

## **CHINA'S TROJAN DRAGON** **The Belt & Road Initiative**



### **Gibraltar's Interest in China's Belt and Road Initiative Might NOT BE in the Best Interest of Gibraltar**

*Based on China's BRI worldwide track record and using an extensive list of sources, the objective of this in-depth report is to provide Gibraltar with an examination of what entering a partnership with China could really involve – specifically the loss of the Port of Gibraltar, Gibraltar Airport, Infrastructure, and Real-Estate Developments. Experts warn the BRI is a debt-diplomacy trap. Deals made with Chinese private and state-owned companies should be minutely scrutinized.*

*The report highlights the growing concerns among Western nations as to the true intent of China's aggressive trade deals that coincide with key naval ports, airports and infrastructure projects. Government officials around the world are making deals without consultation with military commanders, or public knowledge. Experts warn that the trade route can easily be turned into a military route, as China's aggressive acquisitions and military build-up are physically redrawing the map of global trade and political influence.*

*Partnerships with China could impact Gibraltar's future sovereignty and alter its military alliances.*

**"It's impossible to understand China's military strategy  
without understanding its economic policy."**

## Topics Include but not limited to the following –

1. Why Would China Deal Any Differently With Gibraltar Than It Does With Other Countries?
2. The Endgame: China Seeks Control Of Global Strategic Ports  
  
Examples are presented on how China uses Trade as a Guise For Military Advancement
3. Confidential Agreements May Come Into Play
4. The European Union Is Taking Precautionary Measures
5. Chinese Hacking Comes Into Play
6. Concerns Of China’s Endgame Should Not Be Overlooked In Gibraltar
7. How Sovereign Can Gibraltar Remain If It Aligns With The Chinese?
8. Did Gibraltar Fall Into The Cultural-Inclusion Trap?
9. The Market-System Lure – A Trade Narrative
10. Bribes And Kickbacks Are Not Uncommon In BRI Deals
11. From Acquisitions To Take-Overs
12. How Far Will Gibraltar Go To Partner With China?
13. Chinese Labour Comes Into Play

All sources are identified by unlined titles.  
A “List of Sources” is also included.

## Gibraltar's Interest in China's Belt and Road Initiative Might NOT BE in the Best Interest of Gibraltar



While Gibraltar officials have met with Chinese officials in Hong Kong, Beijing and Gibraltar, with interest in joining the **Belt and Road Initiative (BRI)**, news of Gibraltar officials signing Memorandums of Understanding (MoU) with Chinese officials or representatives of state-owned Chinese companies has not been released.

This could be good news or bad.

It would be good news if no deal has been signed (yet); implying that Gibraltar officials are taking a closer look at what a Chinese deal could **really** mean to its people and sovereignty; or bad news if these officials actually made “secret” deals; implying they want to shroud details not only from Gibraltarians, but also hide them from the United Kingdom (its protector), other military allies (like the United States), and the European Union.

It could be a matter of Gibraltar officials naively believing China's BRI is all about trade, economic development, and win-win situations; but, if one looks at the BRI's track-record around the world, host countries are losing ports, land, resources, intellectual property and jobs.

### **Why Would China Deal Any Differently With Gibraltar Than It Does With Other Countries?**

China always **strategically** chooses its BRI partners; and there is **always** a military component behind its quest for “world-trade” domination.

“It’s impossible to understand China’s military strategy without understanding its economic policy,” according to the article, Beating Them at Their Own Game: The Economic Dimension of Competing With China, “... China uses investment and other economic tools to create military advantages – without explicitly using its military. The Belt and Road Initiative is the main investment-focused framework through which China has generated many security outcomes.”

“The BRI comes with possible risks, because the trade route strategically can be turned into naval routes. Military planners worry that China could develop a string of berths to extend their reach” (China’s belt-and-road are to be welcomed– and worried about).



Before Joe Bossano or Albert Isola publicly dangled the **Port of Gibraltar** as a carrot to urge Chinese investment in its financial, insurance and high-tech sectors, China was most likely already interested in the port – a port, which has been known for centuries as the Mediterranean Sea-Gate.

Gibraltar, along with Bab-el-Mandeb, Malacca and Hormuz, are four vital maritime chokepoints for both trade and war (Will China Take Spain’s Side in Dispute Over Gibraltar?). China will need to focus on the Strait of Gibraltar; and **focus on diplomatic and economic relations** with Gibraltar and Spain. The Belt and Road Initiative is the perfect “vehicle” for China to get a foothold on this critical strategic gateway, because they’ve already made headway in Africa. **Also, The Chinese already control the Panama Canal that is a fifth chokepoint, thanks to the Clintons.**

Chinese-funded infrastructure projects across the African continent are too numerous to detail, but many of them are labeled as debt-diplomacy traps, where African countries are **losing ownership and control** of land, natural resources, and other assets put up as collateral.

According to the article, China To Take Over Kenya's largest Port Over Unpaid Chinese Loan, if Kenya Railways Corporation defaults on its loan from the Exim Bank of China, China could take over **Kenya's Mombassa Port**.

China's strategy emerged when a leaked audit report showed that the Kenyan government had waived its sovereign immunity on the Kenya Ports Asset when signing the agreement, thus exposing the Kenya Port Authority to foreclosure and confiscation. The report said the payment arrangement means that the Authority's revenue would be used to pay the debt, if minimum volumes for rail consignment were not met; and that the Chinese bank would become a principal over the Authority, if Kenya's Railways defaults – which it did within the first year. Kenyan President Uhuru Kenyatta denied that China plans to seize the port, because the government is ahead of its payment schedule. The report from the Kenyan Auditor General said China's loan agreements with Kenya make it possible for Beijing to seize the assets. The key point in the Auditor General's analysis is that Kenya waived sovereign immunity for the KPA's assets, and the terms of the loan heavily favor China's Exim Bank. Loan payments are set to triple in July, and some are concerned Kenya will not be able to handle the loan.



Port of Mombassa - Kenya

One would have to be blind, willfully, naively, or otherwise, to not tie in China's BRI, and its deep financial pockets, with military expansion or domination. **Government officials need to be kept in check**, when it comes to making BRI deals for the whole of a nation; or offering assets such as ports (or their revenues) and natural resources as additional collateral. China's debt-trap diplomacy on victim countries is making news worldwide.



Port of Hambantota - Sri Lanka

Sri Lanka fell into a debt-trap with China, which forced it to hand over its **Hambantota Port** to China, which lies seven miles from a major trade route. "With tens of thousands of ships passing by along one of the world's busiest shipping-lanes, the port only drew 34 ships in 2012" (How China Got Sri Lanka to Cough Up a Port).

In 2015, the newly-elected Sri Lankan president halted the on-going project, set in place and supported by the former president, who racked up Chinese debt and was accused of allowing Chinese

military activity, as visits were made to its Colombo commercial port by a Chinese submarine and warship in 2014, which coincided with the Japanese Prime Minister's visit. Eventually, the project resumed; and in December 2018, the port was handed over.

## **The Endgame: China Seeks Control Of Global Strategic Ports**

How the control of the Greek **Port of Piraeus** fell into the hands of China is an example of how **politicians cater to the Chinese**. The Greek Prime Minister hosted Chinese naval brass in 2015; and supported the sale of the port's controlling interest to the Chinese less than a year later (How China Rules the Waves).



"It is an economic initiative, but along the way China will expand its military bases and so forth," says Wharton emeritus professor Franklin Allen, who also is a professor of finance and economics at Imperial College London. "On the sea routes they **will develop their military capability** and on the land routes, too" (Where Will China's 'One Belt, One Road' Initiative Lead?).



The **Port in Sines**, Portugal-BRI deal is another example of how China uses its **financial power to achieve its multi-levelled goals**. Beijing will be able to consolidate the assets it has already snatched up in the country. It seems Portugal was already party to an **undisclosed deal** – in 2011, it sold a stake in the country's power grid to China's CTG, **without notifying**

the European Commission of the sale. Beijing's convinced Lisbon that the Iberian Peninsula is a critical piece of its "new Silk Road" (Portugal: the latest to be seduced by China's Belt and Road).

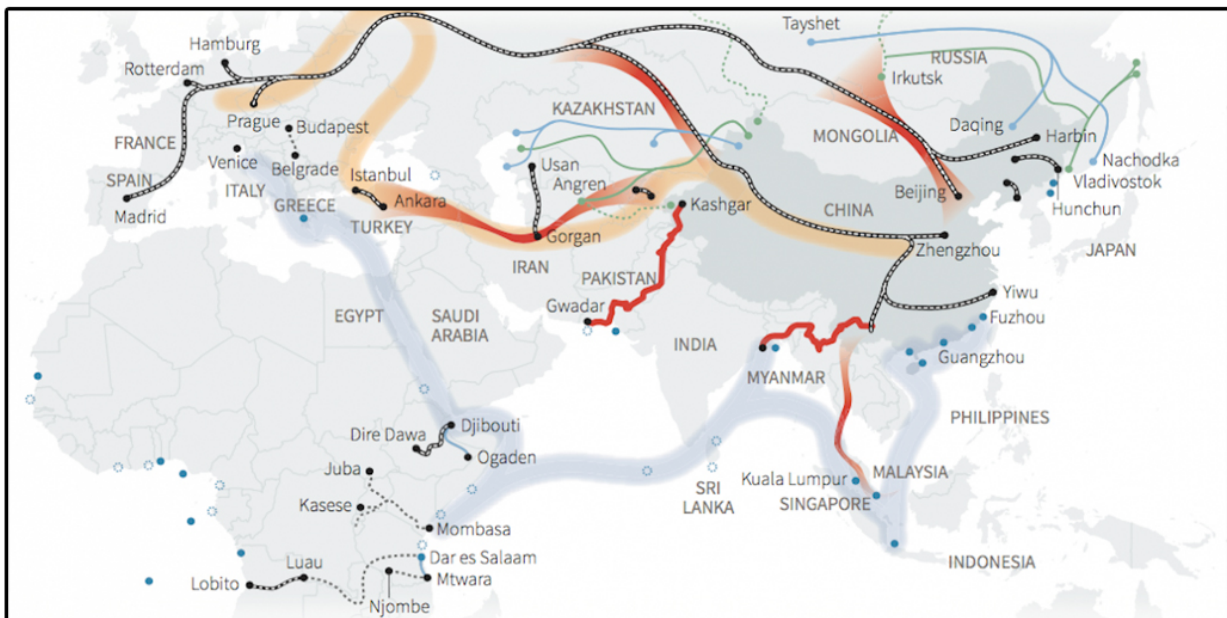
It seems like countries around the world are lining up to be China's "gateway" into their respected geographical areas, like the Czech Republic, Pakistan, Greece, Morocco – and the list goes on – to include **Gibraltar**.

It isn't really necessary for Gibraltar, Spain or Portugal to compete for the **gateway title** of being China's entrance into Western Europe, because China's goals are all-encompassing. Deals qualifying for BRI funding range from large infrastructure projects like ports, power-facilities, and railways to small projects like desalination-plants and theme-parks. In the big picture, China is surrounding, infiltrating, and globally connecting each continent by land, air and sea – and using Chinese investment to do so.



Gibraltar Delegation in Hong Kong –  
(Gibraltar: A Gateway to Europe for Asian Fund Managers)

But perhaps, some view the gateway-title, and Chinese-partnering, as economic leverage in a world riddled with economic-issues, including those surrounding Brexit. And as they make decisions with long-term implications – some of which cannot be reversed – economic manoeuvres first need to be scrutinized by more than those signing on the bottom line. **Politicians are not military strategists.**



Perhaps they are so blinded by their own ambitions that they cannot see that the trade-routes are lining up to be military-routes, for world-domination. China simply has to do it under the guise of trade, to get other countries in line. Look at history, trade wars lead to actual wars, and the US, one of Gibraltar's major allies, is already in a trade-war with China, and sabre-rattling. Additionally, President Xi Jinping [issued](#) his first military command of 2019, which included, China's armed forces must

prepare for a comprehensive military struggle from a new starting point, adding that preparation for war and combat must be deepened to ensure an efficient response in times of emergency.

Recently, a former Japanese Air-Force Commander [said](#) that China's national strategy is one of continued expansion, with an aim of establishing absolute regional hegemony, beginning with a plan to invade and annex Taiwan, and eventually Okinawa. If Beijing can expel the U.S. from the region, then shipping lanes through all of East Asia will be under the control of Beijing, allowing China to potentially cut off vital food and energy supply lines to Japan.

### **Confidential Agreements May Come Into Play**

And perhaps what is publically known about "financial deals" in Gibraltar is the tip of the iceberg to what privately, or **secretly**, lies below the surface. After all, the current Gibraltar government is known for its lack of transparency, with the £300-million [loan](#), which mortgaged six housing-estates, as an example. Details remained shrouded for quite some time; and full disclosure has yet to occur – which could be an indication that hidden ones still remain ([GSD: Government "Fails To Explain Use Of £300 Million](#)).



And when "ignoring-opposition" runs its course, officials use ridicule as a defense against proper disclosure.

Interestingly, when it comes to **confidential agreements** and full-disclosure, the case with Victoria, Australia sounds all too familiar.

Premier Daniel Andrews of Victoria, Australia, [signed a secret BRI Memorandum of Understanding with China](#), which surprised Australia's Prime Minister Scott Morrison, because Andrews did not consult the Commonwealth Government, which was tightening up vetting Chinese investments, particularly concerning infrastructure and key ports.

Andrews originally **failed to supply any details**, saying his government would release the contracts at an appropriate time. He was being criticized for not looping in the federal government on the details and being vague to the point of evasion ([For Andrews China is no country for secret deals](#)).



The deal was signed on October 8, 2018; and Andrews vaguely publicized it on Oct. 25, with a **four-page document** uploaded online. It wasn't until Nov. 11, that Andrew's Labor government released more details of this "**confidential**" agreement, pressured by both state political parties and Prime Minister Morrison to do so ([Victoria's Labor Government Releases Details of its Belt and Road Agreement With China](#)).





However, just a week before he released details; Andrews was still resisting repeated calls to make the MoU public, citing a similar confidential one by the Turnbull government in 2017; which agreed to cooperate with China to build infrastructure in third-party countries, including BRI projects, but not inside its borders (Victoria's Labor Government Releases Details of its Belt and Road Agreement With China).

At the **REQUEST** of the Chinese government, that Memorandum of Understanding was **ALSO not made public** (Victoria's Labor Government Releases Details of its Belt and Road Agreement With China).

Victoria's Shadow Treasurer Michael O'Brien said the **secret deal** Andrews signed could have far-reaching impacts, as this "unimpeded trade-deal" could put a lot of Victorian businesses under massive pressure. The deal remains active in five-year consecutive intervals, which are automatically extended unless terminated by either party with a 3-month advance written notice; but O'Brien said that the deal continued to say "that the MoU will be terminated after joint agreement" (Victoria's Labor Government Releases Details of its Belt and Road Agreement With China).

Prime Minister Morrison said BRI trade deals were a "*matter of international relations*" and without proper assessment, deals run the risk of undermining the Coalition Government's foreign policy (Victoria's Labor Government Releases Details of its Belt and Road Agreement With China).

But Andrews isn't the only Australia politician facing heat. According to the article, [Australian Politicians Should Be Vetted Amid Chinese Influence Concerns One Nation Party](#), Australian Security Intelligence Organization is being urged to conduct background checks on all Western Australia's MPs links to the Chinese Communist Party.

So far, U.K. Prime Minister **Theresa May has refused to endorse** the Belt and Road Initiative (Europe's Emerging Approach to China's Belt and Road Initiative).



### **The European Union Is Taking Precautionary Measures**

In September 2017, the president of the European Commission proposed a new EU framework for screening foreign direct investments, saying that, "if a foreign, state-owned, company wants to purchase a European harbor, part of our energy infrastructure or a defense technology firm, **this should only happen in transparency, with scrutiny and debate**" (China's strategic investments in Europe: The case of maritime ports).

In September 2018, the EU's strategy for connecting Europe and Asia was released, which hopes to codify its position by clarifying redlines and priorities (Europe's Emerging Approach to China's Belt and Road Initiative).

"The volume and nature of these investments, from critical infrastructure in eastern and southern Europe to high-tech companies in the west, have raised a **red flag** at the EU level; and leaders are pressing for a common strategy to handle China's relentless advancements."

With its ever-growing dominance in Europe, coupled with its established maritime dominance, how long will it take China shipping-companies to weed out, or **take over**, European shipping companies?



Port of Zeebrugge - Belgium

According to the article, Why is China Buying Up Europe's Ports, The BRI is allowing a series of aggressive acquisitions that are physically redrawing the map of global trade and political influence. Incidentally, it's already taken-over the **Zeebrugge Port**, Belgium's second-largest port. Neil Davidson, a senior analyst

for ports and terminals at Drewry, a maritime consultancy, said, "For somebody like Cosco, the deals make sense financially, and they can make their lords and masters in Beijing happy, because it fits the BRI narrative. At the bottom, there is a geopolitical underpinning to a lot of this." The rise in Chinese influence is causing Europe concern, as European leaders are growing wary that China is turning its economic goals into political ones.

The influence of affecting EU policies has already been seen at the United Nations level. Greece blocked the EU statement at the UN Human Rights Council criticizing China's human rights record; Hungary refused to sign a joint letter denouncing the reported torture of detained lawyers in China; and both countries sought to block any direct reference to China in an EU statement about China's legal claims in the South China Sea (Europe's Emerging Approach to China's Belt and Road Initiative).

European ambassadors to China also pushed back at Chinese economic and political aggression, as 27 out of 28 ambassadors signed a report sharply critical of China's BRI development (all but Hungary). The report attacked China **for using the BRI to hamper free trade and put Chinese companies at an advantage**; and runs counter to the EU agenda for liberalizing trade and pushes the balance of power in favor of subsidized Chinese companies (Will EU block China Economic Silk Road).

As the End Game is coming to light and countries around the world are halting BRI deals, **why is Gibraltar**, through its representatives, embracing the idea of partnering with China? Are Gibraltarian officials so blinded by the pound signs in their eyes that they cannot see China's ultimate goal, or don't they care, as long as they are reaping the rewards?

Since the purchase of the Port of Piraeus in Greece, Beijing has continued to acquire ports in the Mediterranean.



**Port of Haifa- State of Israel**

China's recent deal with the State of Israel to operate its **Haifa Port** is yet another example. Shanghai International Port Group is set to manage the State of Israel's largest port at Haifa; and another Chinese firm was recently awarded a contract to build a **new port** in Ashdod, next to

Israel's main naval-base. **Both deals have Washington and Israeli generals concerned**, as a new port will be built by Chinese state-owned enterprises. Israeli Brigadier General Shaul Horev said, "When China acquires ports it does so under the **guise** of maintaining a trade route from the Indian Ocean via the Suez Canal to Europe, such as the port of Piraeus in Greece. Does an economic horizon like this have a security impact?" At Haifa, the civilian Chinese port abuts the exit route of the Israeli naval-base, where its submarine-fleet is stationed – with one of the first concerns being Chinese control of strategic infrastructure and the possibility for espionage ([US Navy Could Abandon Major Israeli Port After Chinese Firms Begin Operations](#)).

The U.S. military should have been even more concerned when the Chinese "took over" its own ports (like Los Angeles), under the guise of [Cosco](#) pretending to be a "private" company. And [reported](#) on January 7, 2019, The China Cosco Shipping Group will receive \$26 billion from the China Development Bank to support marine terminal investment as part of the **Belt and Road** infrastructure program and to strengthen the reforming of state-owned enterprises.

In related news about Chinese-Israel relations – [China's Growing Economic and Military Interests in Israel](#) – the meeting between Prime Minister Benjamin Netanyahu and Chinese Vice Chairman Wang Qi Shan **boasted of eight joint agreements**. Netanyahu said that Chinese companies had already opened Research and Development centers throughout Israel; and are already working on dozens of strategic infrastructure projects. One of these corporations is Chinese telecom giant Huawei. And Huawei is making news with the **arrest** of its Chief Financial Officer Meng Wanzhou in Canada on US charges of bank-fraud and violating international

sanctions. Wanzhou is the daughter of Huawei founder/president Ren Zhengfei, a Communist Party elite and former officer in China's army. In retaliation, China arrested several Canadian citizens, demanding her release (Huawei is a spy agency of the Chinese Communist Party).

"China has also repeatedly declared that all Chinese companies, 'private' or not, **must assist the government with gathering intelligence**. Under Chinese law, 'all organizations and citizens... must support, assist with, and collaborate in national intelligence work, and guard the national intelligence work secrets they are privy to'" (Huawei is a spy agency of the Chinese Communist Party).

The U.S. **warned its allies** to view Huawei with extreme skepticism as the company attempts to spearhead the roll out of 5G-network technology worldwide, potentially giving the Chinese government access to and control over information networks. The U.S. urged allies who host American military-bases to ban the use of Huawei products in their communications infrastructure (Huawei is a spy agency of the Chinese Communist Party).

### **Chinese Hacking Comes Into Play**

Chinese hackers may be part of a dedicated hacking group involved in cyber-warfare; but they can also be Chinese nationals employed by unsuspecting companies abroad; or Chinese employees in companies with an international presence in China. Chinese intelligence gathering spans the globe.



Three Chinese nationals, whom the U.S. Department of Justice believes are working in association with the country's government as part of a hacking-group called APT10, are accused of **stealing information from at least 45 U.S. tech companies and government agencies**, including NASA, the Navy and the US Department of Energy (US charges Chinese hackers with 'massive theft' from NASA, Navy and tech sector).

Ten other Chinese intelligence-officers and hackers were charged with **stealing airline engine technology** from French and U.S. companies. The alleged crime coincided with a Chinese state-owned company working to develop a comparable engine. Participants in the conspiracy allegedly hacked the French manufacturer, which had an office in Suzhou, China. The hackers used a range of techniques, including spear-phishing, sowing multiple different strains of malware into company computer-systems, using the victim companies' own websites to compromise visitors' computers, and hijacking domains by compromising of domain registrars (10 Chinese intelligence officers and hackers indicted for stealing aviation trade secrets).

Hacking is a concern worldwide; not only in the military-sector but also in **FinTech**. “Hardly a week goes by without news of a major digital currency-exchange falling victim to a cyber criminal” \$1.1 billion worth of **cryptocurrencies was reportedly stolen** in the first half of 2018 (FinTech Crypto Briefing: Hackers attack another exchange).



Yet, when Chinese companies are accused of wrong-doing, they apply the necessary pressure, like arresting Canadian individuals to free the Huawei executive. However, pressure can come in many forms – as Spain found out in a money-laundering scheme involving executives at the Industrial and Commercial Bank of China. **Spanish authorities arrested five senior managers and two executives in the ICBC’s Madrid office**, whom they suspected of siphoning up to 1.2 billion euros out of Spain to China,

in a 3-year period – a sum that could damage socio-economic order and the national economy, prosecutors said. The investigation so alarmed Beijing that China’s top official in Madrid publicly pressured Spanish officials to conclude the inquiry, warning that failure to do so would harm economic relations (How China’s biggest bank got ensnared in a sprawling money-laundering probe).

In referencing harming relations, why would the State of Israel make deals with the Chinese, when they have received billions every year, and are to receive \$3.8 billion yearly from the United States over the next decade? This works out to \$23,000 per every Jewish family residing in Israel (US Military Aid to Israel Set to Exceed \$3.8 Billion).

Israel “needed” Chinese communist financial support to build up its infrastructure including two water desalination sites and two rail systems (China’s Growing Economic and Military Interests in Israel).

China sees Israel as a path of “hope” because **Israel possesses advantaged technology**, military weapons and the ability to influence American society, said Xia Ming, a political science professor at the City University of New York (China’s Growing Economic and Military Interests in Israel).

### **It’s a brilliant military strategy.**

China has acquired Israeli technologies, including some that originated in the U.S.

“The Chinese port operators will be able to **monitor closely U.S. ship movements**, be aware of



maintenance activity, and could have access to equipment moving to and from repair sites, and interact freely with our crews over protracted periods,” said Gary Roughead, retired U.S. admiral ([China’s Growing Economic and Military Interests in Israel](#)).

The State of Israel isn’t immune to Chinese hacking. Three Israeli military-contractor firms for the Iron Dome missile defense system **were hacked by Beijing-linked hackers** in 2011-2012, with more than 700 emails, documents and manuals stolen ([China’s Growing Economic and Military Interests in Israel](#)).

Hacking isn’t the only way China obtains strategic military advantage. It does it through shell-companies, like with the American company – IP Global.



The article [China May be about to get a hold of a US Satellite that uses restricted military technology](#) focuses on **how companies circumvent the rules through a web of financial and foreign investments**. IP Global wanted to increase Internet access to Africa and contracted [Boeing](#) to build the satellite. For the most obvious reason being that the satellite would benefit China’s ever-growing “economic” interest in Africa, the China Orient Asset Management

Company expressed interest in it; and later funded it through a shell-company, Bronzelink Holdings, created in the British Virgin Islands by a Chinese businessman Charles Yiu Hoi Ying. IP Global allowed Bronzelink’s investment, because Yiu held a Hong Kong passport, which is considered separate from mainland China under U.S. export controls. The clincher is that Bronzelink, who bought 75 percent of Global IP shares, was lent \$175 million by Dong Yin Development, a subsidiary of China Orient. The owners of IP Global sued Don Yin for trying to usurp the company, especially because **it sent Chinese lawyers on unannounced visits demanding to see contracts and designs** – which Chinese representatives weren’t legally allowed to see. The U.S. warns that China often uses illicit activities to gain access to highly sought-after technologies.

U.S. Vice President Mike Pence’s speech to the Hudson Institute, in October 2018, outlines additional concerns regarding China, and its suspect dealings around the world. “Beijing now requires many American businesses **to hand over their trade secrets** as the cost of doing business in China. It also coordinates and sponsors the acquisition of American firms to gain ownership of their creations. Worst of all, Chinese security agencies have masterminded the wholesale theft of American technology – including cutting-edge military blueprints” ([Vice President Mike Pence's Remarks on the Administration's Policy Towards China](#)).

## Concerns Of China's Endgame Should Not Be Overlooked In Gibraltar

Gibraltar prides itself on being British and being a sovereign state, but these identities will come into conflict, given BRI goals, which are often promoted by its founder, Chinese Communist Party leader, Xi Jinping.

The goal is globalization – and that means more than trade – there's a dominance of power being projected by this **king of the East**.

"Globalization will happen 'independent of people's will'," said Xi Jinping in his keynote speech at the First China International Import Expo in November 2018, which hosted nations looking to attract Chinese investment.



Xi warned attendees that: "economic globalization was an overarching trend... and history would leave behind those sticking to policies benefitting their (own) countries." Xi admitted that while globalization is under threat of unspecified forces of protectionism and unilateralism, it will eventually happen; and he mentioned proposals China will adopt to make globalization more accessible (Xi Jinping: Globalization Will Happen Independent of People's Will).

China **urges other countries to praise** the BRI, so that their words can be relayed back home, as propaganda. Gibraltar's interest in the BRI didn't go unnoticed in *China Daily* news: Gibraltar Eyes Role in B&R Push.

"Albert Isola, Minister for Commerce in the Government of Gibraltar, pointed out that the United Kingdom overseas territory is an ideal fit for Chinese companies." **Isola confirmed Gibraltar already held talks with Chinese-State owned companies**, with discussions about Gibraltar as a forward base. Chinese ship management companies



could use the **Port of Gibraltar** as a base for bunkering, hull cleaning and provision of stores and spares, he said (Gibraltar Eyes Role in B&R Push).



While other services interest the Chinese, like financial, insurance and high-tech ones, it would be prudent to understand China's core interest, because the **Port of Gibraltar** is being marketed to them.

Will Gibraltar-China relations eventually lead to Chinese control over the territory through these diplomatic and economic endeavours? **Does Gibraltar not want to remain British?**

According to the article, Gibraltar to enhance trading relations with China, by **Company Formation Gibraltar**, the BRI “will be one of the most important links between the two countries, and Gibraltar could play an important role in it, thanks to its port, through which more than 100,000 ships sail every year. Chinese companies could **use Gibraltar as the base for naval operations** (such as hull cleaning, bunkering and storage).”



“The **citizens** of countries hosting BRI projects may come to regret their governments’ enthusiasm. Like all Chinese cash, the BRI loans come with **strings** and questions about human rights and corruption. Indeed, the terms of the loans are often shrouded in secrecy, raising fears that local politicians may benefit **more** than their people. BRI countries risk piling up dangerous amounts of debt. And Projects tend to require the use of lots of Chinese labour” (China’s Belt-and-Road plans are welcomed – and worried about).

### **How Sovereign Can Gibraltar Remain If It Aligns With The Chinese?**



Do the maths.

**One:** China pushes for one-world globalization, as per Xi Jinping’s statements. **Two:** China’s interest in controlling the Iberian Peninsula is known, as per an examination of its investments. If China essentially seeks to control Spain and Portugal (not to mention other surrounding Mediterranean countries)

through “financial” investments – and use these investments for political (and military) influence – will Gibraltar face pressure in the future from the Chinese to join Spain? After all, China offered to help in the Eritrea-Djibouti [border dispute](#).

While Gibraltarians are insulted when Spanish flags are raised on the Rock, how would they feel if these flags were Chinese?



Look what happened in Niue, known as the Rock of the Pacific. The tiny island, near New Zealand, is self-governing, but its people are still considered New Zealanders. Foreign affairs and defense policy are still determined in Wellington, New Zealand. Niue's current government signed a BRI deal – a \$15 million Chinese investment to upgrade roads and wharfs. And at its Constitution Day Celebrations this last October 19, school children **waved Chinese flags**, not New Zealand flags (NZ Government Blindsided as Niue signs up to Chinese BRI).



China's interest in the smallest islands around the world is one to note, like Vanuatu, off Australia's coast. The Vanuatu government has taken on a significant debt to China, with a wharf constructed by the Shanghai Construction Company. Currently, it is **unclear if the loan is part of a debt-equity swap clause with China**, as the **Vanuatu Finance Department**

**official declined to answer questions or provide the loan agreement** (The Great Wharf From China Raising Eyebrows Across the Pacific). While both governments deny they have discussed a military-base, Fairfax Media revealed there have been preliminary discussions between the Chinese and Vanuatu governments about a military build-up in the island nation (China eyes Vanuatu military base in plan with global ramifications).

Malcolm Davis, a defence expert at the Australian Strategic Policy Institute, said it was "not by accident" that the wharf had been built for large vessels. "My guess is there's a **Trojan horse** operation here that eventually will set up a large facility that is very modern and very well-equipped" (The Great Wharf From China Raising Eyebrows Across the Pacific). China reportedly accounts for nearly half of Vanuatu's \$440 million foreign debt (On the ground in Vanuatu, monuments to China's growing influence are everywhere).

Another strategic tactic China uses to mark its territory involves **cultural exchanges**. Through organizations and public-relations, China encourages countries to accept and integrate Chinese customs. This is by design, as they are experts in cultural diplomacy.

Are these exchanges to make the Chinese feel welcomed; or are they designed to get the local population on-board with a Chinese presence within their borders?



## Did Gibraltar Fall Into The Cultural-Inclusion Trap?

Through the efforts of the Chinese Association in Gibraltar, which is supported by the Chinese embassy in the United Kingdom, Gibraltar will now celebrate the Chinese New Year (Chinese New Year Celebrations in Gibraltar).



The Gibraltar Chinese Association organized the Chinese New Year celebrations on Main Street last February “to foster” understanding of their culture; and a representative of the group “spoke of the Chinese becoming more prominent on the Rock” – with all good intentions, of course. What is it that’s paved with good intentions?

This followed the 2016 government’s **push** to develop cultural and commercial ties with China, which included the first Chinese New Year celebration on Main Street.



Deputy Chief Minister Joseph Garcia said **the government was already in discussion with Chinese companies over a number of commercial projects**. How much will the Chinese invest or own in Gibraltar? And are any of these “projects” part of the BRI? (Gibraltar marks Chinese New Year wanting to ‘develop cultural and commercial’ links).

It is important to note that many of these associations are set up so that China can monitor and employ its citizens abroad, to effect change. They are also obligated to share information with the Chinese government.

Through public-relations, Gibraltar businesses are being **encouraged** to have a Chinese-speaking staff member, Chinese marketing materials, and Chinese versions of their names – information disseminated through the *Gibraltar Magazine’s* article The Chinese in Gibraltar – Chinese Culture and Tourism in Gibraltar.

And while it’s always a matter of pushing the financial benefits for businesses to do so, it would be prudent to knock the pound signs out of one’s own eyes, and see that more might be at stake.





World tourists don't visit Gibraltar to get a **taste of China**; they come to it because it is uniquely Gibraltar. To what extent will one worship the almighty pound? One cannot serve two masters; and a house divided will not stand.

Like other countries in Europe, Gibraltar will likely have to address human rights issues concerning China; not only in the labour-market, but also religious sectors. China is known for persecuting Christians

like its arrest of 100 of them, in an overnight raid in December, and putting Muslims in internment "re-education" camps, where allegations of slave-labour have been made (UK Confirms Reports of Chinese mass internment camps for Uighur Muslims).

### **The Market-System Lure – A Trade Narrative**

Gibraltarians continue to be lured into investment ventures, where the government promises big rewards for the country; yet many projects don't directly benefit its people, as compared to how they benefit government and other corporations. The influx of minimum wage jobs do not compare to the profits enjoyed by top officials and shareholders in real-estate development.

Brexit has also caused government officials to look at alternative means to feed the market-system; which doesn't necessarily mean they have their priorities in order, especially when they concede to strategies that might have long-term implications to Gibraltar's independence.

Given the market situation surrounding Brexit, the EU has given Spain the right to decide whether Gibraltar will access European markets post-Brexit. Sucking up to the EU, possibly under pressure from China, Joseph Garcia **said Gibraltar is ready to share its airport with Spain**, as it seeks to keep officials in Madrid onside during the Brexit process. Gibraltar is ready **to grant Spain joint management** of its airport, but needs the Spanish authorities **to build an extension** to the terminal on



their side (Gibraltar is Ready to Let Spain Share Control Over Its Airport).



"By expanding the airport and **extending rail links**, Spain and Gibraltar could attract more companies to the area, Garcia said in March 2018 (Gibraltar is Ready to Let Spain Share Control Over Its Airport).

Forwarding the “trade narrative” clearly **benefits Chinese’s BRI**; but maybe Gibraltar politicians already know this, given the meetings held between Gibraltarian and Chinese representatives in April 2017; or their vying for the chance to be the Iberian Peninsula’s gateway for China.

Chinese companies need to secure their trading-relations with other countries and territories post-Brexit. Some of the largest companies in Shanghai and Nanjing have urged trading-relations with Gibraltar to be enhanced, after Gibraltar’s Minister of Finance visited China (Gibraltar and China to Enhance Economic Relations). Again, his visit followed a number that have been made by Gibraltar’s ministers, who believe BRI deals are mutually beneficial; or who possibly believe they can out manoeuvre the Chinese through clever corporate leveraging.

The BRI is about linking the world as a whole, **TO BENEFIT the Chinese** – using ports, railways, roads and airports. China would also benefit in infrastructure projects like with the **Gibraltar airport extension**; or even in an upgrade to the Gibraltar seaport to service its needs better. And no doubt, these upgrades would be sold by local politicians as “economic” progress.

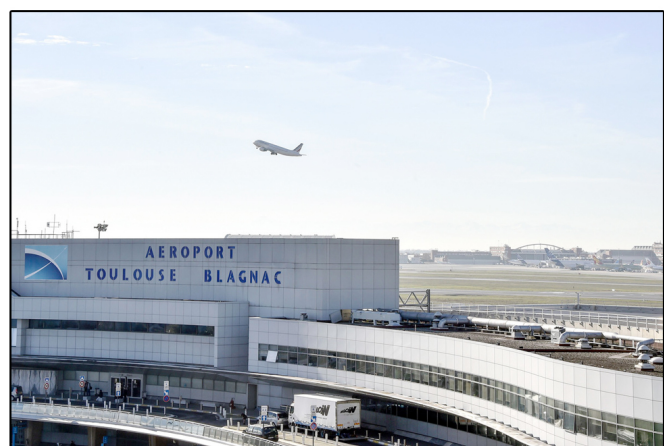
In reality, prosperity comes only to a few. Governments constantly look for ways to add to their balance-sheets, like increasing the rents of the six mortgaged-housing estates. Sometimes, they do not even keep their promises.

“When social-insurance costs were increased last year, the Government said that the increase had to be a double-digit increase to catch up after so many years without an increase. At that time, government informed the Chamber that the 10% increase was a **one-off** and future increases would be in line with inflation. Despite this assurance to the Chamber, this year the social-insurance costs have increased by 10 percent, or four times the rate of inflation, a total increase of 20% in just over 15 months” (Chamber & GFSB respond to 2018 budget).

**Assurances like these just reinforce the fact that politicians lie.**

What are the odds that a Chinese company, or a company backed by Chinese capital, would win the construction-contract for the expansion of Gibraltar’s airport? Such a project would fall under BRI project eligibility.

BRI investments are largely focused on infrastructure projects which have included construction/expansion of airports, like with France’s Toulouse-Blagnac; the railway connecting Belgium to China’s mainland; the upgrades to numerous ports like in Sri Lanka, Greece, and Djibouti; and construction of power grids, like in Italy.



There is a long list of “infrastructure” loans that qualify in the BRI framework; from a theme-park in Indonesia to a brewery in the Czech Republic. “Various governments’ agencies have also issued extensive export-guarantees, loan guarantees and other financial arrangements as part of the initiative, although some of these overlap with the bank-loans” ([China Taps the Brakes on Its Global Push for Influence](#)).

“Under the initiative, Chinese government-controlled lenders offer big chunks of money – usually **through loans or financial guarantees** – to other countries to build big infrastructure projects like highways, rail lines and power plants. That money often comes with the requirement that **Chinese companies be heavily involved in the planning and construction**, throwing them a lot of business” ([China Taps the Brakes on Its Global Push for Influence](#)).

Related to BRI initiatives are China’s European purchases. According to [How China is Buying Its Way into Europe](#), Bloomberg said China has bought or invested in assets amounting to at least \$318 million over the past 10 years. Bloomberg found that Chinese state-backed and private companies have been involved in deals worth at least \$255 billion across the European continent, with approximately 360 companies being taken-over, which include partially or wholly owning at least four airports, six seaports, and wind farms in at least nine countries. **These exclude 355 mergers, investments and joint ventures, because terms were not disclosed.**

“Knowing who is doing all this buying is crucial to understand how such activity fits into China’s official and unofficial foreign policy aims” ([How China is Buying Its Way into Europe](#)).

According to the article, [Who will pay for China’s new Silk Road?](#), China joined the European Bank for Reconstruction and Development at the end of 2015, as part of its promotion of the BRI scheme in Europe. Zhou Xiaochuan, the governor of the People’s Bank of China, said that governments cannot fund all the projects envisioned in the BRI initiative; and he suggested that countries involved in the strategy work with capital markets, **set up dedicated financial agencies of their own** and try to make use of local currencies.”



Could it be that the **Gibraltar Capital Assets Limited**, created in 2015, filled this need for Gibraltar, as a dedicated financial agency to fund projects?

Because loans are debt-instruments and debt-instruments are sold, based on projected profits backed by collateral, the £300-million loan – or mortgage (the loan) of the six housing-estates (the collateral) in Gibraltar – isn't solely held by Gibraltar Capital Assets Limited, because foreign investors could potentially already own or purchase majority shares.

According to the article, Opposition remain concerned over £300 million mortgage, the current government had this to say about the deal, "**The success of attracting this investment from many international financial groups was clearly a significant vote of confidence in Gibraltar's economy**". This loan could become a debt-trap as the Opposition is concerned that the income from the housing-rentals doesn't cover the interest-rate on the loan (hence the rent-increases).

Governments and officials cannot claim loans and investments are in the best interest of its people and nation, if they cannot disclose details of the deals. **Secrecy** always implies there are details that could be damning – and individuals and entities can skirt around the issue, ridicule and stall, until it is too late.



Dharumavantha Hospital awarded to Singapore's Chang Hua, without an open bidding process in March 2015.

Sometimes, the magnitude of debt to China is discovered when an in-coming government accesses what its predecessors have done, like they did in Maldives. After President Abdulla Yameen was voted out in September 2018, the new government began to uncover the mountain of debt he'd racked up with Beijing to build housing developments; a new airport runway; a bridge and a hospital. They also found that preference was given to Chinese financing under the BRI, which included an **inflated \$140 million hospital bid**, when another rejected bid had come in at \$54 million. "We have been burned," said Economic Development Minister Fayyaz Ismail (How Asia Fell Out of Love with China's Belt and Road Initiative).

Ibrahim 'Ibu' Mohamed Solih, the new president, said, "Whether you look at the IGMH new building, or the bridge or the airport, corruption and embezzlement are behind them." He also flagged the corruption behind a deal that awarded a prime piece of real-estate given to a brother-in-law of Yameen. The **waterfront property** where Chinese contractors are building a multi-story **luxury apartment complex** was leased for 50 years without any extension fees (Corruption and embezzlement behind Yameen's development, alleges Ibu).

## Bribes And Kickbacks Are Not Uncommon In BRI Deals

Bangladesh has blacklisted a top Chinese construction firm, China Harbour Engineering Company (CHEC), for allegedly trying to bribe a senior government official with \$60,000 ([Bangladesh Blacklists Chinese Firm Alleged Bribe](#)).

According to the article, [Companies engaging in Chinas Belt Road projects must address bribery risks](#), 30 percent of cross-border bribery cases are in the construction and transportation sectors, with an estimate of 10-30 percent of the investment in publicly-funded **construction projects being lost due to corruption**. "Given the limited oversight (by design) and the projected speed of development, as well as the countries and industries involved, businesses working on these infrastructure projects are almost **certain to face bribe demands**."

In Kenya, the Jubilee government is being criticized by a city attorney – alleging that Chinese investors were giving between 10-30 percent bribes to win tenders ([Jubilee madly in love with Chinese loans because of bribes and kickbacks - Lawyer Ahmednasir](#)).

Also in Kenya, three Chinese nationals have been [charged](#) with bribing investigators, accused of paying a **bribe** to influence the outcome of fraud-investigations. The Chinese men worked for the China Roads and Bridge Corporation at the Standard Gauge Railway in Mombassa – and it's part of the **BRI**.



The Wanda Group, a real-estate conglomerate, recently [sacked an executive](#) embroiled in a bribery-case that may have shaped the Chinese conglomerate's destiny.



Patrick Ho – former HK Home Secretary

U.S. authorities have **arrested** Hong Kong's former home-secretary and the ex-foreign minister of Senegal for orchestrating a multimillion-dollar bribery scheme in Africa on behalf of the China Energy Fund Committee (CEFC), a company that played an **important role in the BRI**. US officials alleged they offered a US\$2 million bribe to the president of Chad "to obtain valuable oil rights," and a US\$500,000 bribe to an

account designated by the Minister of Foreign Affairs of Uganda to secure business advantages for the China energy company ([Former Hong Kong home secretary Patrick Ho arrested in US over alleged Africa bribery scheme](#)).

Because bribery cases are now making world news, China has had to address this problem – although its history has been to ignore them. Some cases have now been prosecuted by China, like the bribery-case involving a former China Development Bank executive who was sentenced to 14 years in jail.

And despite the negative publicity, and potential harm to international-relations, China makes sure it comes out on top. While some would agree there is no difference between a Chinese private company and a state-owned one, the **Chinese government can always take illegal profits** as it did with the China Development Bank executive, or **take over** private companies as it did with CEFC – which had lasting effects, even in the Czech Republic.

Czech President Milos Zeman, proclaimed Czech could be China's gateway to Eastern Europe, praising the BRI. By 2015, Zeman named as **his honorary adviser** Ye Jianming, the chairman of China's CEFC, which promised Czech billions-worth in investments; and embarked on a buying-spree of mostly real-estate acquisitions. The company even hired former elected-officials as advisors. Incidentally, Ye was also a consultant for the Maritime Silk Road Society. Ye was **arrested** in Beijing in an investigation for financial-irregularities, which preceded the arrest of Patrick Ho. In the end, the **Chinese state government would take over the heavily indebted CEFC and ALL its Czech acquisitions** (China's gift to Europe is a new version of crony capitalism).



Ye Jianming – CEFC Chairman

That's a strategic move on China's part, on how it dealt with one of its own. But acquisitions come into play around the world.

### **From Acquisitions To Take-Overs**



According to the article, China to take over Zambia's international airport for repayment, China is proposing to **take over the airport should its government fail to pay back its huge debt on time**. It's typical of the Chinese strategy. But the airport is only one example in Zambia. The Chinese own 60% shares of the **Zambian National Broadcasting Corporation**, which means they can influence what is aired. "It's rather

pathetic how China is re-colonizing Africa by appealing to the ignorance and selfish interests of our leaders," wrote Richard Krahe.

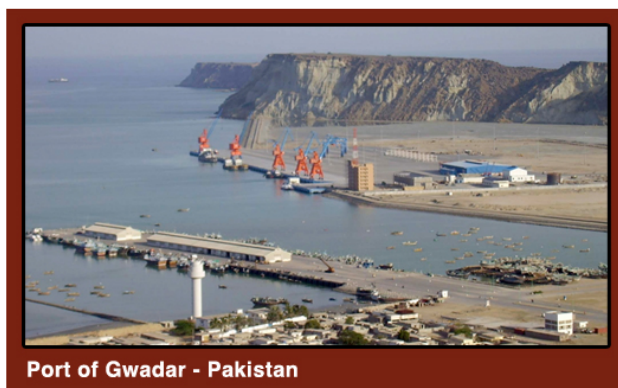


From real-estate to natural-resources, China is racking up ownership and control. At a recent World Bank organized conference, **China was identified as the biggest land grabber in the world**. Examples include Angola, Africa bartering its oil resources for infrastructure development; and acquisition of large tracts of land in Zambia and Ethiopia – at the expense of local farmers (The Expansion of Chinese Influence in Africa - Opportunities and Risks).

Tajikistan is yet another example. Instead of paying loans back gradually, Tajikistan is signing away land and mining rights. In 2011, the Tajikistani government ceded 1,100 square kilometers of land near the Afghan border to China. Not only was the land along the Wakhan Corridor— historically one of the most strategic junctions for Chinese access to the Indian Ocean and West Asia—it also purportedly contained gold and uranium deposits. That same year, Tajikistan allowed Chinese farmers to till 2,000 hectares of arable land—a scarce commodity in such a mountainous country (For Tajikistan Belt and Road Paved with Good intentions).

According to the article, "China's mammoth Belt and Road Initiative could increase debt risk for 8 countries", 23 out of 68 countries identified as potential borrowers in the Belt and Road Initiative were found to be already at **high risk of debt distress**.

A distressed Pakistan lost its Port of Gwadar to China, after it could not pay its debt. Owned, financed and built by China, Gwadar Port occupies a strategic location.



The **Gwadar Port** is an example of how the **Chinese investment initially uses commercial "incentives" to later employ military ones**. At first, the Gwadar Port was limited to Chinese financing and construction; but in 2015, it handed over ownership to state-owned China Overseas Port Holding Company. China described the transfer as just normal business practice and friendly co-

operation between itself and Pakistan, with former Pakistan officials supporting the claim. For years, Beijing and Islamabad denied any military-plans for the harbour, insisting it was a purely commercial project, but the mask is coming off. "As Gwadar becomes more active as a port, Chinese traffic both commercial and naval will grow..." said a senior foreign ministry official in Islamabad (How China Rules the Waves).

"There is an inherent duality in the facilities that China is establishing in foreign ports, which are ostensibly commercial, but quickly upgradeable to carry out essential military missions," said Abhijit Singh, senior fellow at the Observer Research Foundation in New Delhi. The Chinese Academy of Sciences did call for China to "**make full use of diplomatic and economic methods to establish, at strategic maritime locations, points of resupply and military bases so as to protect strategic maritime passages.**" The political justification used for port investments is the Belt and Road Initiative (How China Rules the Waves).

Michael Kugelman, a regional analyst with Woodrow Wilson International Center for Scholars, said that Pakistan represents the best example of a BRI recipient nation realizing **there's not much transparency about the actual terms of these contracts and loan deals with China**. Newly-elected Pakistani Prime Minister Imran Khan has promised to bring transparency to the nation's notoriously corrupt financial dealings; and intends to review and renegotiate agreements with China ('Belt and Road' projects lay foundations for China's expansion of military bases, critics charge).



Port of Djibouti - Horn of Africa

Chinese involvement in the **Port of Djibouti**, in the Horn of Africa has also aroused military concerns. Although it started out as a commercial port, it is the site of the first Chinese overseas **naval** base (How China Rules the Waves).

Beijing has firmly taken root in Djibouti through its numerous multibillion

infrastructure projects, including a new port; two new airports; a railway; a salt extraction plant; and natural resource pipelines. Critics warn that Djibouti will become too dependent on Beijing; **if Djibouti is unable to repay loans on time, infrastructure ownership and revenues will fall into Chinese hands**. "The coming Chinese military presence with the naval base is bound to influence Djibouti's foreign policy," warns Philippe Danieau, General Manager of CMA CGM Djibouti SA, one of the biggest logistics companies (China's Experiment in Djibouti).

According to the *Financial Times* investigation, Beijing has come a long way in achieving its objectives in the **past six years**, now controlling a network of harbours across the globe. Its shipping companies carry more cargo than any other nation; its coastguard has the largest maritime law enforcement fleet; its navy is the world's fastest growing among major powers; and its fishing armada includes 200,000 seagoing vessels (How China Rules the Waves).

Recently-elected Brazilian President, Jair Bolsonaro won in part for his platform criticizing the Chinese take-over of his country. "China isn't buying in Brazil. **China is buying Brazil**," Bolsonaro said. "Are you willing to leave Brazil in the hands of the Chinese?" Bolsonaro pledged to implement market reforms preventing privatization of state-run industries (Brazilian Presidential Frontrunner Jair Bolsonaro: 'China Is Buying Brazil').

## How Far Will Gibraltar Go To Partner With China?

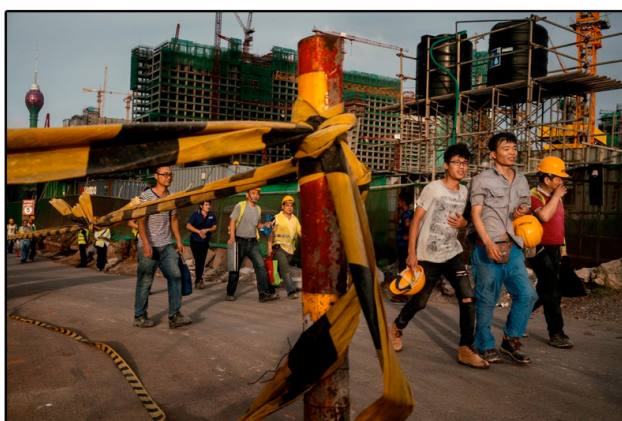


One question is how much of Gibraltar will China eventually own and/or control, if deals have been made; are in the process of being made; or are on-going. An answer cannot be given without government disclosure of details of any of these potential deals. If China gains the upper hand in Gibraltar, government officials **cannot claim** they “didn’t know” or “were only doing their jobs”, because so much information is

readily available from around the world, about BRI deals. And with government and government-official linked news media, it’s unlikely the average Gibraltar citizen will read or hear important decisions contrary to the government’s own positive propaganda-spin, except the occasional ridicule of individuals or groups who question their actions or motives.

Even if the Chinese, in some shape or shell-company, don’t own high stakes in the £300-million mortgage-debt – or even if they don’t have other large investments in Gibraltar yet – if their real core-interest is the **Port of Gibraltar**, Gibraltar’s airport, and a railway north (in that order), does one think a BRI deal hasn’t already occurred, or isn’t about to occur? Given the amount of infrastructure upgrades and construction projects in Gibraltar, over the past several years, the question must be asked – “Are any of them financed by Chinese investors and/or Chinese state-owned entities?” And if so, don’t Gibraltarians have the right to know?

## Chinese Labour Comes Into Play



Countries have also fallen for the belief that “investments will create jobs for locals”, only to find out the deal comes with the **Chinese bringing in their own workers**.

“It has dispersed tens of billions of dollars in loans, often to highly indebted countries, sparking criticism of Beijing for everything from ‘debt entrapment’ to excluding local labour from projects

funded by the plan. Beijing’s commitment to market forces has been questioned by some however, **with most projects financed with BRI money awarded to Chinese companies and built with Chinese labour**” (Chinas Belt Road Tempts States but Comes with Risks).

There has been a backlash in Africa against a trade pattern that suppresses local industrial development, and often **brings in Chinese workers**, rather than provides skilled jobs to Africans. And, there is an effort to set up Chinese enterprises to control the distribution of exports, down to the retail level, to maximize the gains from trade (One World Under China Beijing rolls out BRI; US Can't Agree on Renewing its Own infrastructure).

Using their own labourers, allows them to **circumvent local labour-laws**. One recent example with labour-laws is Zambia, with news that Chinese investors in Zambia have prevented labour-representatives from being present at construction-sites (Chinese investment in Africa could create national economies 'entirely dependent on China', say experts).



Alternatively, in Tajikistan, which has no mandates for foreign firms to hire domestically, Chinese workers were brought in; and as of 2014, 82,000 Chinese workers were there (For Tajikistan, the Belt and Road Is Paved with Good Intentions).

Malaysian Prime Minister Mahathir Mohamad, who recently cancelled more that \$20 billion worth of Chinese-funded projects, accused China of **colonialism** (Malaysia PM Cancels Chinese-Funded Projects).

Recently, imported Chinese national workers allegedly attacked Pakistani policemen, who were deployed as the work-camp security-guards. They became outraged when security-guards refused to allow them to leave the workers' camp to visit the red-light-district without being accompanied (Chinese workers in Pakistan fight with cops for being barred from red light district). Five Chinese engineers and staff workers have since been deported. Officials added that the Chinese engineers also cut power-supply to the police-camp established within the main construction camp (5 Chinese workers who clashed with policemen in Khanewal sent back).

If developers are **allowed to import Chinese workers to Gibraltar**, does that mean the Gibraltar government has signed "deals" with the Chinese – deals that would allow them to do so – as one of the **stipulations** of Chinese or BRI investments?



If Gibraltar officials already signed a Memorandum of Understanding with the Chinese; how would Chief Minister Fabian Picardo reconcile allowing a Chinese labour-camp within Gibraltar, with the MoU he signed with the Cross-Frontier Group in June 2017 – to facilitate and promote growth in the economies on either side of the frontier, including a commitment **to improve** employment opportunities on both sides of the border ([Government of Gibraltar Signs Memorandum of Understanding With The Cross-Frontier Group](#)).



The Cross-Frontier Border MoU specifically states, “maintaining and creating new employment”, which was probably welcome news to the Campo of Gibraltar, which has one of the highest unemployment rates in Spain. As of 2017, 8500 people remain unemployed in La Linea alone.

The MoU with the Cross-Frontier Group was a positive step in uniting the Campo; but any deal allowing Chinese workers would void it.

The current government would also have to reconcile its firing of 10 percent of the Spanish workforce in 2012, with any plans to allow Chinese labourers in for construction jobs, because most of the Spanish fired were in the construction industry. The organization's director, Francisco Ponce, warned there was a danger that Spaniards working in public-sector jobs were at risk of termination, because employers were favoring natives of Gibraltar in job programs. **How would that be perceived if Gibraltar eventually favoured Chinese natives over Spanish ones?**

While the politicians and businessmen can “claim” and convince the public that “cost-effectiveness” outweighs “livelihood” in the big scheme of things; look closer – who’s pockets are really being filled?

Given its size, Gibraltar isn’t likely to experience Chinese colonialism in the very near future, although it could be on the horizon. But do Gibraltarians look the other way when it comes to what is happening worldwide? Will Gibraltarians continue to ignore how China is using financial strategies to gain footholds within its own borders?

### **Wouldn’t It Be Treason To Sell Out Gibraltar?**

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