

Chinese Investments in Gwadar and Piraeus

by Dr. George N. Tzogopoulos

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March 2019

WORKING PAPER No 104/2019

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HELLENIC FOUNDATION FOR EUROPEAN AND FOREIGN POLICY (ELIAMEP)¹

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Working Paper Nr 104/2019

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Summary:

Rolling out the Belt and Road Initiative (BRI) China is largely investing in foreign countries' ports that can function as transshipment hubs. Trade is boosted and new economic corridors are being opened. In that regard, the ports of Gwadar in Pakistan and Piraeus in Greece offer relatively similar opportunities for Chinese state-owned enterprises. A comparison of Chinese investments in the two ports demonstrate that similarities do exist indeed. However, differences are also evident and are principally linked to the dissimilar scope and scale of the investments in Gwadar and Piraeus, the national context of Pakistan and Greece respectively as well as the different type of their relations to China. On the whole, the Belt and Road Initiative can arguably foster closer economic collaboration between Islamabad and Athens and subsequently between Islamabad and Brussels in trade and foreign direct investments in a period during which Brussels has already launched the EU-Asia connectivity strategy and seeks to obtain tangible results.

Key words:

China, connectivity, CPEC, EU, Greece, Gwadar, investments, Pakistan, Piraeus, ports

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Chinese Investments in Gwadar and Piraeus

Introduction

The Belt and Road Initiative (BRI) is currently sparking a lively debate about its main nature and potential results. Despite disagreements – largely synthesized around China's economic or geopolitical motivations – greater connectivity is certainly being achieved. The maritime Silk Road is a sine qua non parameter for the realization of BRI and is being facilitated by the ability of Chinese state owned enterprises to spend cash and invest in ports around the world by signing agreements and subsequently operating container terminals.² As currently envisioned, the maritime Silk Road will incorporate and connect with multiple distinct transportation corridors.³ These corridors have been already described by the Chinese administration and have started to be implemented.⁴

Noting that BRI remains an inclusive project though, additional connectivity ideas can be proposed, discussed and arguably realized in the future. In that regard, the cases of Pakistan and Greece might be relevant as in both countries the ports of Gwadar and Piraeus are of high significance for China as well as for the countries themselves. Chinese investments could render the ports multifunctional and multidimensional and transform them into transshipment hubs fostering trade not only between Pakistan and Greece but also between China and Europe. In a period during which the EU is pushing for a level playing field in its relations with China – counting inter alia on its new connectivity strategy vis-à-vis Asia – dialogue on the matter can be fruitful.

² Mathieu Duchâtel and Alexandre Sheldon Duplaix, 'Blue China: Navigating the Maritime Silk Road to Europe', ECFR Policy Brief, available at: https://www.ecfr.eu/publications/summary/blue_china_navigating_the_maritime_silk_road_to_europe#, 23 April 2018, accessed December 2018.

³ Jean-Marc F. Blanchard & Colin Flint, 'The Geopolitics of China's Maritime Silk Road Initiative', *Geopolitics*, Vol. 22, No. 2, 2017.

⁴ MERICS website, 'Mapping the Belt and Road Initiative: This is Where We Stand', available at: <https://www.merics.org/en/bri-tracker/mapping-the-belt-and-road-initiative>, 7 June 2018, accessed December 2018.

Investing in Ports

Investments in ports are critical for the implementation of China's general economic policy and the realization of BRI since its launch in 2013. Vice Minister of Transport Liu Xiaoming said in June 2018 the country has invested and constructed 42 ports in 34 countries and regions along the BRI.⁵ On the whole, China seeks to boost trade being the world's largest exporter and second-largest importer. Ports, in particular, provide broader economic value, such as valuable data on logistics, local and regional economies as well as the opportunity to develop related maritime services including insurance and consulting.⁶ Additionally, construction activities – for example in international ports – go hand in hand with Beijing's need to find economic alternatives because of domestic overcapacity. This linkage is an almost commonplace observation for scholars researching BRI.⁷

While investing in ports, the Indian Ocean and the Mediterranean are of high significance. As the June 2017 Vision for Maritime Cooperation under BRI stipulates:

*'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 Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC).'*⁸

Approximately one month before the launch of the Vision for Maritime Cooperation under BRI, the Belt and Road Forum for International Cooperation had taken place at China National Convention Center. Chinese President Xi Jinping delivered the keynote speech titled 'Work Together to Build the Silk Road Economic Belt and The 21st Century Maritime Silk Road'. When talking about

⁵ Xiaoming Liu, 'Promoting Pragmatic Cooperation in Sea Ports Along the Belt and Road', available at: <http://ceec-china-maritime.org/wp-content/uploads/2018/07/promoting-pragmatic-cooperation-in-sea-ports-along-the-belt-and-road-2.pdf>, 15 June 2018, accessed September 2018.

⁶ The Economist Intelligence Unit website, 'China's Expanding Investment in Global Ports', available at: <http://country.eiu.com/article.aspx?articleid=985980482&Country=Norway&topic=Economy&subtopic=Regional+developments&subsubtopic=Investment>, 11 October 2017, accessed October 2018.

⁷ See for example: Alicia Garcia Herrero and Jianwei Xu, 'China's Belt and Road Initiative: Can Europe Expect Trade Gains? Bruegel Working Paper, issue 5, available at <http://bruegel.org/wp-content/uploads/2016/09/WP-05-2016.pdf>, 2016, accessed September 2018 and Jonathan Hillman, 'China's Belt and Road Initiative: Five Years Later', Statement Before the US-China Economic and Security Review Commission, available at: https://www.uscc.gov/sites/default/files/Hillman_USCC%20Testimony_25Jan2018_FINAL.pdf, 25 January 2018, accessed September 2018.

⁸ Xinhua website, 'Full text: Vision for Maritime Cooperation under the Belt and Road Initiative', available at: http://www.xinhuanet.com/english/2017-06/20/c_136380414.htm, 20 June 2016, accessed September 2018.

'enhanced infrastructure connectivity', Xi referred, inter alia, to Gwadar and Piraeus.⁹ The reference to Gwadar and Piraeus outlines the importance the Chinese administration attributes to these two ports. It also denotes the interest of Beijing in further advancing ties with Pakistan and Greece which is appreciated by these two countries. The then Pakistani Prime Minister Nawaz Sharif and Greek Prime Minister Alexis Tsipras attended the Beijing Forum.

Pakistan and Greece are located in different continents and are separated by a large distance. They both offer investment opportunities to Chinese companies though. The following analysis will embark on an effort to compare Chinese business activities in Gwadar and Piraeus in terms of their scope as well as of their impact on the relationship between Islamabad and Beijing on the one hand and Athens and Beijing on the other. The main aim will not be to quantify results – as Gwadar is being developing in a build-operate-transfer form while Piraeus is almost fully operational – but to outline general similarities and differences and explore whether new cooperation opportunities could emerge in the future.

⁹ COSCO Shipping website, 'COSCO Shipping Delegates Attended the Opening Ceremony and Thematic Sessions of the Belt and Road Forum for International Cooperation', available at: http://en.coscoshipping.com/art/2017/5/15/art_6923_58594.html, 15 May 2017, accessed September 2018.

The cases of Gwadar and Piraeus

Gwadar is located on the shores of the Arabian Sea in the western province of Balochistan. Its distance is approximately 533 km from Karachi and 120 km from the Iranian border. Being just outside the Straits of Hormuz and near the key shipping routes in and out of the Persian Gulf, its geopolitical significance becomes self-evident. Circa 40% of the world's oil passes through these Straits and therefore Gwadar is a gateway to the oil rich Middle East as well as central and South Asia.¹⁰ This port is the third international one of Pakistan after, Karachi and Qasim.¹¹ In its first phase, it was developed jointly by the governments of Pakistan and China at a cost of \$248 million and inaugurated in March 2007.¹² Control was then handed over to the Port of Singapore Authority (PSA) under a concession agreement for forty years.¹³

PSA's performance did not meet expectations though. That is because it failed to make Gwadar port operational.¹⁴ In response to that, the government of Pakistan relaunched the process and signed a concession agreement with China Overseas Port Holding Company (COPHC) to take over. The objective of the Chinese company is to develop the port into a hub of maritime trade in the whole region – including landlocked Central Asian Region in general and of Pakistan in particular – as well as to develop a free trade zone with a permanent tax and duties exemptions covering 924 hectares.¹⁵ According to available media information, COPHC will get a 91 percent

¹⁰ Rajeev Ranjan Chaturvedy, 'China's Strategic Access to Gwadar Port: Pivotal Position in Belt and Road', RSIS Commentary No. 005, 6 January 2017, available at: <https://www.rsis.edu.sg/wp-content/uploads/2017/01/CO17005.pdf> [accessed December 2018] and Zofeen T.Ebrahin, 'What's Happening at Pakistan's Gwadar Port?', available at: <https://thediomat.com/2017/06/whats-happening-at-pakistans-gwadar-port/>, 17 June 2017, accessed December 2018.

¹¹ Gwadar Port Authority website, 'Gwadar Port', available at: <http://www.gwadarport.gov.pk/about%20us.aspx>, accessed November 2018.

¹² K. Raffat Zaheer, 'Development and Operations of the Port of Gwadar', available at: <http://www.ifsma.org/tempannounce/aga33/Gwadar.pdf>, accessed December 2018 and Saleem Saheed, 'Gwadar Port Inaugurated: Plan for Second Port in Balochistan at Sonmiani', available at: <https://www.dawn.com/news/238494>, 21 March 2007, accessed December 2018.

¹³ Dawn.com website, 'Gwadar Port: History-Making Milestones', available at: <https://www.dawn.com/news/297994>, 14 April 2008, accessed December 2018 and Faisal Aziz, 'Singapore's PSA takes over Pakistan's Gwadar port', available at: <https://uk.reuters.com/article/singapore-pakistan/update-1-singapores-psa-takes-over-pakistans-gwadar-port-idUKISL16944320070206>, 6 February 2007, accessed December 2018.

¹⁴ Mir Sherbaz Khetran, 'The Potential and Prospects of Gwadar Port', *Strategic Studies* (ISSI), Vol. 34 and 35, Winter 2014 and Spring 2015, No. 4 and 1, available at: http://issi.org.pk/wp-content/uploads/2015/12/Sherbaz_3435_SS_41_20142015.pdf, accessed December 2018.

¹⁵ China Overseas Ports Holding Company Pakistan website, available at: <http://cophcgwadar.com/about.aspx>, accessed November 2018.

share of the revenue from the operations of the port and the terminal and 85 percent of the revenue generated by the free zone.¹⁶

The governments of Pakistan and China intend to support infrastructure for Gwadar by defining 'necessary initiatives'. Ambitious infrastructure projects include the \$140 million East Bay Expressway connecting Gwadar to Karachi, the \$130 million installation of breakwaters, the \$360 million coal power plant, the \$27 million project to dredge berths and the \$100 million 300-bed hospital. They also include the \$114 million desalination plant, the \$35million worth of infrastructure for a special economic zone, the \$230 million project to construct a new international airport, the floating liquefied natural gas facility and the \$943 million Pak-China Technical & Vocational Institute at Gwadar.¹⁷ On the whole, funds are provided by China both through financial instruments such as the Asian Infrastructure Investment Bank (AIIB) and through direct government-to-government soft loans.¹⁸

From a Chinese perspective Gwadar's development is interwoven into the realization of the China-Pakistan Economic Corridor (CPEC).¹⁹ The \$62 billion project will link the Pakistani province of Baluchistan with the Chinese city of Kashgar in Xinjiang.²⁰ Most of the proposed spending, approximately 64 percent, as the Planning Commission of Pakistan's figures outline, is dedicated to generating and distributing electric power while remaining allocations are related to infrastructure works and a fiber optic cable project connecting Rawalpindi to the Transit Europe-Asia Terrestrial Cable Network.²¹ In April 2015 Xi visited Islamabad and said: 'We need to form a 1+4 cooperation structure with the CPEC at the center and the Gwadar Port, transport infrastructure, energy and

¹⁶ CGTN website, 'Is China's 91 Percent Share of the Gwadar Port Revenue Fair?'; available at: https://news.cgtn.com/news/7941544f32637a6333566d54/share_p.html, 19 December 2017, available at: https://news.cgtn.com/news/7941544f32637a6333566d54/share_p.html, accessed November 2018.

¹⁷ Sun Degang and Zahia Zoubir, 'Development First: China's Investment in Seaport Constructions and Operations along the Maritime Silk Road', *Asian Journal of Middle Eastern and Islamic Studies*, Vol. 11, No. 3, 2017, p. 36.

¹⁸ Gurmeet Kanwal, 'Pakistan's Gwadar Port: A New Naval Base in China's String of Pearls in the Indo-Pacific', CSIS Briefs, available at: https://csis-prod.s3.amazonaws.com/s3fs-public/publication/180717_Kanwal_PakistansGwadarPort.pdf?JvITeF1wdIMFW5Da2GLB1_C6SgGzjs4c, March 2018, accessed November 2018.

¹⁹ China-Pakistan Economic Corridor website, 'Mr. He Lifeng Chairman of National Development & Reform Commission – China: Official Message', available at: <http://cpec.gov.pk/messages/3>, accessed November 2018.

²⁰ See for example: ACCA-PCI, 'The Economic Benefits of the Modern Silk Road: The China-Pakistan Economic Corridor (CPEC)', available at: <https://www.pakistan-china.com/annual-reports/pi-economics-modern-silk-road.pdf>, August 2017, accessed September 2018 and Anam Kuraishi and Mustafa Hyder, 'The Reality of CPEC: Facts vs Vision', <https://www.pakistan-china.com/annual-reports/monlogue4.pdf>, available at: <https://www.pakistan-china.com/annual-reports/monlogue4.pdf>, September 2017, accessed September 2018.

²¹ Arif Rafiq, 'The China-Pakistan Economic Corridor: Barriers and Impact', United States Institute of Peace Report, available at: <https://www.usip.org/sites/default/files/2017-10/pw135-the-china-pakistan-economic-corridor.pdf>, 2017, accessed December 2018.

industrial cooperation being the four key areas to achieve a win-win result and common development.'²² According to the Gwadar Port Authority's statement, 'Gwadar deep sea port is the second great monument of Pakistan-China friendship after the Karakoram Highway linking Pakistan and China',²³

For its part, Piraeus is located in Attica region and surrounded by the sea. Its port is the largest in Greece and one of the biggest in the Mediterranean Sea and Europe while it is largely considered a commercial gateway to the EU. As far as Chinese interests are concerned, it constitutes a key point for BRI because it marks the passage from the maritime Silk Road in Europe to the land-based one. Although some Chinese companies are also investing in other Mediterranean ports – for example in Italy and Malta – Piraeus remains the flagship. China is interested in establishing trade links from Greece to Central and Eastern Europe via the Balkans.²⁴ These trade links will be strengthened with the construction of a high-speed trade line connecting Piraeus, Skopje, Belgrade and Budapest. China attempts to finance the railway project connecting Belgrade with Budapest, but this effort has been blocked by the European Commission.²⁵

The Chinese company that is investing in Piraeus is COSCO. In January 2008, an international tender for Piraeus two main container terminals and COSCO was named the winner. According to the concession agreement the Chinese company will operate piers II and III of the container terminal (pier I would stay under the management of the Piraeus Port Authority which at that time was under the control of the Greek state) for a period of 35 years and pay an initial sum of €50 million to the Greek state, plus a percentage of annual revenues as well as a lease, amounting to circa €4.3 billion over the 35-year concession period.²⁶ The Chinese company pledged to upgrade pier II and construct the planned pier III, investing approximately €230 million. Port Economics data exhibit Piraeus ranks among the most dynamic ports in Europe in terms of container handling for

²² *Xinhua* website, China, Pakistan Elevate Relations, Commit to Long-Lasting Friendship', available at: http://www.xinhuanet.com/english/2015-04/21/c_134167525.htm, 20 April 2015, accessed December 2018.

²³ Gwadar Port Authority website, 'Vision and Mission', available at: <http://www.gwadarport.gov.pk/vision.aspx>, accessed November 2018.

²⁴ See for example: George N. Tzogopoulos, 'From China to Greece - on track for the New Silk Road Whither Sino-Greek relations? CIFE Policy Paper No. 32, available at: https://www.cife.eu/Ressources/FCK/files/publications/policy%20paper/CIFE_PP32_From_China_To_Greece_George_Tzogopoulos_March_2016.pdf [accessed November 2018].

²⁵ Jens Bastian, 'The Potential for Growth through Chinese Infrastructure Investments in Central and South-Eastern Europe Along the 'Balkan Silk Road, EBRD report, available at: <https://www.ebrd.com/news/2017/what-chinas-belt-and-road-initiative-means-for-the-western-balkans.html>, 11 September 2017, accessed October 2018.

²⁶ COSCO Shipping website, 'COSCO Pacific Commenced 35-Year Concession in Relation to Piers 2 and 3 of Piraeus Port,' available at: http://en.chinacosco.com/art/2009/10/9/art_1076_35540.html, 9 October 2009, accessed November 2018. See also: George N. Tzogopoulos, 'Greece, Israel and China's Belt and Road Initiative', BESA MidEast Security and Policy Studies No. 139, available at: <https://besacenter.org/wp-content/uploads/2017/10/139-Greece-Israel-and-Chinas-Belt-and-Road-Initiative-Tzogopoulos-Web.pdf>, October 2017, accessed September 2018.

2017. Piraeus has risen one place in the European chart (7th place) since 2016 (8th place) while it had not even been in the top 15 in 2007. In the last 10 years Piraeus has enjoyed an increase of 196 percent as far as container throughput is concerned and is illustrated as 'star grower' by Port Economics.²⁷

In 2016, COSCO became the preferred bidder by offering €368.5 million for a 67% stake of the Piraeus Port Authority. In a detailed statement the Greek Privatization Fund announced total value could amount to €1,5 billion euros, including future investments by COSCO in the port.²⁸ A 2016 study of the Greek Foundation for Economic and Industrial Research estimates the overall size of investments for the period 2016-2015 at circa €867 million. If investments are carried out, the study suggests, the incremental annual output in the Greek economy will range from €17 million in 2016 to €2.6 billion in 2025 excluding sectors such as manufacturing and tourism.²⁹ Currently, the Piraeus Port Authority – under COSCO's control – is planning to create four new mooring slots for cruise ships at the southern side of the port that will be able to receive vessels of up to 390 meters in length. It is also preparing the creation of a luxurious hotel and shopping center as well as entertainment and food service spots.³⁰ Specific plans are outlined in its 'Master Plan of the Port of Piraeus'.

²⁷ Port Economics website, 'Portgraphic: Top-20 EU Container Ports, Q1 2018', available at: <https://www.porteconomics.eu/2018/05/29/portgraphic-top-20-eu-container-ports-q1-2018/>, 29 March 2018, accessed December 2018

²⁸ George N. Tzogopoulos, 'The Piraeus Port Authority and Sino-Greek Relations', available at: <http://chinaandgreece.com/cnn-focused-on-the-piraeus-port-deal/>, 21 January 2016, accessed November 2018.

²⁹ Foundation for Economic and Industrial Research, 'The Economic Impact of the Privatization of the Piraeus Port Authority', available at: http://iobe.gr/docs/research/en/RES_03_08032016_PRE_EN.pdf, March 2016, accessed December 2018.

³⁰ Elias Bellos, 'Cosco's Ambitious Plans for Piraeus Port', available at: <http://www.ekathimerini.com/218666/article/ekathimerini/business/coscoss-ambitious-plans-for-piraeus-port>, 23 May 2017, accessed December 2018.

A comparison

At first glance, COPHC and COSCO share the same understanding of the geographical importance of ports while BRI is being developing. The presence of Chinese state-owned enterprises in the ports of Gwadar and Piraeus are seen favorably by the governments of both Pakistan and Greece. Although some periods of doubt should not be not ignored – for example immediately after the electoral victories of Prime Ministers Imran Khan and Alexis Tsipras in July 2018 and September 2015 respectively – the general tendency has been positive. Both countries are in need of foreign investments to support their national economies and are keen on appreciating the business appetite of Beijing. The increase of trade in parallel with the spill-over effect of investments in Gwadar and Piraeus into additional economic sectors can generate beneficial results indeed. However, the Gwadar port is being rather developing slowly in a build-operate-transfer form while the Piraeus one is now fully operational. This means results can be possibly expected after the completion of relevant works in the former while they are already evident in the latter, even if they might further improve in the future. So, no quantitative comparison is possible at the time of writing.

More importantly, the Chinese plan to redevelop the Gwadar port and the city as well as link them with CPEC is more ambitious in comparison to COSCO's Master Plan for the Piraeus port and the creation of a high speed-line between Piraeus and Budapest. Challenges in Gwadar – including environmental costs due to the lack of water influencing the operation of desalination plants and land speculation³¹ – are bigger. Further to this, the materialization of special economic zones depends on the potential increase of the port traffic in the future – if this happens, they will certainly provide opportunities for boosting employment and job creation around Gwadar. By contrast, COSCO's most significant concern is the impact of Greek bureaucracy on its investments plans that delays the realization of the Master Plan for the Piraeus port. Additionally, a rail connection between different countries – Greece, North Macedonia, Serbia and Bulgaria – exists, although it does not operate with the speed the Chinese side is proposing but with old standards. Moreover, COSCO has not proposed the creation of a special economic zone in the Piraeus port.

From another perspective, China is the leading investor in Pakistan while it is being ranked as last in Greece's top-ten as a country of origin for foreign direct investments. The gravitas of the Chinese investment in Gwadar and Pakistan is higher than that in Piraeus and Greece as far as bilateral relations to China are concerned. Islamabad appears to be more dependent in comparison to Athens. For the former Beijing is a political and economic ally. But for the latter it is mainly an economic partner. This became apparent during the Greek economic crisis. China only played a

³¹ By Naveed Iftikhar and Syed M Hasan, 'How to Make Gwadar a Vibrant Economic and Port City?', available at: <https://tribune.com.pk/story/1833208/6-make-gwadar-vibrant-economic-port-city/>, 25 October 2018, accessed December 2018.

secondary role and bought sovereign bonds worth of €6bn instead of granting a bilateral loan.³² It hoped for the country's stay in the Eurozone and was not prepared to significantly intervene and perhaps jeopardize the good status of its relations with other European countries such as Germany. In addition, as opposed to Islamabad that can decide alone about Chinese investments and award contracts to Chinese companies, Athens cannot deviate from the European legal framework and need to consult the European Commission. Against this backdrop, China finds it easier to realize CPEC instead of opening trade corridors in Europe, where different countries participate, as the delay in the construction of the Belgrade-Budapest outlines.

No doubt, the geopolitical importance of the Gwadar port in relation CPEC is higher than that of the Piraeus port concerning the trade corridor between Greece and Hungary. Although in both cases time is saved because longer maritime routes can be avoided, the potential avoidance of the Strait of Malacca via CPEC finds no parallel in the Mediterranean. Furthermore, CPEC – although the \$2.5 billion Gwadar-Nawabshah segment of the Iran-Pakistan gas pipeline is not any longer part of it – will possibly include pipelines³³ and Chinese companies are being engaged in several energy projects in developing CPEC.³⁴ This is not happening in Greece with the exception of the recent activity of State Grid.³⁵ Of course, risks within Pakistan are also bigger.³⁶ Security is a priority for China in Pakistan because of terrorism³⁷ whereas no relevant risk does apply in Greece which is much safer. Alternatively, China's concerns about Greece – especially in 2015 – had focused on the country's stay in the Eurozone. A Grexit could jeopardize the investment of COSCO in Piraeus.

Regarding financing, Pakistan is receiving bilateral loans by China whereas this is not occurring in Greece where most COSCO's investments are a contract obligation of the company. This critical difference will perhaps perplex Islamabad's potential effort to apply to the IMF for a loan. For its part, Greece has received IMF loans – in the context of its bailout – being encouraged by the Fund and its creditors to implement privatizations – as it occurred with the Piraeus Port Authority in 2016.

³² Chinaandgreece.com website, 'China Will Only Play a Secondary Role in the Greek Crisis', available at: <http://chinaandgreece.com/china-will-play-secondary-role-greek-crisis/>, 16 March 2015, accessed December 2018.

³³ Umbreen Javaid, 'Assessing CPEC: Potential Threats and Prospects', *Journal of the Research Society of Pakistan*, Vol. 53, No. 2, July-December 2016.

³⁴ CPEC website, available at: <http://cpec.gov.pk/energy>, accessed December 2018.

³⁵ Chinaandgreece.com website, 'China State Grid Buys 24% of Greek ADMIE', available at: <http://chinaandgreece.com/china-state-grid-buys-24-greek-admie/>, 21 December 2016, accessed December 2018.

³⁶ Thomas S. Eder and Jacob Mardell, 'The BRI in Pakistan: China's Flagship Economic Corridor', available at: <https://www.merics.org/en/bri-tracker/the-bri-in-pakistan>, 18 September 2018, accessed December 2018.

³⁷ Zahid Hussain, 'The China-Pakistan Economic Corridor and the New Regional Geopolitics', IFRI Notes, no. 94, available at: https://www.ifri.org/sites/default/files/atoms/files/hussain_china_pakistan_economic_corridor_2017.pdf, June 2017, accessed September 2018.

At last, the West is concerned about the alleged militarization of the Gwadar port by China,³⁸ while relevant fears are absent in the case of the Piraeus port because Greece is a NATO member state. Sino-Pakistani ties – and the presence of COPHC in Gwadar are suspiciously seen by Pakistan's rival, India.³⁹ In contrast to that, Turkey is not hesitant about COSCO's engagement in Piraeus and similarly envisages Chinese investments in its ports and other economy sectors.⁴⁰

³⁸ Farzin Nadimi, 'A China-Pakistan Base Deal Could Put Iran on the Back Foot', Washington Institute PolicyWatch 2948, available at: <https://www.washingtoninstitute.org/policy-analysis/view/a-china-pakistan-base-deal-could-put-iran-on-the-back-foot>, 27 March 2018, accessed December 2018.

³⁹ Mario Esteban, 'The China-Pakistan Corridor: a transit, economic or development corridor?' Elcano Royal Institute Analysis 53/2016, available at: http://www.realinstitutoelcano.org/wps/portal/ri/elcano_en/contenido?WCM_GLOBAL_CONTEXT=/elcano/elcano_es/zonas_es/asia-pacifico/ari53-2016-esteban-china-pakistan-corridor-transit-economic-development, 5 July 2016, accessed December 2018.

⁴⁰ George N. Tzogopoulos, 'China's BRI, the Middle East and the Mediterranean', Kadir Has University – Center for International and European Studies Commentary', available at: <http://www.khas.edu.tr/cms/cies/dosyalar/files/Tzogopoulos%20commentary.pdf>, 6 March 2018, accessed December 2018.

Looking towards the future

Investments of COPHC and COSCO in Gwadar and Piraeus demonstrate similarities and differences. But Pakistan and Greece can perhaps benefit – especially by the realization of CPEC – and look to start a new economic cooperation. Greek ship-owners have not yet explored the potential future usage of CPEC to avoid the Strait of Malacca and save valuable time because of security concerns within Pakistan. But if Islamabad persuades Athens and the EU about progress in eliminating terrorism, some ship-owners will be possibly interested. Such a development will boost trade between Europe – via Piraeus – and the Western regions of China. For its part, Pakistan can systematically look at its trade perspectives with the EU through Greece's biggest port. Generally speaking, statistics from the European Commission demonstrate a gradual increase of trade volume between the two sides. From 2006 to 2016, for example EU imports from Pakistan have almost doubled from €3,319 to €6,273 billion. Last year, imports reached €6,7 billion and exports €6,1 billion.⁴¹

Last but not least, Pakistan might rely on a more constructive agenda in approaching Greece and the EU and improve its public image in the West that is almost exclusively associated with the migration crisis. That is because numerous migrants and refugees are reaching the Old Continent through this country traumatizing its illustration. If Islamabad successfully continues its effort to attract foreign investors,⁴² and finds an efficient way to combine Chinese with non-Chinese investments, European companies could look for new business opportunities. In 2016, EU foreign direct investments in Pakistan amounted at €4.4 billion.⁴³ Brussels that launched its new EU-Asia connectivity strategy in the 2018 autumn, is aiming at playing a more influential role. An increase of European investments in Pakistan will not only benefit the country and be aligned with the recent connectivity strategy but will also lead the EU to learn more about CPEC, investigate whether its concerns about the sustainability of Sino-Pakistani ties are well-grounded and start acquiring a level playing field in its relations with China in Asia.

⁴¹ European Commission website, 'Countries and Regions: Pakistan', available at: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/pakistan/>, accessed December 2018.

⁴² Drazen Jorgic, 'Pakistan FDI Seen Surging, But Some Western Investors Fret Over Chinese Influence', available at: <https://www.reuters.com/article/us-pakistan-economy-investment/pakistan-fdi-seen-surging-but-some-western-investors-fret-over-chinese-influence-idUSKBN1GX0QQ>, 21 March 2018, accessed December 2018.

⁴³ European Commission website, 'Countries and Regions: Pakistan', available at: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/pakistan/>, accessed December 2018.