

Italy Joins Belt and Road Initiative, Shows Path to the West

by Claudio Celani

March 24—Yesterday, Italy became the first large industrial economy, the first member of the G7, and the first founding member of the European Union to officially join the Belt and Road Initiative. A Memorandum of Understanding (MOU) on “Cooperation Within the Framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative” was signed by Italy’s Minister for Economic Development Luigi Di Maio and his counterpart He Lifeng, Chairman of the National Development and Reform Commission, in the presence of Italian Prime Minister Giuseppe Conte and Chinese President Xi Jinping, who was visiting Italy with a large institutional and economic delegation.

The signing of the MOU had met strong opposition from self-described neocon circles in the United States, from the City of London, and even from some of Italy’s partners in the European Union (EU). French President Emmanuel Macron, who met Conte together with German Chancellor Angela Merkel on March 22, stated after that meeting that “Bilateral negotiations on texts of agreement on the Silk Road route are not a good method.” Merkel, who admitted there was nothing to be objected to in the content of the MOU, on which Conte briefed them, complained that Italy had broken EU unity by negotiating on its own.



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A courageous Italy becomes the first G7 member country to sign on to the Belt and Road Initiative. Shown are Italian President Sergio Mattarella with President Xi Jinping emerging from the Palazzo del Quirinale in Rome on March 22, 2019.

The EU and broader trans-Atlantic hostility against Italy is motivated by the fact that the Italy-China agreement, although not affecting Italy’s alliances (NATO and the EU), has breached “Western” geopolitical schemes by establishing a strategic partnership based on friendship between the two nations—whereas NATO continues to call China a potential enemy and the EU considers it a “rival.”

The Italians, indeed, have exposed the hypocrisy of these self-proclaimed leaders of the “West,” who claim to be champions of values such as freedom, justice, and welfare—while consistently ignoring these values at home—by explicitly incorporating those values in the Memorandum and establishing a framework to achieve them through cooperation in advancing a global para-

digm for development. The MOU won “concessions” from China on such issues as intellectual property, transparency, and a level playing field, which the Italians can now play against the anti-Chinese faction. It is being said by some that the Italy-China memorandum is now being considered as a template for similar, future agreements by other countries.

The Memorandum of Understanding

The parties wrote into the MOU the commitment—

to promote the bilateral partnership in a spirit of mutual respect, equity and justice and in a mutually beneficial manner, in the perspective of a strengthened global solidarity; Conscious of the historical common heritage developed through the land and sea routes linking Asia and Europe, and of Italy’s traditional role as terminal of the maritime Silk Road; Reiterating their commitment to honor the purposes and principles of the UN Charter, and to promote inclusive growth and sustainable development.

Based on that premise, the [Memorandum](#) sets the following “Objectives and Guiding Principles of Cooperation”:

The Parties will work together within the Belt and Road Initiative (BRI) to translate mutual complementary strengths into advantages for practical cooperation and sustainable growth, supporting synergies between the Belt and Road Initiative and priorities identified in the Investment Plan for Europe and the Trans-European Networks, bearing in mind discussions in the EU China Connectivity Platform. This will also enable the Parties to enhance their political relations, economic ties, and people-to-people exchanges. The Parties will strengthen cooperation and promote regional connectivity within an open, inclusive and balanced framework beneficial to all, so as to promote regional peace, security, stability and sustainable development.

The following **areas of cooperation** are defined:

1. Policy dialogue. The Parties will promote synergies and strengthen communication and coordination. They will enhance policy dialogue on connectivity ini-

tiatives and technical and regulatory standards. The Parties will work together within the Asian Infrastructure Investment Bank (AIIB) to promote connectivity in accordance with the purpose and functions of the Bank.

2. Transport, logistics and infrastructure. Both Parties share a common vision about the improvement of accessible, safe, inclusive and sustainable transport. The Parties will cooperate in the development of infrastructure connectivity, including financing, interoperability and logistics, in areas of mutual interest (such as roads, railways, bridges, civil aviation, ports, energy including renewables and natural gas—and telecommunications). The Parties express their interest in developing synergies between the Belt and Road Initiative, the Italian system of transport and infrastructure, such as *inter alia* roads, railways, bridges, civil aviation and ports and the EU Trans-European Transport Network (TEN-T). The Parties welcome the discussions in the framework of the EU-China Connectivity Platform to improve the efficiency of the connectivity between Europe and China.

The Parties will cooperate in facilitating customs clearance, strengthening cooperation in sustainable, safe and digital transport solutions as well as in their investments and financing. The Parties highlight the importance of open, transparent, and non-discriminatory procurement procedures.

3. Unimpeded trade and investment. The Parties will work towards expanding two-way investment and trade flow, industrial cooperation, as well as cooperation in third country markets, exploring ways to promote substantive, mutually beneficial cooperation. The Parties reaffirm their shared commitment to free and open trade and investment, to counter excessive macroeconomic imbalances and to oppose unilateralism and protectionism. In the framework of the Belt and Road Initiative, they will promote transparent, non-discriminatory, free and open trade and industrial cooperation, an open procurement, level playing field and respect for intellectual property rights. They will explore closer and mutually beneficial collaboration and partnerships, which include advancing North-South, South-South and triangular cooperation.

4. Financial cooperation. The Parties will strengthen the bilateral communication and coordination on fiscal, financial and structural reform policies

in order to create a favorable environment for economic and financial cooperation, also through the establishment of the Italy-China Finance Dialogue between the Ministry of Economy and Finance of the Italian Republic and the Ministry of Finance of the People's Republic of China.

The Parties will encourage the partnerships between the respective financial institutions to jointly support investment and financing cooperation, at bilateral and multilateral level and towards the third Countries, under the framework of Belt and Road Initiative.

5. People-to-people connectivity. The Parties will endeavor to expand people-to-people exchanges, to develop their sister cities network, to fully utilize the platform of Italy-China Culture Cooperation Mechanism to cooperate for the finalization of the twinning among Italian and Chinese UNESCO world heritage sites, to promote cooperation arrangements on education, culture, science, innovation, health, tourism and public welfare among their respective Administrations. The Parties will promote exchanges and cooperation between their local authorities, media, think tanks, universities and youth.

Economic and Institutional Agreements

In addition to the MOU on the Belt and Road, Italy and China signed 10 economic agreements and 18 institutional agreements (19 of them with the BRI MOU).

The economic agreements include:

- A strategic partnership between Italy's Cassa Depositi e Prestiti (a prominent investment bank) and the Bank of China to finance Italian firms in China.
- Cassa Depositi and the natural gas utility Snam signed a deal with the Silk Road Fund for investments along the Silk Road.
- An MOU between the Italian oil company ENI and the Bank of China for exploration in China.
- Ansaldo Energia (a power and engineering company) signed two agreements, one to develop gas tur-



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“Along the historical Silk Road, which our countries were the main terminal of, adventurous caravans transported fabrics and spices as well as more precious goods: ideas, inventions, innovation and culture. The contribution to human progress was extraordinary. Like then, exchange and sharing of ideas are the pillars of the ‘New Silk Roads’ in the third millennium.” Remarks of President Mattarella at the state dinner at the Palazzo del Quirinale on March 22, 2019.

binies with China's United Gas Turbine Company (UGTC) and another for the supply of a turbine to Shanghai Electric and Benxi Steel.

- The port authorities of Trieste and Genoa signed an agreement with the construction giant China Communications Construction Company (CCCC).
- The Institute for Foreign Trade signed a deal with Suning, one of the largest non-government retailers in China, to create a platform to promote an Italian life-style in China.
- The Danieli group, a supplier of equipment and physical plants to the metal industry, signed a contract with China CAMC Engineering, a construction engineering company, for the construction of a steel plant in Azerbaijan.

The institutional agreements, besides the MOU on BRI cooperation, include cooperation on innovative startups and electronic trade, as well as cooperation between the two nations' space agencies, agriculture, culture, health, and media.

The Crucial Role of Michele Geraci

The architect of the Sino-Italian agreement is Michele Geraci, Undersecretary of State at the Ministry of Economic Development who, before joining the gov-

ernment, had spent ten years in China as a teacher of economics. Geraci has explained on numerous occasions that Italy sees in the BRI a golden opportunity for Italian industrial firms in China and along the Silk Road routes, but also in cooperation in the development of Africa.

At a conference organized by MoviSol (International Movement for Civil Rights-Solidarity)—the LaRouche movement in Italy—and the Lombardy regional administration, just ten days before the signing of the Memorandum, Geraci had [explained](#) that Italy seeks to become the terminal of the Maritime Silk Road and to turn Southern Italy into a platform for investments in Africa (See *EIR*, Vol. 46, No. 11, March

22, 2019, pp. 6-9.) In this context, on March 24, Geraci accompanied President Xi and Xi’s wife, Peng Liyuan, on a private visit to Palermo, Sicily, where the presidential couple spent a day as tourists, while signaling Beijing’s interest in the island which, as Geraci said, “is the closest European place to Africa but not Africa.”

A few days earlier, a Chinese government and economic delegation had visited Palermo to discuss options for investments in port, airport and other infrastructure. After Xi’s visit, Sicily regional President Nello Musumeci stated,

Sicily wants to intercept the Silk Road. One

Italian Media Acknowledge LaRouche’s Role in the New Silk Road

On the eve of Xi Jinping’s visit to Italy, four Italian daily national newspapers, *Corriere della Sera*, *Il Foglio*, *Avvenire* and *Linkiesta*, all highlighted the truth that Lyndon LaRouche was the first to advocate what has become known as the “New Silk Road,” more than two decades ago.

It happened that on March 12—the day before the Milan conference on “Italy on the New Silk Road,” sponsored by MoviSol and the Lombardy Region—*Corriere della Sera* interviewed Giulio Tremonti, former Minister of Economy and Finance, who stated that the New Silk Road “is a project that goes back to the mid-nineties, by the American visionary Lyndon LaRouche, who viewed it as the salvation of humanity.”

Tremonti’s statement established a critical fact that the mainstream media could not ignore. Thus, *Avvenire* and *Linkiesta* acknowledged that truth in the context of their coverage of the Milan conference in two articles, one supportive and one critical, titled respectively, “More Than Convenient: It Is Inevitable: How the Chinese Silk Road Will Change Italy (and Europe Too)” and “Arm in

Arm with Conspiracy Theorists, in the Post-Truth Era.”

A third newspaper, the economically liberal, right-wing daily, *Il Foglio*, which is overtly hostile to the Belt and Road Initiative, published an hysterical article by journalist Luciano Capone. Capone, who describes himself as an “unbridled, sometimes wild free-market-er,” borrowed the usual list of slanders of LaRouche and blasted Tremonti for saying that LaRouche was the author of Xi Jinping’s policy. Tremonti denied having said so in a letter to *Il Foglio*’s editor on March 14, and opposed the signing of the MOU with China.





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President Mattarella welcomes President Xi to the Palazzo del Quirinale on March 22, 2019. In addition to the Memorandum of Understanding, many economic and institutional agreements were also signed.

must arrive punctually and prepared for appointments. Therefore, we Sicilians must immediately sit with the national government around a table and understand what we want to do about Sicily.

East Meets West

The success of Xi's visit to Italy was underscored not only by the MOUs signed, but also by the atmosphere of cultural dialogue and understanding established between the two countries, both conscious of being carriers of a great heritage of thousands of years. Before arriving in Italy, Xi authored a guest editorial in Italy's leading newspaper, *Corriere della Sera*. Published in English by CGTN under the title, "East Meets West—A New Chapter of Sino-Italian Friendship," it begins:

China and Italy are both stellar examples of Eastern and Western civilizations, and both have written splendid chapters in the history of human progress. Being the birthplace of ancient Roman civilization and the cradle of the Renaissance, Italy is known to the Chinese people for its imposing relic sites and masterpieces of great names in art and literature.

He reviewed the Silk Road connections between the Han Dynasty and the Roman Empire; Marco Polo's travels and writings, which "roused the first wave of 'China fever' among European countries"; the Italian Jesuits who restored East-West scientific and cultural exchanges in the 16th and 17th centuries; and other high-points through to the 1970 establishment of relations between Italy and the People's Republic of China.

At the state dinner in honor of President Xi Jinping, Italian President Sergio Mattarella responded in this way:

I believe that the word 'knowledge' expresses at best the nature of the strong and fruitful bond which has united

China to Italy for centuries. Along the historical 'Silk Road,' which our countries were the main terminal of, adventurous caravans transported fabrics and spices as well as more precious goods: ideas, inventions, innovation and culture. The contribution to human progress was extraordinary.

Like then, exchange and sharing of ideas are the pillars of the 'New Silk Roads' in the third millennium.

We have the task of building a complex and multiform whole made of interconnections, through which major flows of capital, goods, services, and material and immaterial infrastructures will transit, an enlargement of cultural horizons and opportunities for technological development for all countries involved. Along this path, Chinese and Italians are ideal travel comrades. We both belong to two industrious, creative and ingenious civilizations, endowed with immense cultural wealth, caring for quality and beauty. Two complementary economic, productive and manufacturing systems, called upon to generate more and more stimulating synergies.