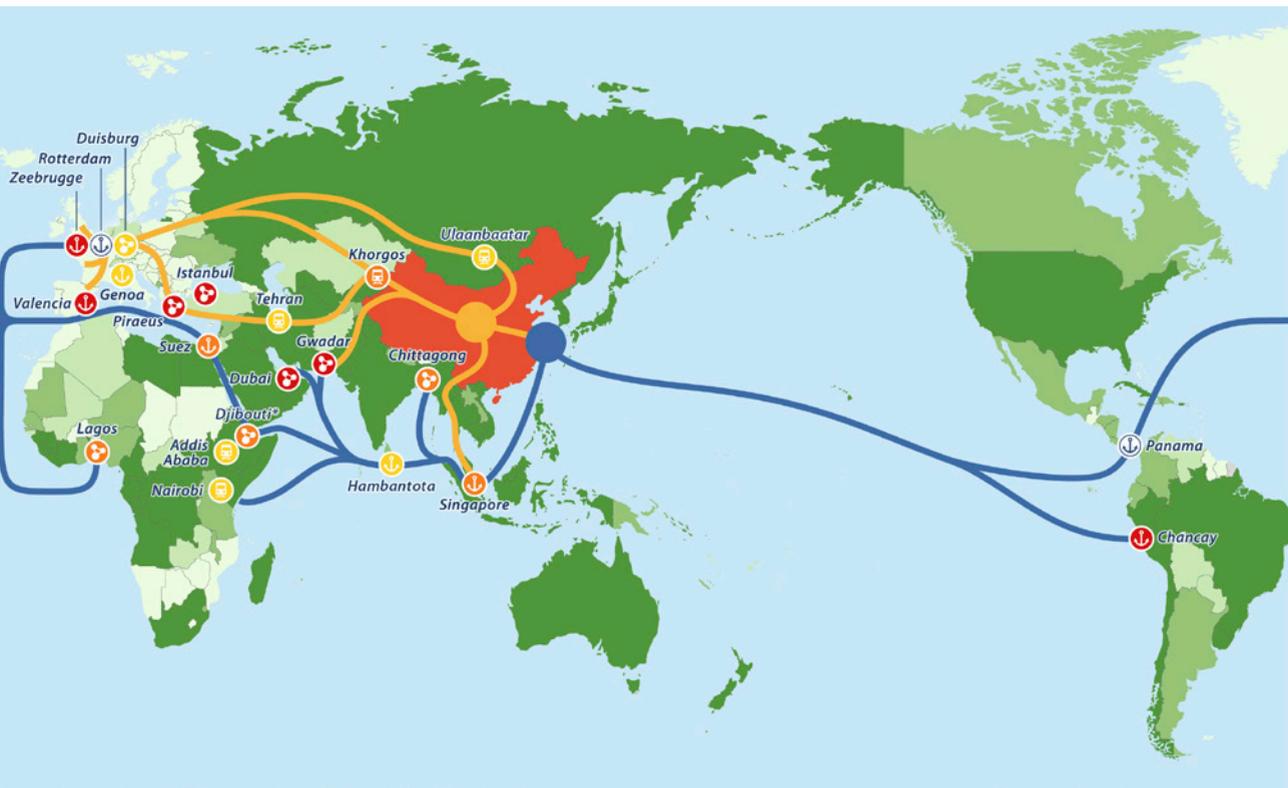


Navigating an uncertain future

An exploration of China's influence on the Netherlands' future maritime logistics hub function

Bart Kuipers, Liam van Son, Frans-Paul van der Putten, Xiaoxue Martin, Sanne Zwart, Erik Krijgsman, Daan Abrahams

Study conducted on behalf of:
Ministry of Infrastructure and Water Management & Ministry of Foreign Affairs





Clingendael

Netherlands Institute of International Relations



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This report was written in the period from November 2021 to May 2022 by the Erasmus Centre for Urban, Port and Transport Economics at Erasmus University Rotterdam and the Clingendael China Centre.

It was compiled on the basis of insights from a large number of stakeholders and under direct guidance from the Ministry of Infrastructure and Water Management.

The authors of this report bear full responsibility for its content and for any errors or inaccuracies.

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Information in this report may be used provided the source is acknowledged.

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Preface

The title of this report is ‘Navigating an uncertain future’ – a title that is regularly given to scenario studies, by Shell among others. The subtitle of this report is: “An exploration of China’s influence on the future Dutch maritime logistics hub function”. This subtitle indicates the subject matter of this scenario study. We nevertheless also wish to highlight the great uncertainty of the present situation. The Russian invasion of Ukraine has caused a shift in the world order, only a short time after the coronavirus pandemic that also brought unprecedented changes, not least due to China’s maintenance of lockdowns in the major seaports. The war in Ukraine will have a lasting weakening effect on the ‘New Silk Road’ rail link between China and Europe. But China’s assertive response to Nancy Pelosi’s visit to Taiwan also makes an outcome we did not consider – an ultimate invasion of Taiwan by China – more credible. Such a development has not been included in the scenarios developed in this report, simply because it was not as credible a year ago. Scenarios are generally closely related to the period in which they are developed. These developments have further increased the uncertainty about the future and once again highlighted the impact of geopolitics among the major powers.

Central to this report is the production of scenarios to explore China’s influence on the Netherlands’ future maritime logistics hub function. This influence relates particularly to the Netherlands’ central position and strategic autonomy as a maritime logistics hub. A key output of this study is a set of possible actions the Dutch government and the maritime logistics sector could take to anticipate the potential role that China could play in logistics in Europe and hence also in the Netherlands.

The future of China’s Belt and Road Initiative (BRI) – or the ‘Global Development Initiative’ (GDI) as it is now styled, but whose precise impact remains unclear – is likely to be strongly affected by Russia’s attack on Ukraine and by China’s response to developments surrounding Taiwan. Future relations between China and Russia are therefore very important for the global geopolitical situation, naturally alongside the relationship between China and the United States. These relationships are undergoing major change. The scenario analysis in this report seeks to take account of recent factors as far as possible while taking stock of the uncertainties. By basing the study on these uncertainties, it has been possible to conduct a thorough scenario analysis with support from those involved.

The Erasmus Center for Urban, Port and Transport Economics and the Clingendael China Centre conducted this study at the end of 2021 and in the early spring of 2022 on behalf of the Ministry of Infrastructure and Water Management and the Ministry of Foreign Affairs. This study is based on desk research and two workshops with representatives

of the Dutch government and representatives of businesses and industry organisations associated with the maritime cluster in the Netherlands. We would like to express our sincere gratitude to them for their participation in the workshops and their comments on our findings.

After briefly discussing the purpose of the study in the first chapter, in Chapter 2 we explain how the study was conducted. In Chapter 3 we first describe the scenarios that were initially developed in outline form and subsequently elaborated for the maritime logistics hub function. In Chapter 4 we consider the possible actions that could be taken to address the likely evolution of China's influence on the Dutch maritime logistics hub function in the decades ahead.

The annexes contain important background information that we have used to develop the scenarios. In Annex 1 we present four exploratory assessments used to identify critical uncertainties as a basis for the developed scenarios. Annex 2 describes these uncertainties in detail. In Annex 3 we describe 'weak signals', developments indicating that a particular scenario will materialise.

We very much hope that this report will make a useful contribution to defining a logistics strategy with regard to China.

Erasmus Centre for Urban, Port and Transport Economics
Clingendael China Centre

Rotterdam/The Hague, June 2022

Summary

Introduction

The maritime logistics hub function is of strategic importance to the Netherlands as a trading country. The Netherlands positions itself as the 'Gateway to Europe' thanks to its advanced logistics network and plays an important role in the global economy. This position nevertheless faces an uncertain future: there is no guarantee that the Netherlands will remain a leader in the years ahead. Geopolitics, and particularly the influence of China, will have a major impact on the Dutch maritime logistics hub function.

On behalf of the Ministry of Infrastructure and Water Management and the Ministry of Foreign Affairs, this report examines China's influence on the Netherlands' maritime logistics hub function. The main question posed in the study is:

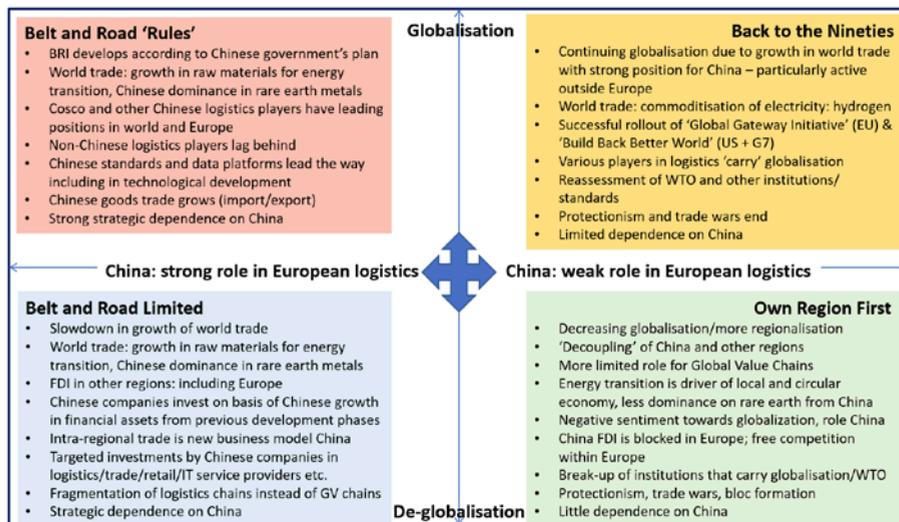
How is China's influence on the central position of the Netherlands' maritime logistics hub function likely to evolve in the decades ahead and what possible actions could the Dutch government take in response to it?

The purpose of this study is to assess scenarios as a basis for possible actions by the Dutch government and the Dutch maritime logistics sector, particularly with regard to the Netherlands' central position and strategic autonomy as a maritime logistics hub.

Descriptions of the scenarios

Four scenarios have been developed for the future of the Dutch maritime logistics hub function. These scenarios result from the identified uncertainties and exploratory assessments (Annexes 1 and 2) and take account of uncertainties involving a high degree of impact and probability. This leads to two scenario axes: one concerning the degree of globalisation and one concerning China's role in European logistics.

Figure S.1 Scenario outline: key points



'Belt and Road 'Rules''

The first scenario is entitled 'Belt and Road 'Rules''. In this future scenario China secures a major role in European logistics and its Belt and Road Initiative (BRI) thrives on a high degree of globalisation. China has the power to set the logistical rules. This 'Belt and Road 'Rules'' scenario assumes that the BRI evolves in line with the Chinese government's plan, in other words that China promotes and benefits from global economic integration by investing strategically in maritime logistics infrastructure. The new links generate growth in world trade and increase China's import and export volumes. Demand for logistics service providers consequently also grows, causing the logistics market to flourish. This gives Chinese logistics operators such as Cosco Shipping a central role in global networks and value chains, as well as in European logistics. This could involve market concentration due to the formation of conglomerates, Chinese majority interests in container terminals at major European ports, goods flows following BRI routes and determined by Chinese logistics titans and a further shift in the economic centre of gravity to Asia. The developments described in this scenario result in a strong Dutch strategic dependence on China. China's dominance in the various areas, from flows of goods to the energy transition, value chains and standards, will limit the Netherlands' ability to act autonomously.

'Belt and Road Limited'

The 'Belt and Road Limited' scenario assumes deglobalisation, with China playing a strong role in European logistics but facing curbs on its ambitions in Europe. The 'Belt

and Road Limited' scenario shares a number of broad similarities with the first scenario, the difference being that China's BRI is limited by a deglobalising world. Hence the BRI does not follow the Chinese government's original plan and fails to boost global economic integration. Despite the slowdown in growth of total world trade, however, Chinese players are able to secure a strong role in European logistics in this scenario. As part of the BRI, some of China's foreign direct investment will go to Europe, in areas such as logistics, trade, retail and IT services to promote China's technological development. Chinese operators will thus gain a strong position in strategic sectors in the Netherlands and Europe. This scenario results in Dutch strategic dependence on China, albeit to a lesser extent than in the 'Belt and Road 'Rules'' scenario. The dependence manifests itself in fewer areas than in 'Belt and Road 'Rules'', as there is less emphasis on goods flows from and to China and technical standards set by China. Chinese operators nevertheless remain important for foreign direct investment in the Netherlands, the energy transition, strategic sectors and intraregional trade, so the dependence remains significant.

'Back to the Nineties'

In the 'Back to the Nineties' scenario the globalisation process has continued, but China has not been able to secure a strong role in European logistics; on the contrary, there is a return to the golden days of European logistics. This 'Back to the Nineties' scenario anticipates continued globalisation due to growth in world trade, with China active mainly outside Europe and building up a strong position there. An important feature of this development is the successful rollout of alternative infrastructure projects alongside the BRI. The European 'Global Gateway' strategy and the G7's 'Partnership for Global Infrastructure and Investment' (PGII) – the former 'Build Back Better World' initiative of the G7 – proceed according to plan. Economic integration grows around the world and is determined not only by China's conditions under the BRI. Protectionism and trade wars give way to liberalisation. As in the 1990s, the entire logistics sector benefits from globalisation. European players are able to defend their position: instead of Chinese operators being dominant, non-Chinese operators will also be able to remain competitive and set international standards. In this scenario the Netherlands has limited strategic dependence on China, given China's weak role in European logistics, the 'staying power' of European operators in global logistics and a favourable environment for world trade.

'Own Region First'

The 'Own Region First' scenario features deglobalisation and a weak role for China in European logistics. Unlike the other scenarios, the basis here is 'Own Region First and China last'. This is characterised by regionalisation and growing protectionism on the part of the US, Europe and China. Trade barriers and bloc formation hamper free trade and the economy becomes strongly politicised. This scenario appears to build on the

Russia-China bloc that has coalesced since the war in Ukraine. An increasingly complex and threatening attitude on the part of China towards Taiwan also plays an important role in this scenario. The dramatic economic collapse of the Russian economy following the war in Ukraine has nevertheless made China aware of the economic risks of such an invasion. Nationalism grows: the European population takes a predominantly negative view of globalisation and China's (and Russia's) role in it. Hence there is strong public pressure to introduce measures 'against' China and 'for' their own region. Chinese foreign direct investment in Europe will therefore be blocked, while free competition is encouraged within Europe. This results in a 'decoupling' of China and other countries in the major trading blocs. In this scenario the Netherlands has little strategic dependence on China, because Chinese operators are excluded from Europe as far as possible.

Impact of scenarios on the maritime logistics hub function

How do the general scenarios outlined above impact the hub function? Specific implications for the hub function have been identified on the basis of the general scenarios outlined above, with a quantitative estimate being given of the impact of the scenarios.

Figure S.2 Logic scenario: implications for hub function

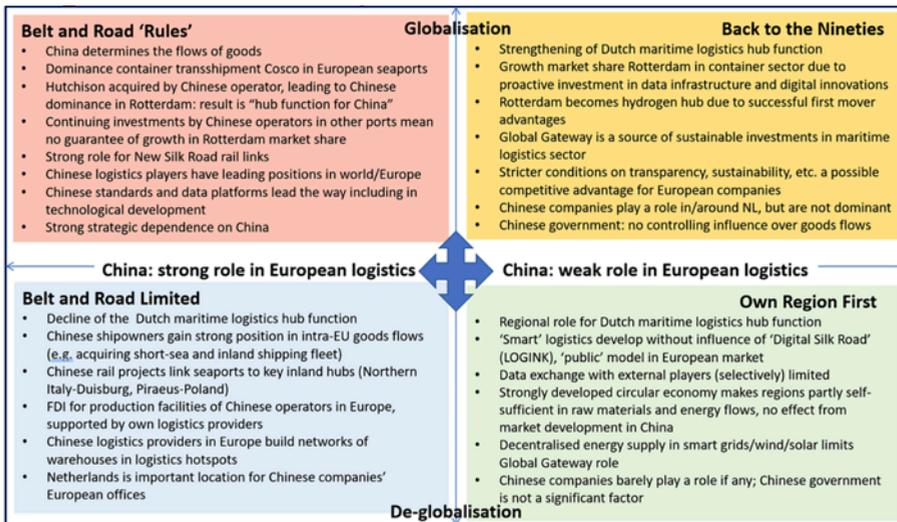


Table S.1 Key figures of scenario analysis; implications for hub function

	Historical growth		Situation in 2021	Belt and Road Rules	Belt and Road Ltd	Back to the 90s	Own Region First
	'90-'20	'00-'20					
Container transshipment in Rotterdam (million TEU)			15	29	22	33	13
Container transshipment in Rotterdam (avge.ann.growth)	4,7%	2,6%		2,4%	1,3%	2,8%	-0,5%
China's market share in European seaports			10%	30%	20%	13%	5%
Rotterdam market share*			27%	28%	28%	32%	30%
Port of Antwerp-Bruges market share*			26%	30%	28%	26%	25%

[* Market share in TEU: Saint Petersburg-Le Havre range: Saint Petersburg, Gdansk, Hamburg, Bremerhaven, Rotterdam, Port of Antwerp-Bruges, Le Havre, Felixstowe, Southampton]

'Belt and Road 'Rules''

There are five key implications for the maritime logistics hub function in the 'Belt and Road 'Rules'' scenario, in which strong globalisation is combined with a dominant Chinese position in European logistics:

1. A strong build-up of Chinese operators in European deep-sea container transshipment, with Cosco having a dominant hub function in the Port of Antwerp-Bruges (combination of the ports of Antwerp and Zeebrugge), giving this port a bigger market share than Rotterdam in 2050.
2. A strong network of intermodal terminals connecting the seaports and the New Silk Road, with Duisburg playing a key role.
3. BRI receives a strong boost from, among other things, the 'Polar Silk Road' and a high-speed rail link between China and Europe.
4. A network of logistics parks and intermodal terminals in Eastern Europe.
5. LOGINK, a port community system that has gained a dominant position and set a new standard.

These implications mean China has a degree of logistical and strategic autonomy in Europe and there is a strategic dependence on China. China determines how a large part of the flows operate.

‘Belt and Road Limited’

The ‘Belt and Road Limited’ scenario assumes deglobalisation, with China playing a strong role in European logistics but facing curbs on its ambitions in Europe. Implications for logistics are:

1. Very limited growth in world trade and container transshipment because the many years of disruption to container chains lead to strong nearsourcing and local production for local markets.
2. Chinese producers invest heavily in a European production infrastructure.
3. This increases intra-European flows, with Chinese operators focusing strongly on the development of an intra-European logistics infrastructure.
4. Here too there is a strong role for China’s LOGINK port community system.
5. Rotterdam develops as the European hub for rare earth metals.

Clear limits are set to China’s European ambitions in this scenario, however, particularly given the danger of market disruption and an uneven playing field.

‘Back to the Nineties’

In the ‘Back to the Nineties’ scenario the globalisation process has continued, but China has not been able to secure a strong role in European logistics. There is:

1. High growth in the container transshipment volume and the delivery of new logistics concepts in the container world, focused on high-value market segments such as high-tech and fresh products.
2. A leading role for Rotterdam in digital innovation and an infrastructure for sustainable fuels, leading to a strong increase in Rotterdam’s market share.
3. Strong and proactive investment by European shipowners has in many cases left Chinese logistics companies lacking in terms of European logistics infrastructure.
4. The wave of globalisation is driven particularly by the global interplay between major, mainly Western players in logistics and globally active, also Western, shippers.
5. LOGINK is rejected and a European Basic Data Infrastructure becomes the new logistics standard.

‘Own Region First’

The ‘Own Region First’ scenario features deglobalisation and a weak role for China in European logistics. In this scenario the volume of containerised world trade decreases, so the port of Rotterdam declines from a transshipment volume of 15 million standard containers in 2021 to 13 million in 2050. The implications are:

1. Even more intense trade wars and relatively strong – albeit incomplete – decoupling of China from the West, causing a fall in world trade.
2. Natural disasters driven by climate changes mean a far greater need for sustainability and a circular economy, leading to much more self-sufficient economic and logistical business models.

3. This also means much greater emphasis on the use of rare earth metals and the need to create a degree of self-sufficiency.
4. This scenario is driven by strong digitisation, spurred on by a European chip industry and the break-up of the major American network companies into regional providers.
5. Regional flows are much more important in this scenario; these regional transport concepts are increasingly carbon-neutral and autonomous.

Having presented the scenarios, we outline below the main conclusions and recommendations (possible actions). These conclusions and recommendations are closely linked to related scenarios – which is important for assessing the conclusions and recommendations. These may therefore differ depending on the scenario. We also make a number of recommendations that apply to all four scenarios.

Conclusions

Conclusions based on an *influential* China in the decades ahead, regardless of the extent of globalisation/deglobalisation (Scenarios 1 and 2)

- **Cooperation will be important but leads to dilemmas**

China's *large and influential* role in the maritime sphere further increases the importance to the Netherlands of cooperation with Chinese actors in trade, investment and technology as well as sustainability in relation to the maritime logistics hub function. Cooperation in these areas may be necessary to sustain the long-term competitiveness of the Dutch economy. A strong, economically competitive position is essential not only to maintain a high level of prosperity, but also for the Netherlands' long-term ability to defend its own values and security interests.

However, cooperation with China is increasingly at odds with the objective of protecting the Netherlands' strategic room for manoeuvre and the competitiveness of Dutch companies. The Dutch government consequently faces frequent dilemmas which, moreover, become increasingly urgent and complex. It will probably become increasingly difficult to strike a balance between maintaining a prominent maritime logistics hub function and protecting strategic room for manoeuvre.

- **Cohesion within both the EU and the Netherlands comes under pressure from an influential China**

An influential China may mean that EU member states can more easily be played off against each other in terms of logistics infrastructure and goods flows. Cohesion within the Netherlands is also under pressure. There are growing conflicts of interest particularly between companies that benefit primarily from cooperation with China and those that mainly have to compete with Chinese companies. Furthermore, in these scenarios there may be a conflict of interest between the government at national level – which seeks to balance national security against the national economic interest – and the Port of Rotterdam, which benefits particularly from cooperation with powerful Chinese partners.

- **Market forces: lack of reciprocity gives Chinese operators a competitive advantage**

Dutch companies are less and less able to rely on market forces to compete with their Chinese counterparts, as these are backed financially by a globally influential Chinese government and there is no reciprocal market access. This gives Chinese companies a competitive advantage over Dutch companies.

- **Politicisation of the maritime logistics sector due to the role of the Chinese state**

The role of the Chinese state as the ultimate controlling entity in Chinese companies in various sectors and parts of production chains leads to the politicisation of the maritime logistics sector. Chinese companies also prefer to work primarily with other Chinese companies (in various subsectors). Chinese operators can avoid or seek cooperation with certain countries/actors for political reasons (possibly on the instructions of the Chinese government). Economic power is therefore increasingly likely to be concentrated in the hands of political actors in the maritime logistics sector.

- **American pressure is likely to increase further**

Geopolitical tensions between China and the United States will probably persist due to China's prominent role in the (globalising or deglobalising) world economy. The Dutch government may therefore encounter growing American pressure aimed at limiting European cooperation with China in the maritime logistics field. US concerns about possible Chinese espionage or sabotage (possibly through the cyber domain) with regard to the military function of the port of Rotterdam may add to that pressure.

Conclusions specific to an *influential China amid continuing globalisation* (Scenario 1)

- **Cooperation: advantages of hub function amid continuing globalisation**

Cooperation with China has major potential economic advantages for the Netherlands' role as a maritime logistics hub and transit country for trade flows *between Europe and the rest of the world*.

- **Maritime operations: indirect relations also strengthen China's influence in the hub function**

The 'cooperation versus containment' dilemma is strongest in the *maritime operations* segment. The combination of Chinese investments and roles in the relevant sectors will give the Chinese government considerable influence over goods flows. This will even be the case if Chinese companies acquire no majority holdings in individual terminals but China generates significant influence through minority interests or other ownership structures. The companies involved in container transshipment and overseas trade thus risk falling within the Chinese sphere of economic influence, reducing the Netherlands' strategic autonomy.

Conclusions specific to an *influential China in a context of deglobalisation* (Scenario 2)

- **Cooperation: aimed mainly at regional assets and intra-EU trade**
The potential economic benefits for the Netherlands of cooperation with China lie primarily in attracting Chinese investments and establishing regional head offices, logistics centres and production sites in the Netherlands, and in the Netherlands's role as a hub for *intra-EU* trade.
- **Hinterland operations: here too there is a risk of strategic dependence on China**
In a context of deglobalisation, the 'cooperation versus containment' dilemma also plays a role in maritime operations, but even more so in the *hinterland operations* segment. The rail, inland shipping, road transport and short-sea subsectors could benefit greatly from investments by and cooperation with Chinese actors. However, in this segment particularly there is a risk of unilateral strategic dependence on China.

Conclusions based on a *weak role for China in the decades ahead* (Scenarios 3/4)

- **Small risk of strategic dependence on China with a weak role**
The distinction between continuing globalisation and deglobalisation is of limited relevance to the China policy if China has no influential role in the maritime logistics hub function in the future. In both scenarios (3 and 4) there is no risk of the Netherlands becoming unilaterally strategically dependent on China. Moreover, the potential contribution and value added of cooperation with China on the Dutch hub function is small.
- **No coordination necessary if China has weak role in logistics, but geopolitics may become urgent**
Dutch companies determine individually whether and how they deal with China and Chinese actors. There is no need for coordination within the sector or with the government. A China-specific strategy for the maritime logistics sector/hub function is only necessary with regard to national security. China's economic role is limited, but if rival geopolitical blocs emerge, China may become a military rival to the EU as a geopolitical and military partner of the US. In that case, safeguarding the military function of maritime logistics hubs, for example against possible cyberattacks and with regard to the port of Rotterdam's role in military provisioning, will take on extra urgency.

Recommendations/possible actions

Below we provide policy recommendations: what action should be taken if the identified scenarios materialise? Here we assume scenarios in which China has a major impact with regard to the maritime logistics hub function (Belt and Road 'Rules'/Limited). We also look at various segments within the maritime logistics hub function.

Recommendations with regard to the *maritime logistics hub function in general*

- **Urgent action: proactivity towards China, not waiting and seeing**
Dutch actors must allow for the possibility that China will become a dominant player in the decades ahead, but also for the possibility that China will be of only limited relevance to the Dutch maritime logistics hub function. It is important that the government does not wait until it is clear whether China is indeed dominant. The Netherlands must anticipate a possibly dominant China well in advance to maintain a long-term ability to act autonomously with regard to China in relation to the maritime logistics hub function.

Chinese actors are already very influential in the international maritime logistics field, and China-related goods flows (particularly to and from Germany) play a major role in the Dutch maritime logistics hub function. As China's current punitive measures against Lithuania demonstrate, there is a risk that future diplomatic tensions with the Netherlands may lead to the Chinese government pressuring or instructing Chinese companies to avoid the Netherlands as a maritime logistics hub. The Dutch government must decide urgently on the recommendations below in view of the time required to implement them.

- **Strategic importance of technological and economic cooperation with China**
If China further strengthens its influential position in trade and in the maritime sector at a global level, the Netherlands' role as the EU's principal maritime logistics hub can only be maintained if the Dutch government maintains good relations with China. China potentially has a lot to offer as an investor, trading partner and source of technology and innovation. In the long term a strong economic base for the Netherlands is a precondition not only for prosperity but also for security and the maintenance of Dutch values. Economic and technological cooperation with China must therefore be maintained and strengthened where possible.
- **Reciprocity as a precondition for new Chinese investments in the hub function**
The EU must make *new* Chinese investments in the maritime logistics sector/hub function in the European market conditional on European companies being afforded the same access in China. *Existing* Chinese investments in areas in which similar

European investments in China are not possible contribute to China's strategic dependence on the EU and should preferably be maintained. However, if there is no prospect of reciprocal investment access on the Chinese side, consideration must be given to reducing existing Chinese investments (possibly selectively) in the maritime logistics sector.

- **Pushing for a strategic framework for the EU to strengthen European strategic autonomy**

The Dutch government should push for a strategic policy framework for the maritime logistics sector at EU level to ensure that competition between EU member states does not further strengthen China's dominant position. The EU will then be better able to anticipate – and possibly prevent – a situation whereby the channels through which goods enter and leave the EU are largely determined not by the market but by the Chinese government. The strategic framework must be focused on protecting market forces in the maritime logistics sector where possible, and aim for European strategic autonomy where necessary. A certain reduction in national autonomy within the EU for the Netherlands and other EU member states is unavoidable in order to ensure strategic autonomy with regard to China.

- **Better overview by monitoring Chinese influence in container markets**

The Dutch government must continuously monitor Chinese influence in global container shipping and European terminal management and – in particular – in the relationship between China's influence in those two subsectors. Information from this monitoring function should be made available to the European Commission and other EU member states.

- **Changes to competition rules and assessment to counter external power concentration**

The EU must change its competition rules to prevent external powers amassing economic strength in sectors and value chains through individual companies, both within the EU and in the international maritime sphere, if European strategic autonomy is affected. New Chinese investments in the EU and mergers between Chinese companies must be assessed for their relevance to concentrations of political and economic power. When assessing the possible concentration of political and economic power, a distinction must be drawn between Chinese and Hong Kong companies, state and private enterprises and the extent to which state enterprises are listed on a stock exchange.

- **Scope of the investment assessment: view Chinese influence from a broad network perspective**

When assessing new direct investments, take account of the combined effect of minority interests held by various Chinese actors, and of investments by non-Chinese

actors (from within or outside the EU) that are part of or closely associated with Chinese actors.

- **Importance of business climate: transparency and predictability in investment assessment**

In order to take account of possible Chinese dominance at a time of deglobalisation, it is important that the Netherlands remains attractive as a business location for Chinese regional head offices, logistics operations and Chinese investments in hinterland operations. Relevant investments include both greenfield investments (establishing new businesses) and investments in existing Dutch companies (provided they are consistent with the conditions of reciprocity and political and economic power concentration referred to above). Relevant factors for an attractive business climate for Chinese businesses include transparency and predictability in investment assessment, availability of education in the Chinese language and an accessible procedure for visa applications.

- **Refining the Netherlands' China strategy: weighing the advantages/ disadvantages and adopting a sector-specific focus**

The Dutch government must keep in mind that it will face China-related dilemmas more often than at present, and with increasing urgency and complexity. An ad hoc approach to future dilemmas will not be sufficient to strike a balance between maintaining a prominent maritime logistics hub function and protecting strategic room for manoeuvre.

Two aspects of the Netherlands' existing China strategy (set out in the 2019 China Memorandum) must be refined. First, the strategy must give clearer direction when weighing the pros and cons of cooperation with China, and when striking a balance between market forces and national security. It should be borne in mind that the existing market forces cannot be maintained if China's role in the international maritime logistics sphere grows further. Second, the strategy must be more focused on individual sectors, including in any case the maritime logistics sector.

Recommendations with regard to *maritime operations and infrastructure*: (container) transshipment, ocean shipping, overseas trade, relationship with world trade

- **Competition regulation at NL and EU level: Consortia Block Exemption Regulation**

The debate on the future 'Consortia Block Exemption Regulation' (exemptions granted by the EU for container alliances) must expressly focus on the possible consequences of terminating or not terminating this regulation and the consequences for the power base of Chinese shipowners in relation to European seaports and shipowners.

- **Hub for rare earth metals in the port of Rotterdam**

Investigate the port of Rotterdam's potential as a location for a European centre for rare earth metals, which is crucial for the development of the energy transition. The primary need is to build up a strategic inventory, possibly taking advantage of the strong position of commodity traders in Rotterdam, with a view to limiting any unilateral strategic dependence on China or strengthening mutual dependencies in the relationship with China.

Recommendations with regard to *hinterland operations*: rail/inland shipping/road/short-sea, logistics/intermodal hubs, New Silk Route (BRI rail)

- Focus attention not only on seaports but also on **hinterland operations** in view of the possibility of deglobalisation.
- **Inland shipping fleet**: Investigate the probability, advantages and disadvantages of the possibility of Europe's inland shipping fleet being built in China, and its relevance to the Netherlands' maritime logistics hub function.

Recommendations with regard to *logistics support operations*: information technology, change management, support activities: insurance, finance, legal, etc.

- Investigate the advantages and disadvantages of **technological cooperation** in the maritime logistics sector, particularly with regard to the role of LOGINK as a platform for data exchange between ports, of Huawei in the functioning of the container terminals and of Chinese containers scanners for customs checks.
- **Standards**: monitor the use and application of Chinese technological standards for the maritime logistics hub function. Develop standards at EU level, such as those currently being initiated through the development of a Basic Data Infrastructure (BDI).

Recommendations with regard to *regional impact*: warehouses/re-export operations, foreign direct investment by China

- Investigate the advantages and disadvantages of Chinese investments in or leasing of **real estate** for storage or other regional activities related to the maritime logistics hub function.