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The Diversity Challenge

Five Perspectives on Eastern Mediterranean Geoeconomics

Heiko Borchert

Economic globalization has created a dense network of strategic flows of goods, capital, and information as well as an exchange of people.[1] These flows connect locations of production, transit, and consumption to generate prosperity. Prosperity requires connectivity that depends on transport corridors, infrastructure, and transportation means. Strategic competition in the twenty-first century is all about controlling connectivity and thus shaping the strategic flows that provide prosperity and thereby affect security and stability.

Connectivity control -- defined as the freedom of action to use transport corridors, infrastructure and means of transportation for one's own purpose and to deny their use to a competitor, if needed[2] -- is a central theme of geostrategy and geoeconomics. Geostrategy describes how actors project power into zones of strategic interest and analyzes how geography shape actors' abilities to do so.[3] Geoeconomics is closely related, yet distinct from geostrategy as it describes "the use of economic instruments to promote and defend national interests and to produce beneficial geopolitical outcomes."[4]

Against this background, the Eastern Mediterranean (henceforth abbreviated EastMed)[5] is of fundamental geostrategic and geoeconomic importance as it connects Europe, the Levant, Arab Gulf countries, and Northern Africa. Given its prominent location, it is tempting to assume that different actors project power into the region, but this notion should be cautioned. The region's cultural background, current political systems, and economic competitiveness are very diverse. There are different loci of economic power that compete with each other, as outlined below. Attempts by regional and extra-regional powers to project economic, political, and military power easily offset each other. But things are starting to change due to the unintended geoeconomic consequences of policy decisions by the European Union (E.U.), the advent of China in the region, and the growing assertiveness of leading Arab Gulf nations like Saudi Arabia, the United Arab Emirates, and Qatar. In sum, the EastMed is no longer the E.U.'s or NATO's nor (yet) anybody else's *mare nostrum*.[6] Rather it is on the tipping point of becoming the playground for a very complex strategic competition. Given the centrality of this region for sea-borne trade with the Asia-Pacific region, a diminished European role in the

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EastMed will have serious economic and security implications. This paper outlines some of the challenges by looking at trade, maritime transport, foreign direct investment, defense trade, and energy relations.

Regional Trade

With about the population size of Brazil and the Gross Domestic Product of Italy,[7] EastMed nations operate in a very challenging economic environment. According to the 2017 IMF Global Economic Forecast, the regional economic outlook is affected by geopolitical conflicts, lower-than-expected oil prices, and political and social obstacles to reform.[8] The following trade patterns illustrate the region's challenging situation:[9]

- In 2015, the overall trade volume accounted for roughly $730bn. Countries in the region imported goods worth around $432bn, whereas exports stood at about $298bn. This means the region ran an aggregate trade deficit of approximately $134bn.
- Intra-regional trade among the nine EastMed countries accounted for less than $32bn or 5 percent of total trade. Turkey was at the helm of intra-regional trade with an aggregate volume of close to $16bn followed by Egypt, Greece, and Cyprus.
- Trade with the ten most important extra-regional economic partners, by contrast, reached $325bn. In terms of total trade volume, the United States ($63bn) led this group followed by Germany ($60bn) and China ($58bn). Other important extra-regional trade partners included Italy, the United Kingdom, France, Russia, Spain, Iraq, and South Korea. Of these extra-regional partners, China was the most important source of imports with supplies worth $53bn followed by Germany ($37bn) and Russia ($20bn). In terms of exports, the United States was the most important destination accounting for deliveries worth almost $37bn. Germany came in second ($22bn) followed by Italy ($16bn) and the UK ($15bn).

These figures clearly emphasize the extent to which EastMed trade depends on connectivity with outside partners. This illustrates the economic vulnerabilities that result from connectivity control and supply chain interruptions. In addition, Turkey, which accounts for around 47 percent of the region's aggregate trade volume, seems to be tilting away from the E.U.. It remains to be seen how further deteriorations in this relationship will affect Ankara's

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trade relationships, but it is hard to see that other trade partners like China, Russia, or the United Sates could compensate for significant losses in trade with Europe.

Maritime Transport

Maritime transport is important for the EastMed region (Table 1). In Turkey 85 percent of all goods exports and imports go through 71 ports. Israel largely depends on seaborne trade. Greece is among the world's leading fleet owners, while annual revenues worth $5bn from transports through the Suez Canal are an important source of Egypt's national income.[10]

In the recent past, China has been tiptoeing into the region driven by its ambitious multi-decade One Belt, One Road (OROR) plan for pan regional economic cooperation. Its involvement in Greece began with a 35-year concession to operate parts of the port of Piraeus in 2009. This was followed by a majority stake in the port of Alexandria; a sizable stake in Kumport, which is part of Istanbul's port cluster; the administration of the Naples port, which oversees NATO's main military base in the Mediterranean; and a commitment to build a new harbor in Israel's Ashdod.[11]

Country	**Coastline** km in percent of world total, 2016	**National flagged fleet** DWT in percent of world total, 2016	**Fleet ownership** DWT in percent of world total, 2016	**Container port throughput** TEU in percent of world total, 2016
Cyprus	0.04	1.84	0.51	0.04
Egypt	0.36	0.08	0.17	1.29
Greece	0.99	4.07	16.36	0.57
Israel	0.01	0.02	0.18	0.36
Jordan	<0.01	<0.01	0.01	0.12
Lebanon	0.02	0.01	0.11	0.18
Libya	0.12	0.10	0.14	0.07
Syria	0.01	<0.01	0.03	0.12
Turkey	0.5	0.47	1.56	1.11

Table 1: Maritime Profile of EastMed Nations

Source: UNCTAD Country Profiles, accessed 27 September 2017, http://unctadstat.unctad.org/CountryProfile/en-GB/index.html

China seized the opportunity presented by the Greek's financial and economic difficulties. Between 2010 and 2013, China bought "toxic Greek government bonds" and spent freely as "Greece became increasingly subject to creditor budget restrictions."[12] In parallel, China increased its footprint in the port of Piraeus, where Cosco bought a controlling stake of 67 percent in April 2016. When the terminal was state run, it did not rank among the world's

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global top 100 ports. But from 2010 to 2014 its turnover capacity rose by 699 percent to 3.5M TEU (Twenty-foot Equivalent Unit), which catapulted the port of Piraeus to rank 39. For 2020, the port of Piraeus eyes further capacity increases to 6.2M TEU. During this period Cosco invested around €600M to modernize port infrastructure and hired 1,000 new workers. Meanwhile, important companies started relocating distribution activates to Piraeus, primarily driven by cost. Hewlett-Packard relocated a distribution center from Rotterdam, the Netherlands, to Piraeus, and Huawei and ZTE launched their own distribution centers.[13] Under the OBOR umbrella similar developments have been kicked off elsewhere in the region. DHL Global Forwarding, a leading logistics company, opened the China-Turkey Intermodal Corridor in 2015. Israel aspires to set up an Israel-Gulf Economic Corridor that could link OBOR with Israel, Jordan and Arab Gulf nations in addition to plans for railway link to connect the Mediterranean and the Red Sea as an alternative to the Suez Canal. In Egypt, China has pledged to invest €40bn in development projects, particularly related to the Suez Canal Economic Zone. This project has also attracted the interest of DP World, UAE's leading logistics company. In September 2017, DP World and the Suez Canal Authority agreed to set up a joint venture company to develop the respective economic zone.[14]

All of this illustrates that established market economies that have left supply chain design to market forces were wrong-footed by ambitious rising powers like China. Today rising powers master the art of connectivity control and shape regional supply chains. If and to what extent China can seize this potential geoeconomic leverage to her own benefit depends on the political response by receiving countries. Here, the growing convergence of interests among state-dominated emerging countries might counterbalance the demand by market economies to level the playing field. In addition, commercial players will do their own calculation to decide if abiding by connectivity control makes sense or if alternative routes need to be opened to increase supply chain resilience.

Foreign Direct Investment

Foreign direct investments (FDI) and indigenous local investments provide the basis for trade to flourish. FDI is important as it provides national economies with capital knowledge, stimulates integration of value chain, deepens economic interaction, and promotes the exchange of technologies and know-how. FDI also plays a key role in infrastructure development that is a prerequisite for global connectivity. FDI patterns start to change as

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more and more non-Western actors enter the scene as foreign investors. This is of particular relevance for the EastMed.

Regional statistics the total amount of outside investment in a country (FDI inward stock)[15] are very heterogeneous because there is no one database that covers all nine countries. Thus, this paper bends available data a bit in order to compare 2015 FDI inward stock in Cyprus, Greece, Israel, and Turkey with so called new greenfield projects[16] realized between 2003 to 2015 in the remaining five countries. Available data shows a distinct regional division in terms of the main origin of FDI:

- Egypt, Jordan, Lebanon, Libya, and Syria have attracted a total of $252bn for greenfield projects between 2003 to 2015. Most investments were bound for Egypt ($121bn), followed by Jordan ($43bn) and Libya ($37bn). Interestingly, Arab Gulf investors were the most important source of FDI for these five EastMed countries. The United Arab Emirates pumped $65bn into the five countries, followed by Bahrain ($26bn), Qatar ($15bn) and Kuwait ($14bn). Together, Arab Gulf FDI accounts for almost half the volume of greenfield projects during this period. Other important investors were Russia ($17bn), the U.S. ($12bn), and Greece ($11bn).[17]
- Total FDI inward stock in the remaining four EastMed countries reached $387bn in 2015, with Cyprus being the leader ($173bn) followed by Turkey ($107bn), Israel ($82bn), and Greece ($23bn). Looking at the top ten origins of FDI in these countries shows that the Netherlands are the undisputed FDI leader ($42bn) followed by the U.S., Russia, and Germany each holding FDI stocks worth $22-24bn. Each of these investors has a specific focus: the Netherlands and Germany are key for Turkey and Cyprus, Russia's FDI is mainly concentrated on Cyprus, and U.S. FDI primarily benefits Israel followed by Turkey.[18]

In reflecting on the geoeconomic importance of these FDI patterns, two aspects are noteworthy. First, Chinese FDI in the region is just about to lift off. As discussed above, China's OBOR plans serve as a driver to deepen economic ties by way of infrastructure ownership and development. How this will affect regional policies remains to be seen, but China's recent decision to invite Egypt and Kenya to attend the 9th BRICS summit is a harbinger of things to come.[19] Second, the increasing FDI footprint of Arab Gulf nations in the EastMed could further accelerate policy changes. Saudi Arabia and the UAE play key

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roles in funding Egypt's government and providing support to Lebanon, Libya, Jordan, and Syria. The fact that Qatar and Turkey have strengthened economic ties further increases regional complexities given the lingering Qatar crisis. Should the current spat continue, Arab Gulf FDI could become a dividing, rather than a uniting element in EastMed economic policy.[20]

Defense Trade

Arms import and export relations between the nine EastMed countries and their key suppliers confirm the patterns discussed above, but behind the scenes substantial changes are taking place. According to the Stockholm International Peace Research Institute (SIPRI), global arms transfer between 1990-2016 amounted to $676bn. Arms imports by the nine countries in the region accounted for roughly $100bn. This equals the combined arms import volume of India ($56bn) and China ($42bn) during the same period. As Figure 1 illustrates, Turkey was the main importer ($30bn) followed by Greece ($22.5bn) and Egypt ($22.2bn). The United States is the preeminent regional arms supplier with exports worth $58bn or around 25 percent of all U.S. weapons supplies between 1990-2016. Germany finished second ($14bn) followed by Russia ($6bn), France ($5bn), the Netherlands ($2.4bn), the United Kingdom ($2bn) and South Korea ($1.4bn).[21]

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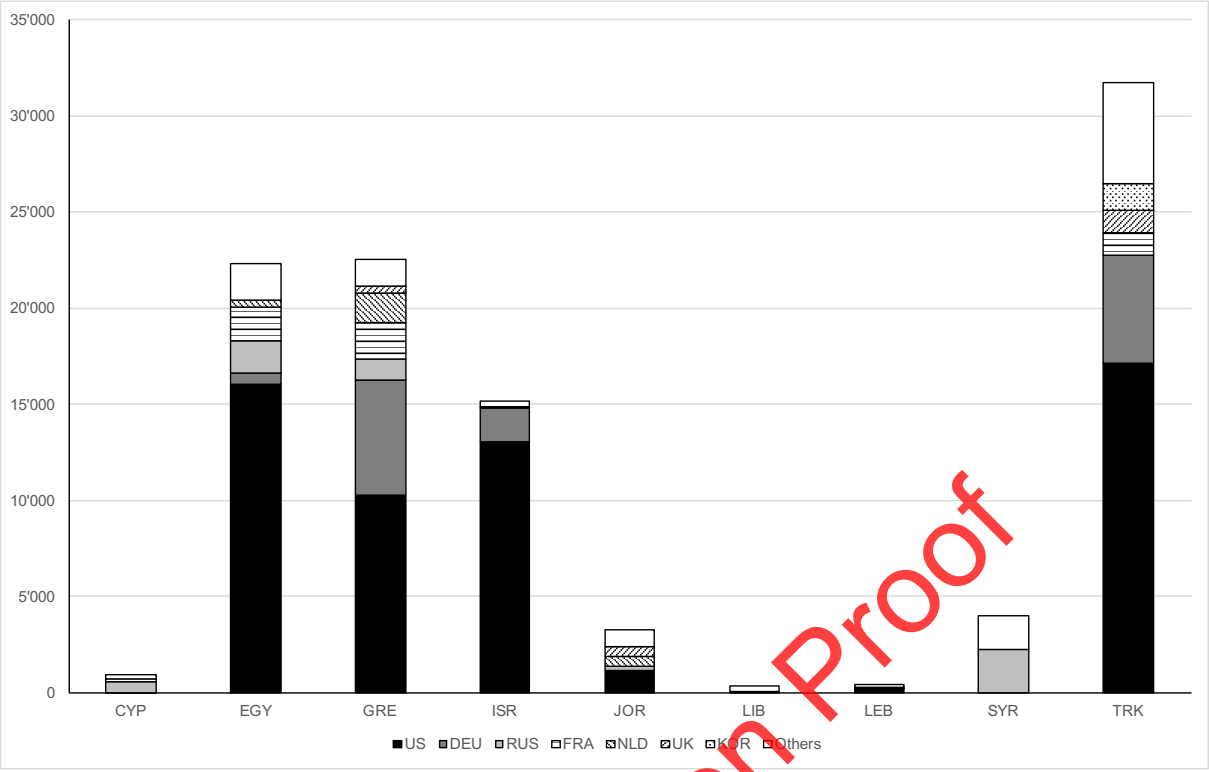

Figure 1: Defense Imports by Main Suppliers, 1990-2016 (in $bn)

Source: http://armstrade.sipri.org/armstrade/page/values.php.

However, focusing on defense transfer volumes risks overlooking important developments:

- First, the nature of the weapon system matters. Whereas Israel's two primary sources for weapon systems are the United States and Germany, other nations depend on many more suppliers. Notwithstanding the proficiency of local armed forces in handling sophisticated weapon systems and developing adequate concepts of operations, this creates challenges for interoperability for the latter. In addition, maintenance and logistics of multi-weapon system portfolios are often more expensive than homogenous portfolios. Turkey's most recent decision to procure the Russian S-400 air defense system in parallel to developing another air defense system with the French-Italian Eurosam consortium illustrates current ambivalences in defense markets.[22] Russia's S-400 air defense system also exemplifies the fact that regional weapon systems and supplier systems are becoming more and more integrated. In addition to Turkey, Syria has built its air defense network by successfully integrating Russian systems. The same is true for Iranian and Russian air defense, while Bahrain, Qatar, and Saudi Arabia show interest in purchasing the S-400 system.[23] These examples do not yet suggest that Russia is about to establish an integrated air-defense system spanning from the EastMed to the Arab Gulf. But it becomes obvious that the

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difficulties the United States faced in establishing a missile defense shield in the Arab Gulf might matter more these days than in the past.

- Second, regional defense markets are challenging. Germany's monopoly in conventional-submarine technology (with buyers including Egypt, Greece, Israel, and Turkey) is an exception. The U.S. enjoys a similar situation regarding anti-submarine warfare systems, airborne early warning radar, and reconnaissance systems. The same is true for unmanned combat aerial vehicle (UCAV) deliveries from China to Jordan, whereas Turkey has developed indigenous UCAV. Many other segments, in particular for land systems, are densely packed with several local and foreign suppliers. Competitive pressure is increasing due to growing ambitions for indigenous defense industries. Here, Israel and Turkey are the regional frontrunners followed by Egypt that has a vast, but so far not very effective defense-industrial complex.
- Third, Arab Gulf nations like Saudi Arabia and the UAE play an increasingly important defense role in the EastMed. Their influence unfolds along three vectors: Both nations increasingly finance defense procurements by their regional allies such as Egypt, Jordan, Lebanon, and Libya; donations of defense systems help advance military capabilities as seen in Libya and Jordan; and there is a growing web of pan-regional defense industrial cooperation.[24] On this last aspect, Turkey has opened significant inroads into Qatar, Saudi Arabia, and the UAE. But it is an open question to what extent Turkey's support for Qatar during the current crises might affect the readiness of Saudi Arabia and the UAE to rely on collaborative defense projects with Turkish partners in the future.[25]

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Energy Relations

The exploration of significant gas fields off the coast of Cyprus, Egypt, and Israel have created international interest in the EastMed's role as a source of regional self-sufficiency and diversification for Europe. News about important gas reserves have been welcomed because most countries in the region are dependent on importing energy. As Figure 2 illustrates, gas plays an important role in the region's primary energy mix and is pivotal for local energy generation. This underlines the key role of gas in local stability as volatile electricity prices are a recipe for local unrest.

As Shaul Chorev's chapter in this volume illustrates, many options have been developed to use EastMed gas to boost local economies, regional energy cooperation, and energy exports.

So far, however, a regional gas market based on a trusted regulatory framework and cross-national energy infrastructure (particularly with links to the north, as Figure 2 illustrates) has not materialized.[26] In addition, markets have changed since offshore gas exploration began in 2004. Projections for future gas demand in Europe, the region that looks most promising for EastMed gas exports, are highly uncertain. This uncertainty results from the yet unknown effectiveness of E.U. energy policy decisions (e.g., energy efficiency, nuclear phase-out), technology developments, and general market conditions. Therefore, projections for future E.U. gas demand vary greatly. However, the trend line suggests that "gas demand remains low in the coming decade and hence that the E.U.'s gas import needs hardly grow."[27]

U.S. energy policy adds to the existing complexity. In light of the current stand-off with Russia, the U.S. administration is willing to use its energy surplus as a foreign policy instrument, thereby emulating the very Russian policy approach that Washington has criticized for decades. Throughout the first half of 2017, the first deliveries of U.S. liquefied natural gas (LNG) arrived in Poland, the United Kingdom, and the Netherlands. More supplies are likely to follow as U.S. LNG company Cheniere projects around 50 percent of its LNG exports could be shipped to Europe.[28] This not only increases the pressure on pipeline gas particularly from Russia, but also suggests that any plan to supply EastMed gas to Europe would need to take U.S. competition into account.

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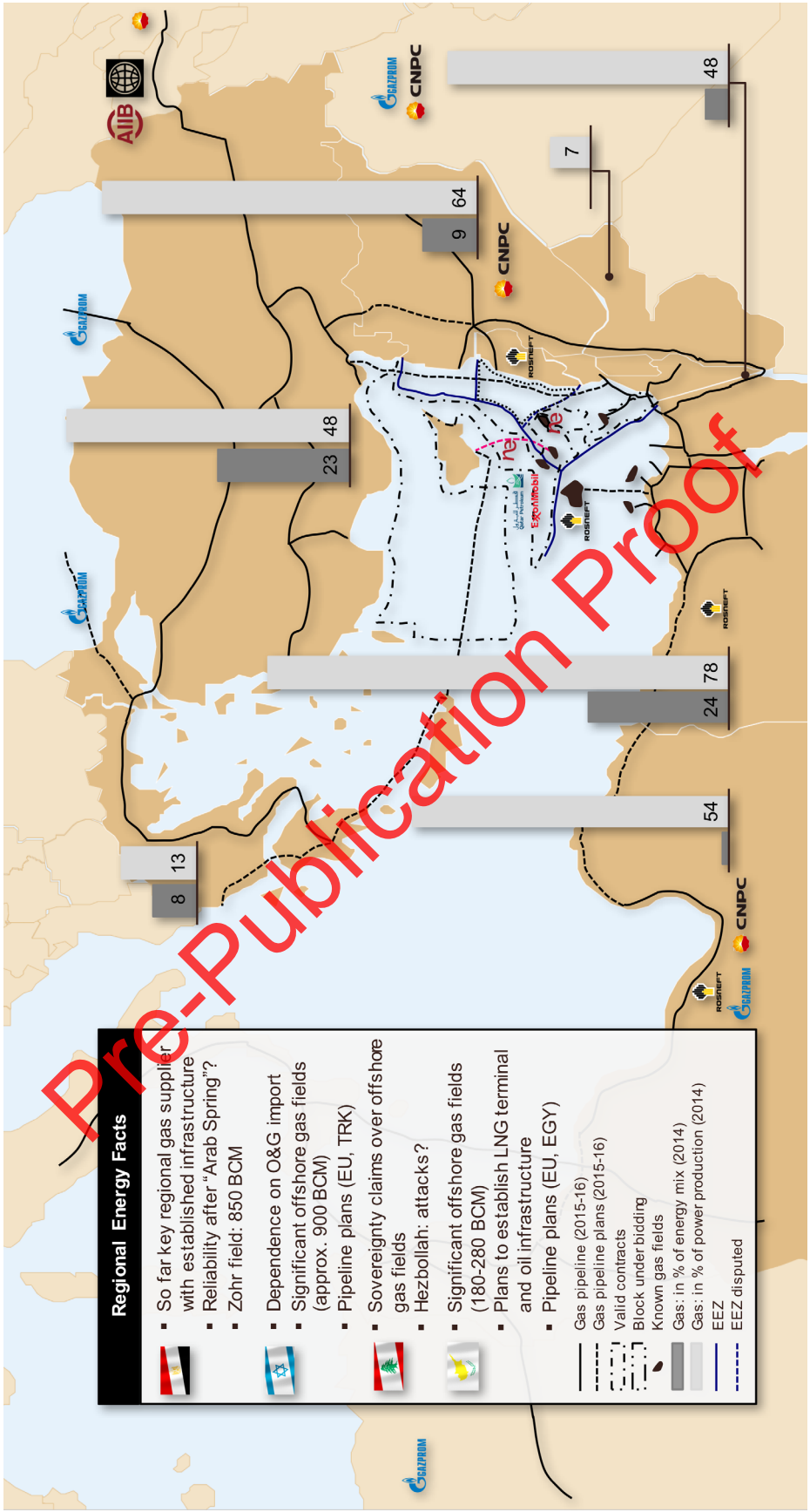

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Figure 2: The EastMed Energy Picture

Source: Author's chart.

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This opens the door for a closer look at Russian and Chinese energy interests in the region:

- Russia's position is strongest in Turkey who gets around 60 percent of its gas supplies from Russia.[29] The current rapprochement between Ankara and Moscow, that comes in response to worsening E.U.-Turkey relations, is likely to deepen the energy partnership. More recently, Russia's Rosneft made headlines with a 30 percent stake in Egypt's Zhor gas field and deals to buy crude oil from Libya and Egypt as well as provide LNG supplies to Egypt.[30] However, such news should be taken with a grain of salt since past Russian plans for offshore energy projects in Israel and Syria have not materialized. Russia has also made strides in selling peaceful nuclear energy technology to Egypt, Jordan, and Turkey and has plans to work with Syria and Saudi Arabia. But all of these projects have yet to produce tangible results.[31]
- China's position is different. China National Petroleum Corporation has active production fields in Libya and Syria as well as neighboring Iraq.[32] Most interestingly, the China led Asian Infrastructure Investment Bank is one of several international banks funding the Trans Anatolian Natural Gas Pipeline that is expected to transport Azeri gas from Georgia to Turkey and Europe. Total project costs amount to $8.6bn with AIIB shouldering $0.6bn.[33]

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Conclusion

As this paper illustrates, the EastMed faces a first-rate diversity challenge. The insignificant volume of intra-regional trade is a source of concern as it suggests continued dependence on foreign actors. Western trade partners are still in the lead, but China is catching up. Rising new powers illustrate how connectivity control works in the maritime transport sector, with the EastMed becoming a springboard for China. On FDI, the region is split between the four OECD countries that mainly attract investments from fellow OECD countries. The remaining five countries, by contrast, have become key investment destinations for ambitious and increasingly assertive Arab Gulf nations. In the defense domain, Western suppliers still dominate in terms of volumes. However, Russia has traditionally played a key role that is being reinvigorated; China is tiptoeing into EastMed defense markets; and Arab Gulf nations are strengthening defense ties with Egypt, Lebanon, Libya, Jordan, Syria, and Turkey. Finally, the energy field is highly competitive as every important outside actor is present on

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the ground. EastMed countries struggle to benefit from the "energy bonanza" because of the lack of necessary regulatory framework and much needed interconnected energy infrastructure to advance regional energy cooperation.

Therefore, current trends shaping the region reinforce centrifugal powers. This is a particular challenge for Europe. Europe could play a role in advancing regional cooperation, but her hands are tied. Considering the challenges the European Union is facing, it is unclear to what extent the EastMed -- apart from dealing with refugee flows -- is a strategic priority to the Union that would garner support for concerted efforts aimed at advancing regional development. In addition, EastMed countries strive to broaden their portfolio of political relations. Whereas Europe is sometimes considered the so called "tough nanny", other partners come with a no-strings-attached policy that is much appreciated as it provides more leeway and can be sold domestically as bolstering, rather than limiting the powers of local regimes. Finally, it is far from sure that the current U.S. administration and European allies follow the same line in the region thus making it very difficult to agree on a potential role for NATO. This is of particular relevance given NATO's January 2017 announcement to seek closer ties with Arab Gulf countries.[34]

Despite this bleak outlook, there is a silver lining on the horizon.[35] From a European perspective, the EastMed should be considered as a "policy lab" where Europe explores new ways of international governance with ambitious local actors and powerful outside challengers. Unlike in the past, European nations will no longer sit in the driver seat, but will need to share the helm. A flexible policy format to bring together the E.U., the U.S., Russia, China, Arab Gulf nations and EastMed partners is needed. As connectivity depends on infrastructure, a concerted effort should focus on regional infrastructure development. This effort could step up coordination between the different infrastructure investment funds currently available, or -- if nations were to agree -- could also see the launch of a multi-stakeholder investment fund. Such a multilateral approach is far from easy. But it is worth considering in order to overcome the region's inherent preference for zero-sum approaches that is neither sustainable nor useful in the long run.

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[1] For more on this, see: Parag Khanna, Connectography. Mapping the Global Network Revolution (London: Weidenfeld & Nicolson, 2016).

[2] This understanding builds on the idea of sea control as defined by: British Maritime Doctrine (Shrivenham: Ministry of Defence, 2011), para 220, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/33699/20110816JDP0_10_BMD.pdf. All web-based sources accessed on 28 October 2017.

[3] Zbigniew Brzezinski, The Grand Chessboard. American Primacy and its Geostrategic Imperatives (New York: Basic Books, 1997), 37-40.

[4] Robert D. Blackwill and Jennifer M. Harris, War by Other Means. Geoeconomics and Statecraft (Cambridge: The Belknap Press of Harvard University Press, 2016), 9.

[5] For the purpose of this paper the EastMed includes Cyprus, Egypt, Greece, Israel, Jordan, Libya, Lebanon, Syria and Turkey. The State of Palestine is part of this region as well, but will be excluded for most part of the analysis as reliable statistical information is hardly available.

[6] I borrow this phrase from: Magnus Nordenman, "Why the Chinese Navy is in the Mediterranean", USNI News, 14 May 2015, https://news.usni.org/2015/05/14/why-the-chinese-navy-is-in-the-mediterranean.

[7] In 2016 Brazil was home to around 210 million people whereas the population of the nine EastMed nations counted roughly 235 million people. Their aggregate Gross Domestic Product (GDP) accounted for around US$1.9bn, which was about the size of Italy's GDP with US$1.85bn. Population data according to World Population Review, http://worldpopulationreview.com/. GDP according to World Bank, http://databank.worldbank.org/data/download/GDP.pdf.

[8] Global Economic Prospects. A Fragile Recovery (Washington, DC: World Bank Group, 2017), 91-95.

[9] 2015 trade figures are quoted according to: "The Observatory of Economic Complexity", http://atlas.media.mit.edu/en/.

[10] "Blue Growth: Maritime Industry in Turkey," Invest in Group, June 2016, http://investingroup.org/snapshot/273/blue-growth-maritime-industry-in-turkey-turkey/; Chorev, "Security and Energy in the Eastern Mediterranean" in this volume; Ezzat Kenawy, "The Economic Impacts of the New Suez Canal," in IEMed.Mediterranean Yearbook 2016 (Barcelona: IEMed European Institute of the Mediterranean, 2016), 282-288, here 282.

[11] James Kynge et. al., "How China rules the waves," Financial Times, 12 January 2017, https://ig.ft.com/sites/china-ports/; Christina Müller-Markus, China moors in the Mediterranean: A sea of opportunities for Europe?, CIDOB notes internacionals, No. 156 (September 2016), https://www.cidob.org/en/publications/publication_series/notes_internacionals/n1_156/china_moors_in_the_mediterranean_a_sea_of_opportunities_for_europe; David Shamah, "China firm to build new Ashdod 'union buster' port," The Times of Israel, 23 September 2014, https://www.timesofisrael.com/china-firm-to-build-new-ashdod-union-buster-port/.

[12] Jason Horowitz and Liz Alderman, "Chastised by EU, a Resentful Greece Embraces China's Cash and Interests", New York Times, 26 August 2017, https://www.nytimes.com/2017/08/26/world/europe/greece-china-piraeus-alexis-tsipras.html.

[13] Frans Paul van der Putten, "Infrastructure and geopolitics: China's emerging presence in the eastern Mediterranean", Journal of Balkan and Near Eastern Studies 18, no. 4 (July 2016): 337-351; Akihiro Sano, "China's Greek investment is making waves in the Aegean," Nikkei Asian Review, 16 March 2017, https://asia.nikkei.com/magazine/20170316/Politics-Economy/China-s-Greek-investment-is-making-waves-in-the-Aegean; "World Container Traffic Data 2015", International Association of Ports and Harbors, http://www.iaphworldports.org/statistics.

[14] "DHL lays tracks for China-Turkey rail corridor," Global Trade, 19 January 2016, http://www.globaltrademag.com/global-trade-daily/news/dhl-lays-tracks-for-china-turkey-rail-corridor; Christina Lin, "China, Israel, Turkey and mideast regional integration," Times of Israel, 27 March 2017, http://blogs.timesofisrael.com/china-israel-turkey-and-mideast-regional-integration/; "China to invest $40bn in Egypt development projects," TradeArabia, 16 May 2017, http://www.tradearabia.com/news/CONS_325023.html; "Suez Canal Authority and DP World make progress on new economic zone," Arabian Supply Chain, 24 September 2017, http://www.arabiansupplychain.com/article-13513-suez-canal-authority-and-dp-world-make-progress-on-new-economic-zone/.

[15] This paper uses FDI inward stock rather than FDI flows because the former fluctuates less over time.

[16] Greenfield projects describe completely new investment projects. By aggregating investments for 12 years we get a total volume that is used as a proxy for the inward FDI stock that is not available as statistical data for Egypt, Jordan, Libya, Lebanon and Syria.

[17] All figures are rounded and quoted according to: Dhaman Investment Attractiveness Index 2015 (Kuwait: The Arab Investment & Export Credit Guarantee Corporation, 2015).

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[18] Data based on IMF's Coordinated Direct Investment Survey (CDIS) statistics, expect for Israel, which is based on OECD statistics for 2013. See also: http://data.imf.org/regular.aspx?key=61227424 and https://stats.oecd.org/Index.aspx?DataSetCode=FDI_FLOW_PARTNER.

[19] "Egypt's President al-Sisi Arrives in China to Attend BRICS Summit," Egyptian Streets, 4 September 2017, https://egyptianstreets.com/2017/09/04/egypts-president-al-sisi-arrives-in-china-to-attend-brics-summit/.

[20] The increase in FDI and economic aid from Qatar to Egypt under former President Morsi (Muslim Brotherhood), which stood in stark contrast to the immediate halt in economic support from Saudi Arabia and the UAE, illustrates this point. For more on this, see also: Blackwill/Harris, War by Other Means, 71-72

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Pre-Publication Proof