In particular, in the last year it recorded a growth rate of 9.7% in terms of movements, 15.4% in terms of passengers and even 31% in the volume of goods transported. The Compound Annual Growth

Rate (CAGR) registered a + 19.04% for passengers and a + 37.21% for cargo. The air agreements in force with China currently provide for the possibility of carrying out 49 passenger services and 14 all-cargo services for each party, using 10 airports in each of the two territories, subject to various methods. The companies that currently flight between the two countries are: Air China, which carries around 21 weekly services on the routes Beijing-Rome, Shanghai-Rome and Shanghai-Milan; China Eastern, which carries from 4 to 7 services per week on the routes Shanghai- Rome (two services are operated from Wenzhou-Shanghai-Rome); China Southern, carries 3 services on the route Guangzhou-Wuhan-Rome; Hainan, which carries from 2 to 7 services on the route Haikou-Chongqing-Roma; Alitalia, which collaborates in cooperation with Chinese companies and with Ethiad on several international routes to guarantee the connection with China, as it is going to suspend its services by next summer; Neos, which operates charter flights on the routes Milan-Nanjing (twice a week) and Milan-Jinan (once a week but exclusively in summer); Cargolux Italia, which is dedicated to all cargo service and operates on the route Milan-Zhengzhou-Novosibirsk-Milan. Starting from next summer there will be two more Italian companies servicing the connection Italy to China: Air Italy and Blue Panama.

Currently the crucial airport for the flights between the two countries is Roma Fiumicino, as it was awarded as “Welcome Chinese Airport” in 2014. The total traffic departing from Rome Fiumicino, in 2017, for the Chinese destinations of Beijing, Shanghai Phudong, Zhengzhou, Wenzhou, Shenyang, Xi An Xianyang, Wuhan, Haikou catalyzes 63% of the total movements, 64% of the original passenger traffic from Italy to China and 38% of cargo traffic. However, it is Milan the most important hub related to cargo traffic: in fact, in 2017 on the total traffic departing from Milan Malpensa for the Chinese destinations of Beijing, Shanghai Phudong, Zhengzhou, Shenyang, Shenzhen, Jinan and Nanjing cargo traffic catalyzes 62%, compared to 37% of the total movements, and 36% of passenger traffic.

If the enhancement of collaboration in the transport domain is one of the most promising field of cooperation between China and Italy, the potential of the bilateral relation in the framework of Belt and Road goes far behind and finds its peak in starting up win-win synergies among companies but also State systems in third countries, that lay along the corridors of BRI. The complementary of the expertise and economic environments in the two countries, on the one hand, and the possibility of sharing know-how and best practices each one in their own sphere of best expertise, on the other, are two important pillars of a plausible partnership that could further increase the level and the quality of Italy-China partnership. There have already been

some important signs in this direction: the first one is represented by the creation of 100 million euros fund for sustaining small and medium size enterprises (SME), the "Sino-Italian co-investment Fund", by the Italian Cassa Depositi e Prestiti and the Chinese China Development Bank. The new fund aims to provide capital to support companies in their path to internationalization, in order to foster growth and competitiveness in global markets. The second one is the MoU signed by Italferr and Beijing National Railway Research & Design Institute of Signal & Communication (CRSCD), which creates an alliance between two giants in the field of infrastructure engineering in order to successfully operate together on projects of common development. By expanding such international alliances, the two realities can compete on various markets, integrate the customer portfolio and establish important partnerships on the basis of their mutual skills, know-how and their strengths for the design and development of large infrastructural works throughout the world.

Considering third markets, the partnership between Italian and Chinese firms could also become a driver for local development and, therefore, an instrument for increasing the appeal of their investments and presence internationally. Indeed, Italian realities could share with Chinese counterparts their solid experience in realizing holistic projects respecting and benefitting communities as well as natural environment of the hosting country, in order to channel the common projects in a framework of development cooperation. This kind of responsible partnership would be presented as a win-win solution for fostering the development in scenarios of common interest, like Africa, South and Southeast Asia.

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## Conclusions: the Italian way toward Europe

In the last year Italy started to pay a bigger attention to Belt and Road and to consider the project as an opportunity for being a proactive part inside a new concept of common global development. Thanks to its strategic geographical position and its entanglement with European TEN-T system, Italian transport and infrastructure sector represents a valuable opportunity for China to find a reliable partner through which opening an important window on the Union. The current bilateral interest in betting on the port cities of Genoa and Trieste and the enlist of the Genoa Port breakwater project and the Trieste Integrated Rail Hub on the List of the TEN-T related projects considered in the framework of the EU-China Connectivity Platform<sup>15</sup>, represent the most blatant example of this possibility.

However, the opportunity connected to a deeper Italy-China partnership would go further behind that. The historical value of Italy inside UE, of which Rome is one of the historical proposer and most enthusiastic supporter, on the one hand, and the well-regarded role played by the Italian actor in international scenarios, on the other, would give China a strong political interlocutor to which refer. The Italian strong commitment to always operating in the EU Institutions framework could be a double-head possibility of pragmatic cooperation between Italian and Chinese stakeholders. It would give Chinese companies a track record of initiatives realized according to general agreed and approved standards, necessary for overcoming the current obstacles risen by the EU; at the same time it would let Brussels to build confidence and trust in China as a partner with whom to collaborate on an equal level and share a same vision of win-win global development. This perception could open the pathway up for a more synergic and holistic partnership that could be further broaden the BRI project, both in the framework of bilateral level and on third scenarios, in order to effectively shape the contemporary and innovative concept of Eurasia.

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<sup>15</sup> <https://ec.europa.eu/transport/sites/transport/files/ten-t-rel-projects-may-2017.pdf>