



Sébastien  
Goulard

Medports Forum  
February 7-8, 2018  
Marseille

CAPITAL  
Emerging Economies

and Integration along

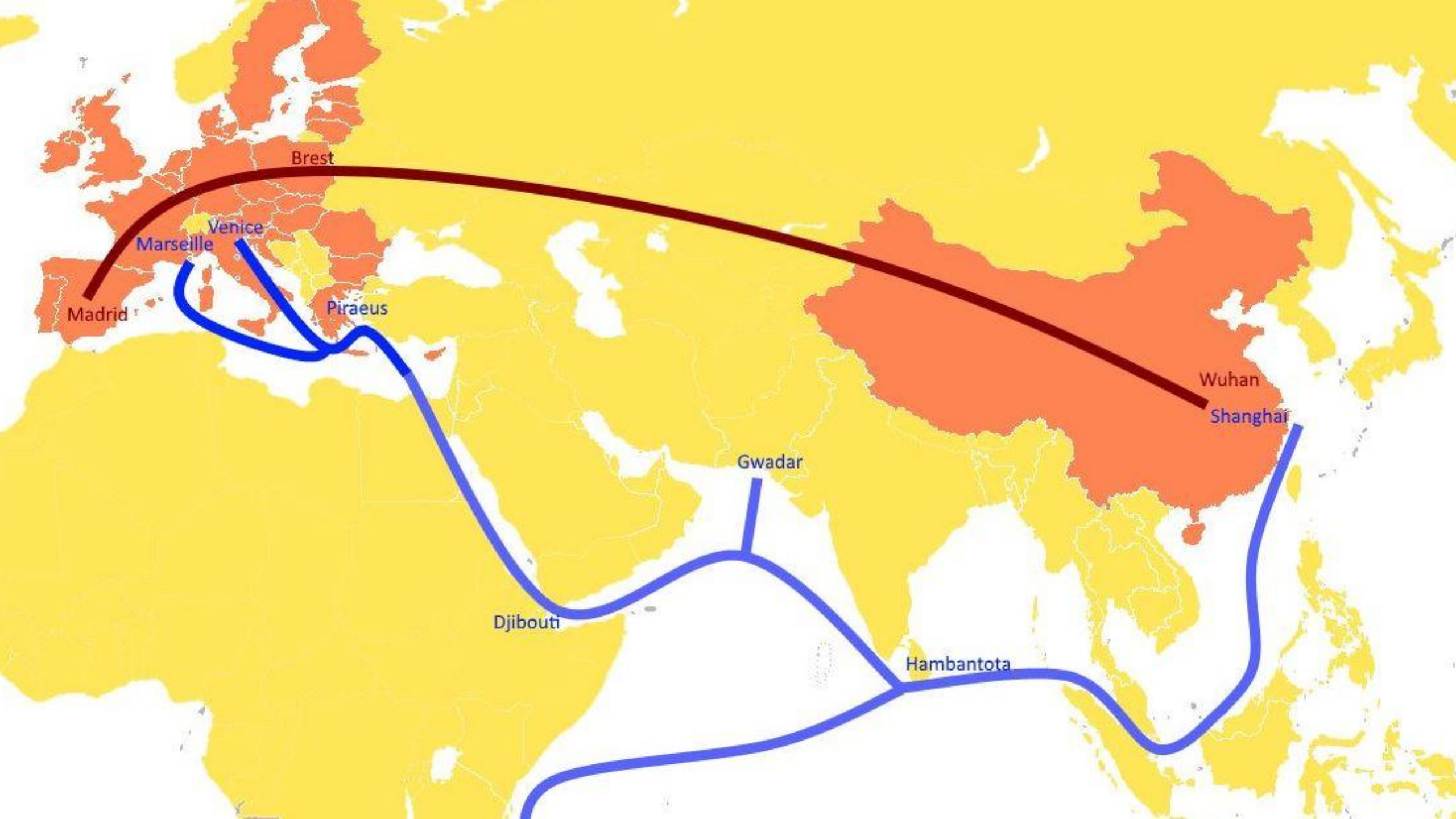
the Belt & Road Initiative



# I-The Belt and Road Initiative : much more than a A to B line



Cooperans



Brest

Venice

Marseille

Madrid

Piraeus

Wuhan

Shanghai

Gwadar

Djibouti

Hambantota

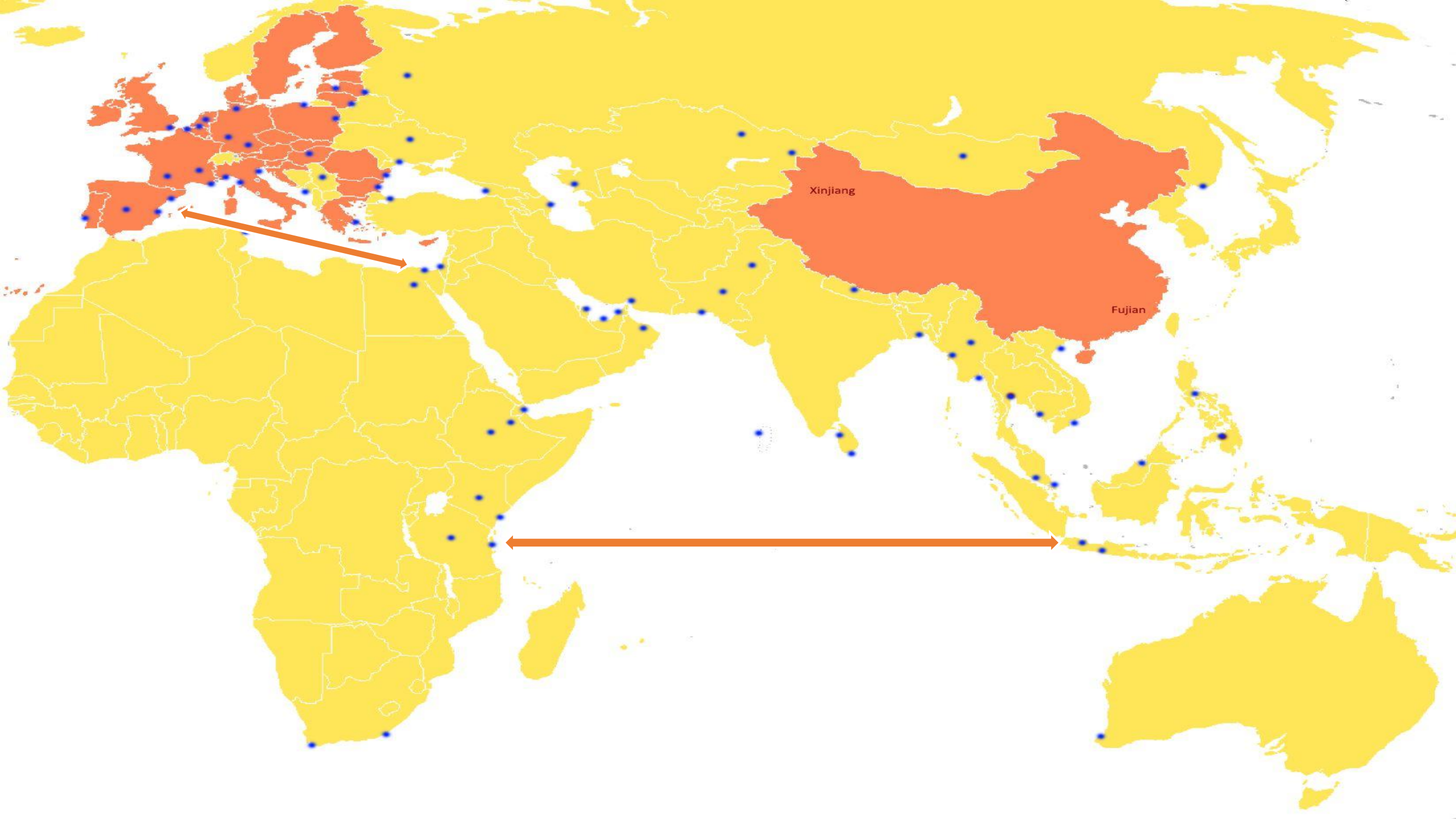


- A-B line definition of the B&R: a misconception that leads to competition

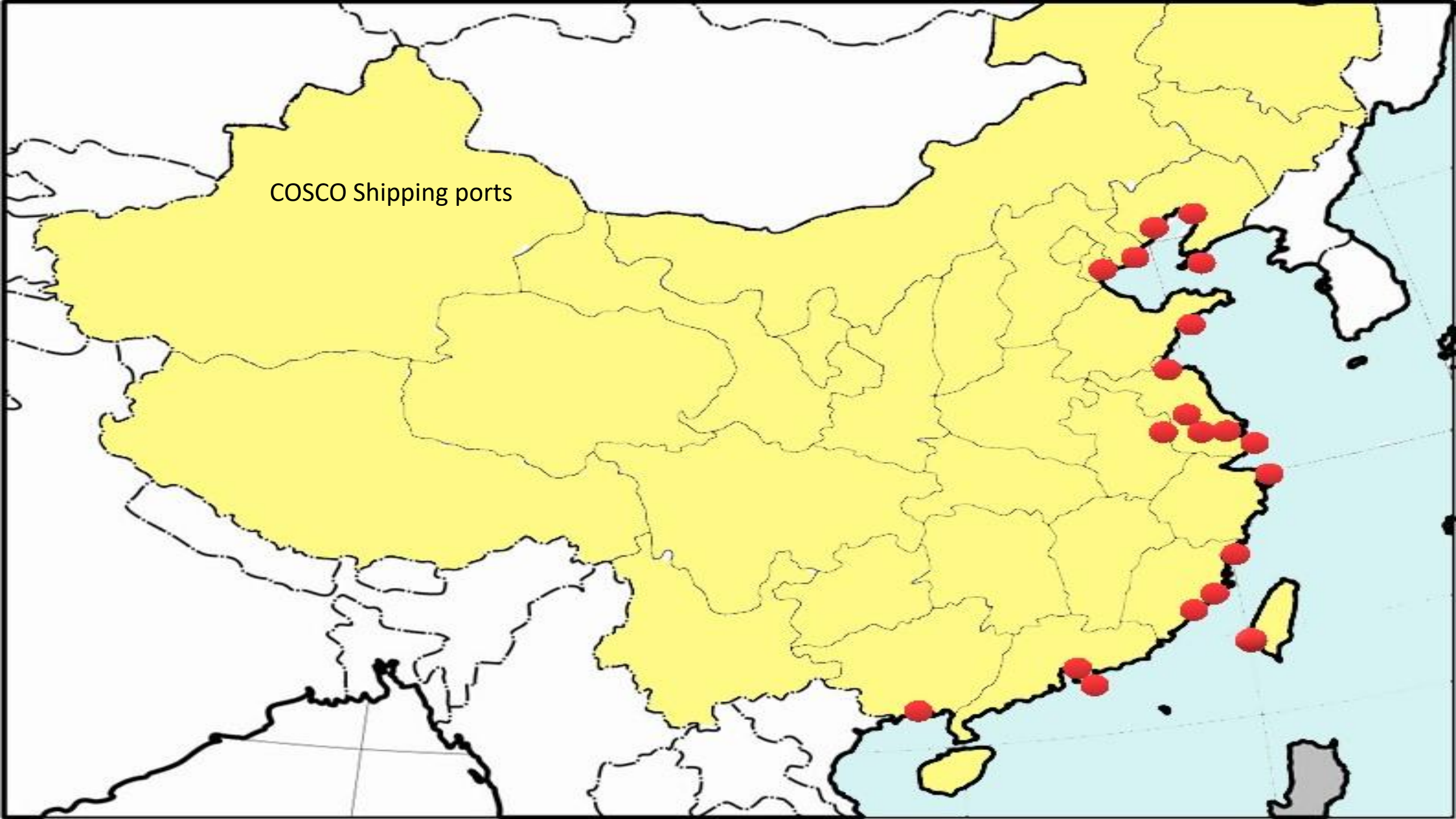
Example: France vs Italy, Marseille vs La Spezia and Venice

- B&R better defined as a ABCDE...network









# II-The B&R to be linked with 'Made in China 2025'





## a) Made in China 2025

- Concept defined in 2015
- Objective: industrial upgrade and leadership in standards





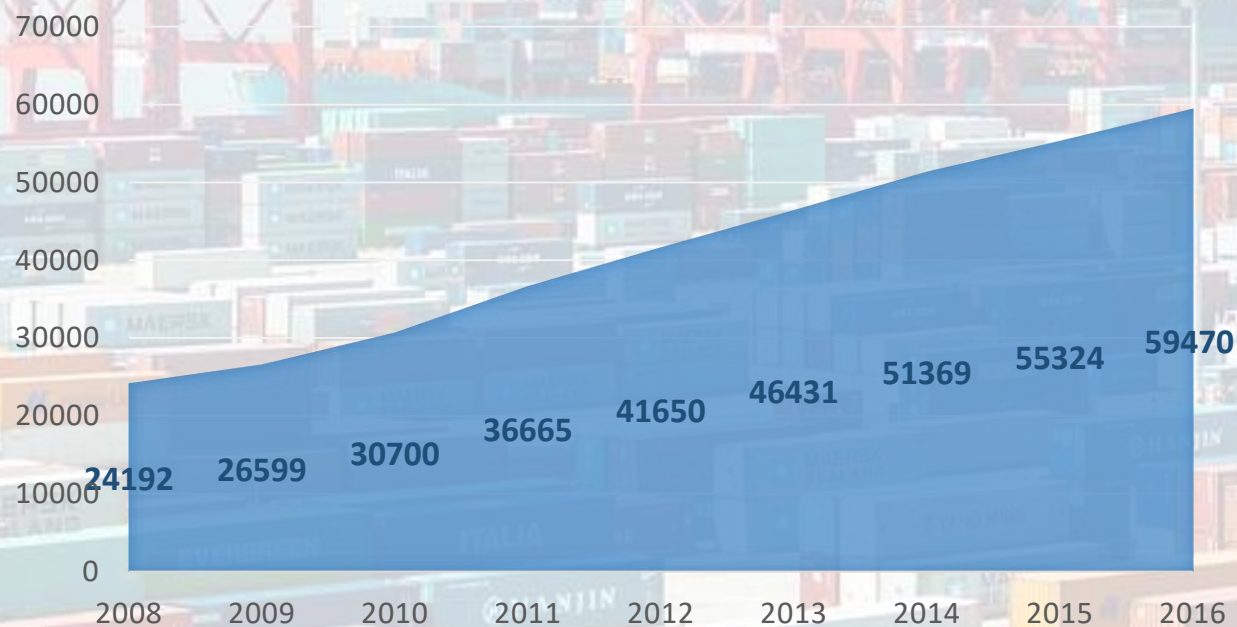
## b) Reason: China's economy and society show dramatic changes

- Growth is decelerating





- Cost of labour is increasing

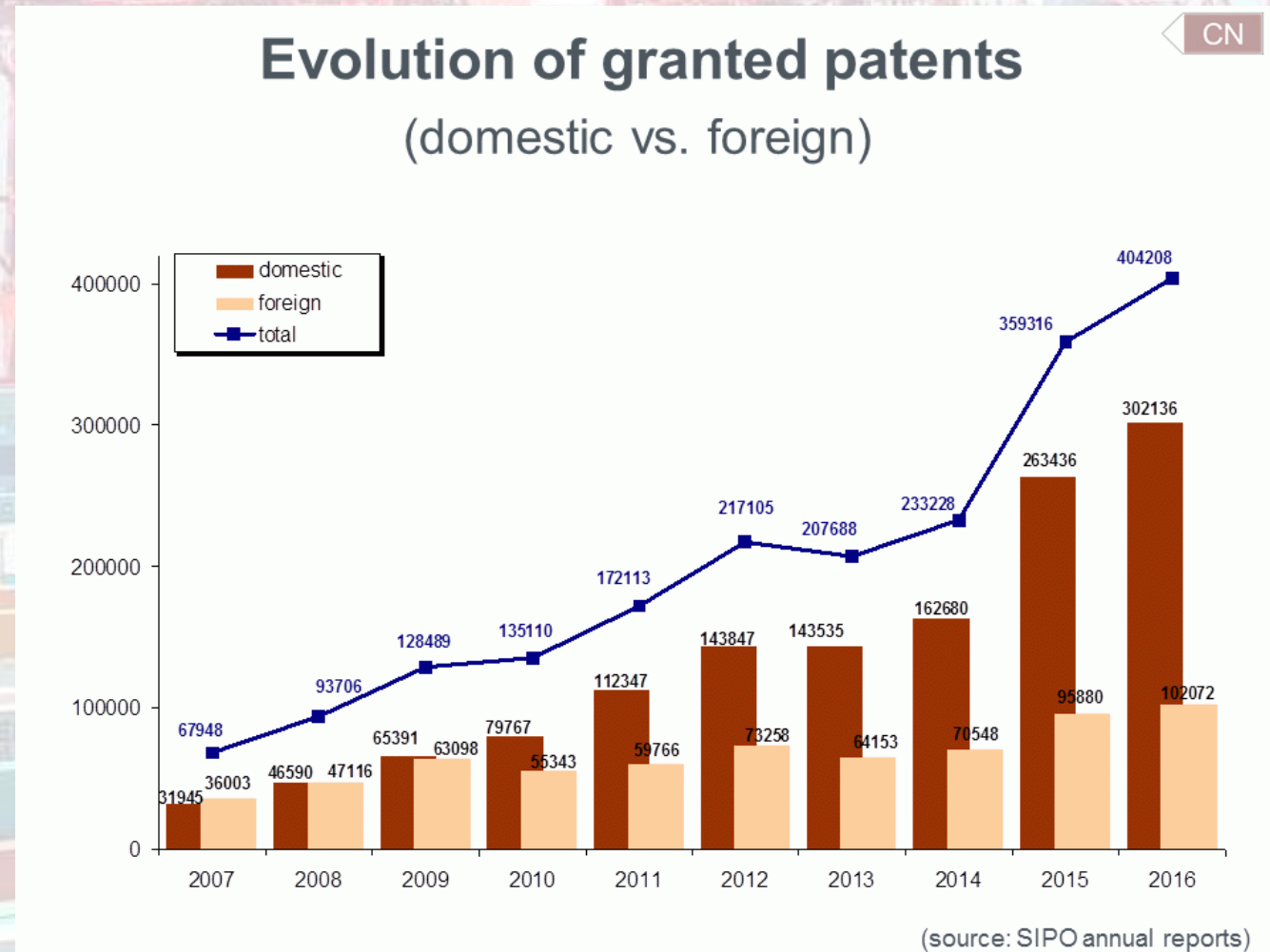


■ Average yearly wages in manufacturing (RMB)





- Innovation is increasing





Chinese textiles and clothing export values (\$ millions)  
(sources WTO and ITC)



## b) The emergence of new markets and hubs

- Relocation of polluting and labour intensive industries to other B&R countries:  
Cambodia, Sri Lanka, Pakistan, Ethiopia...





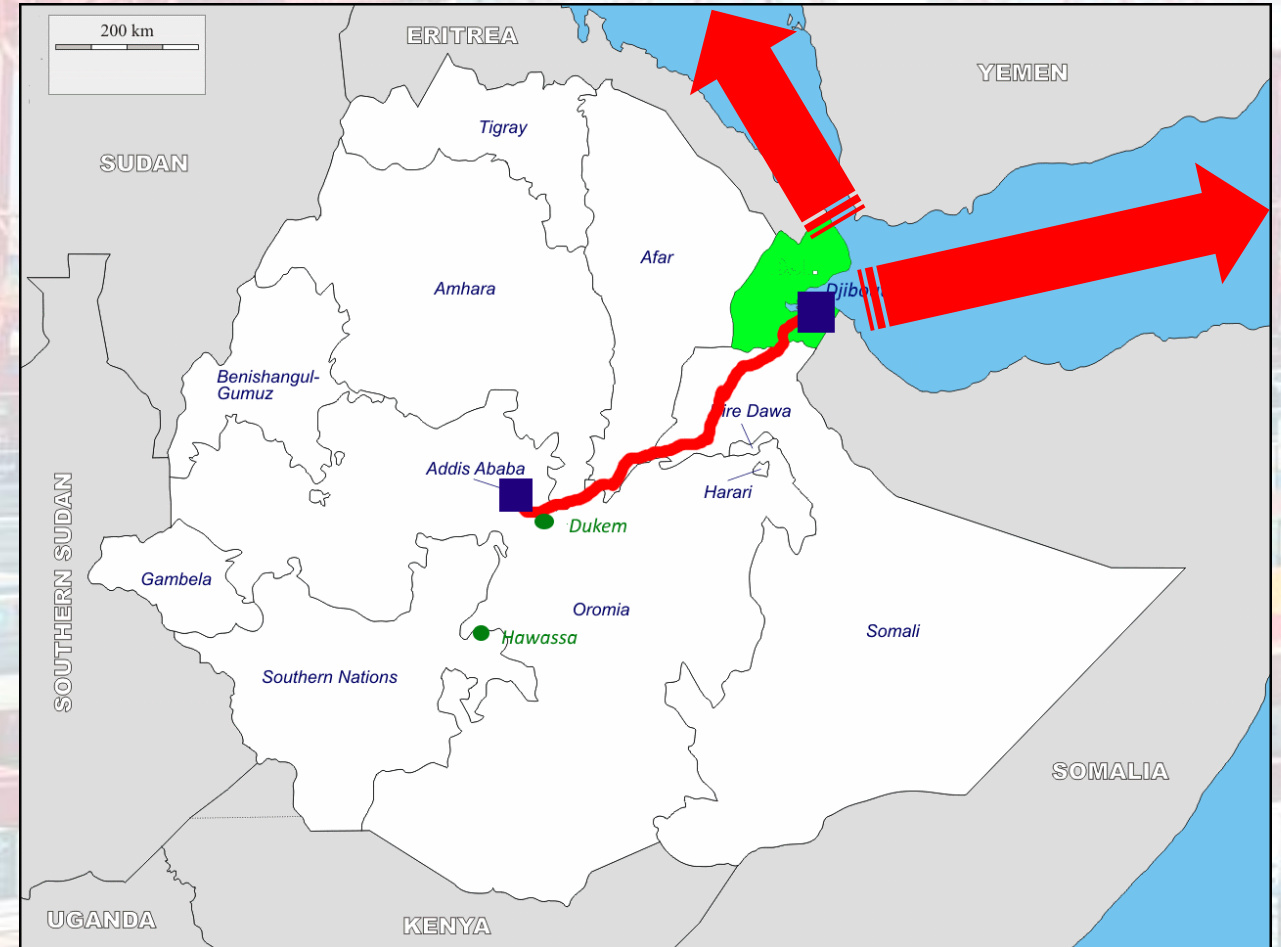
- The Ethiopian case
  - 2016 growth rate: 7.6%
  - 5<sup>th</sup> largest FDI destination in Africa
  - 2<sup>nd</sup> largest FDI recipient for textile industry (next to Vietnam)
  - 2017 Chinese private firms largest investors in Ethiopia



# • Connecting Ethiopia to the world

- Construction of Industrial Parks by Chinese firms (Hawassa, Dukem, Huajian shoes park)
- Construction of a new railway connecting Addis-Ababa to the port of Djibouti (passengers and freight)
- China Merchant and Port of Dalian shareholders of Port of Djibouti
- Port of Doraleh, Djibouti constructed by 'China State Construction Engineering Corporation' in 2017


90% of Ethiopia's exports through Djibouti!





# III-Mediterranean Ports and the B&R: the integration solution



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- a) Integrated ports in integrated trade
- Connection to industrial parks
  - Connection to other ports
  - Connection to railways and other transportation means (waterways...)





b) But also needs for 'soft' integration to ease trade

- Banking and business services
- Legal
  - China's Belt and Road courts in Beijing, Xian and Shenzhen in connection with Dubai and S'pore
  - Synergy with universities and local courts to better protect local companies and attract foreigners







[www.oboreurope.com](http://www.oboreurope.com)  
[contact@cooperans.com](mailto:contact@cooperans.com)





