



Italy's Meloni To Pull Trigger On Belt & Road Exit In Major Blow To China

Description

The government of Italian Prime Minister Giorgia Meloni is readying plans to pull the trigger on a formal exit from China's controversial Belt and Road Initiative (BRI), estimated at having funded \$900 billion in infrastructure projects globally.

The past weeks have seen increasing reports that Meloni's Brothers of Italy party has been spearheading a move away from the BRI, though some within the broader center-right coalition unity government have been on the fence. *Bloomberg* now reports Tuesday that "Italy has signaled to the US that it intends to pull out of a controversial investment pact with China **before the end of the year.**"

"Italian Prime Minister Giorgia Meloni reassured US House Speaker Kevin McCarthy during a meeting in Rome last week that while a final decision hasn't been taken, her government is **favoring an exit** from its role in China's massive Belt and Road Initiative, according to people present at the talks," *Bloomberg* continues. Neither the Italian nor US administrations have yet to give public comment or confirmation to the report.



EPA-EFE

But Rome could also be hesitant over economic retaliation from Beijing. Ratcheting the pressure over the decision is the European Union's previewing **a new package of trade restrictions meant to "punish" China.**

As the FT reported Sunday, "Brussels has proposed sanctions on **Chinese companies for supporting Russia's war machine** for the first time since the war in Ukraine began, a development that is likely to increase tensions with Beijing."

The list includes a couple mainland Chinese companies – 3HC Semiconductors and King-Pai Technology, as well as five Hong Kong-based firms: Sigma Technology, Asia Pacific Links, Sinno Electronics, Tordan Industry, and Alpha Trading Investments. However, the sanctions package still needs approval by all 27 EU member states to take effect.

An Italy pullout of the BRI would be a significant and also hugely symbolic blow to Beijing, given Italy had been the very **first G-7 country became part of the controversial Chinese initiative**, crucial to Xi's vision for Chinese global expansion. Italy had formally signed on under then Italian Premier Giuseppe Conte. It's widely perceived that this triggered greater Washington engagement with Rome, in order to steer the country away from Chinese influence.

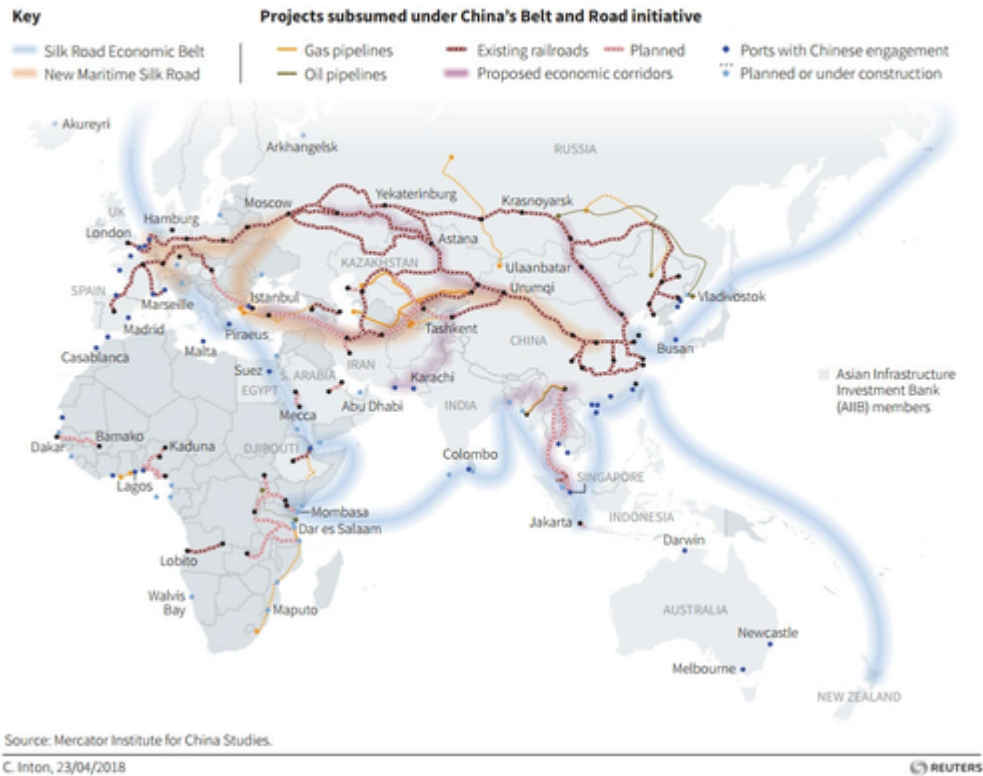
According to analysis cited in earlier Bloomberg reporting from [last month](#):

*"Italy is **stuck between a rock and a hard place**, and what to do with the cooperation pact is a real diplomatic conundrum for Meloni," Francesca Ghiretti, an analyst at the Mercator Institute for China Studies research company, said in an interview. "Renewing it would send a very difficult message to Washington, but not renewing it would put a strain in relations*

with China.”

The Italian PM could have an official statement ready to roll out by the time of the May 19-21 Group of 7 summit in Hiroshima.

FIGURE 1. REVIVING THE SILK ROAD



Reuters/Brookings Institution

Italy isn't well-connected to China by shipping routes, either, which is probably why Xi in prior years cited improving connectivity and building ports as a key objective of BRI in Italy. But lately, as Bloomberg notes, **“The US has actively pressured Rome to take a public stance on the issue, and ditch the pact, said the people, who asked not to be identified because the discussions are private.”**

by Tyler Durden

Category

1. Economy-Business-Fin/Invest
2. Main
3. NWO-Deep State-Dictatorship-Tyranny
4. Politics-Geopolitics-Gov.-Events

Date Created

05/11/2023