

New Italian government tilts foreign policy towards Washington

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Mario Monti, who took over as head of the Italian government on November 16, has mainly made headlines due to his rigid austerity policies. He has, however, also made significant changes in the country's foreign policy.

The foreign policy of his predecessor, Silvio Berlusconi, had often been regarded as unpredictable. Berlusconi maintained a close friendship with the Russian prime minister and former head of state Vladimir Putin, and his long attachment to Libyan ruler Muammar Gaddafi caused irritation in Washington. Monti is now rebuilding close relations with the United States and stressing Italian interests in Libya under the new regime.

At the head of the Ministry of Foreign Affairs, Monti replaced Franco Frattini, a long-time confidante of Berlusconi, with Giulio Terzi di Sant'Agata, a count stemming from the Lombard aristocracy. Terzi has maintained very good relations with Washington. The BBC writes: "The new Italian foreign minister, Giulio Terzi di Sant'Agata, has an extensive network of contacts in North America. His relations with the White House were decisive for his appointment."

Terzi has been active in diplomatic circles for 35 years and has worked at the Italian embassies in Paris, Canada and Israel, as well as at NATO and the United Nations. His most recent post was Italian ambassador to the US, where he was on friendly terms with Barack Obama. Via Twitter, Terzi openly campaigns for sanctions against Iran. His specialty is "international security" and the "war on terrorism".

From 2002 to 2004, Terzi was the Italian ambassador to Israel. During this period—Italy held the European Union presidency in 2003—he campaigned for the improvement of EU-Israeli relations. At the height of the second

intifada, he secured an invitation to visit Israel for Berlusconi's former foreign minister, Gianfranco Fini. Fini's visit to Israel was of great symbolic importance. At the time, Fini was the leader of the National Alliance, the successor party to the neo-fascist MSI (Italian Social Movement). His reception in Jerusalem was portrayed as a break with his past and an embrace of democracy.

Fini is now speaker of the Italian parliament. After his spat with Berlusconi and his break with Berlusconi's People of Freedom party (PdL), Fini now heads the so-called "Third Pole", which includes Terzi in its ranks. Unlike Fini, however, Terzi remained loyal to Berlusconi to the end. The Third Pole is fully behind Monti and treats the autocratic economist as one of its own.

In 2008 and 2009, Terzi was Italy's permanent representative at the United Nations in New York (where he was active earlier, between 1993 and 1998). In 2007-2008, he was the head of the Italian delegation to the UN Security Council. The key foreign policy issue for Italy at that time was its commitment in Afghanistan.

On December 16, Terzi met in Rome with the leader of Libya's National Transitional Council (NTC), Mustafa Abdul Jalil, and promised to free up €600 million of Libyan funds sequestered in Italy. Jalil was also received by Prime Minister Monti and President Giorgio Napolitano, and Italy officially renewed the friendship treaty with Libya that Berlusconi had struck with Gaddafi. The contract had been invalidated by the war on Libya, which Italy had supported after some initial hesitation.

Now, however, former colonial power Italy is keen to get its hands on the natural gas and oil that is once again bubbling to the surface in the North African country. At the World Petroleum Congress in Doha in early

December, the Italian energy group ENI, which is also the largest foreign oil producer in Libya, announced that its production of crude oil in Libya had been restored to around 70 percent of pre-war levels.

ENI CEO Paolo Scaroni said: “We are again producing nearly 200,000 barrels per day, a phenomenal result.” Since Gaddafi’s overthrow, oil production has resumed “faster than expected”. Scaroni declared that he had always been confident that the new government of Libya would comply with the treaties it had made with Italy.

A 30 percent share of ENI still remains in the hands of the Italian state. The ENI Group has been active in Libya since 1959, and Italy is the largest foreign buyer of Libyan oil and gas. Before the war, Italian production in Libya averaged 280,000 barrels per day. At that time, Libya produced a total of 1.6 million barrels daily, of which 1.3 million were exported.

Libya has the largest known oil reserves in Africa. The head of the OPEC cartel, Abdullah El-Badri, said in Doha that Libyan oil production would reach pre-war levels by mid-2012.

Other international oil companies seeking a share of the profits in Libya are the French company Total, Repsol of Spain, German Wintershall and OMV of Austria. In late September, even before the official end of the war, Total and ENI were the first to recommence the production and transportation of oil. Together with the state-owned Libyan National Oil Company, ENI runs the distribution company Mellitha Oil & Gas.

The NTC wants to exclude Russia and China from its oil and gas production. In so doing, it is obviously falling into line with demands made by Washington.



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