



By: *Tomorrow's Affairs Staff*

# Will the celebration of 10 years of the Belt and Road Initiative in Beijing also be a farewell to it?



No matter how Chinese President Xi Jinping explains the transformations and adjustments of his Belt and Road project for the coming years, the summit dedicated to the 10th anniversary of this mega-initiative could also serve as a farewell.

The summit of project participants in Beijing in 10 days will be a flashy and pompous display of China's sense of global supremacy, which it has developed over Xi's decade in power. But, at the same time, following the ceremonies, the lights will gradually go out on the Belt and Road.

President Xi and China seem prepared for this, but it is unclear whether dozens of other economies which have been part of the project for the past decade are also ready.

The Belt and Road Initiative is Xi's legacy, launched in September 2013 with his speech at Nazarbayev University in Astana, the capital of Kazakhstan.

It started as a project to link China with its Eurasian partners, primarily in Central Asia, as a reminder of the old trading days.

However, it has expanded geographically to almost all continents and sectors - infrastructure projects, finance, healthcare, culture and cooperation in space technology.

Under the BRI brand name, China rapidly concluded Memoranda of Understanding with interested parties. For many, it was a way to get much-needed loans without many administrative procedures and not particularly favourable terms.

## Programme for the impoverished

The structure of the partner countries shows that it is mainly about underdeveloped or medium-developed economies. Ninety per cent of lower-middle and low-income countries are part of the project.

The most frequent amount, which has been invested in projects completed to date, is roughly \$1 trillion. However, there is little faith in China's non-transparent statistics, particularly with regard to the BRI as the untouchable pet of Xi's administration.

However, it is challenging to determine which part of that money was actually placed thanks to the BRI, or whether it would have been used anyhow.

The partnership realised that simply using the MoU, as a non-binding document, did not help to get a clear picture of the effectiveness of the BRI as a platform designed to "release the growth potential of various countries", as President Xi said.

On the other hand, a whole series of the world's most developed economies remained outside the BRI, but this did not discourage the flow of investments with China.

It turned out that the economies that did not join the BRI, such as the US, France, Germany, and Australia, were the most significant investment destinations for Chinese companies in the last decade.

This practically means that BRI membership was no guarantee that Chinese investments would rush into an economy. It was a declarative expression of a willingness to expand economic cooperation with China, primarily investments.

For China and its leader, that was quite enough. Their obsession with large numbers, in this case, the countries that joined the project, was significant for the internal promotion of Xi's policy of gaining global dominance.

## BRI's successors are ready

BRI practically started counting its final days during the COVID-19 pandemic. The 3-year lockdown period in China, the decrease of all parameters of international trade and capital placement, along with the cooling down of the

Chinese economy and less cash for investing abroad, made BRI run out of breath.

As of 2019, China had to spend as much as \$100 billion to bail out partner economies from the BRI, which were unable to repay loans.

The Beijing Summit, which will mark its tenth anniversary, is significant for promoting China's new global strategies as the country's cornerstone in the coming decade instead of BRI.

Global initiatives on development, security and civilisation are new models that Beijing wants to use to ensure the continuity of Xi's policy of influencing global trends and imposing the Chinese model.

The transition from the BRI to the implementation of these 3 initiatives carries significant risks for Beijing and its global ambitions.

The 3 new initiatives have less economy and more geopolitics, security and even ideology than the BRI. Whether such a model will be as attractive as the BRI is the risk Beijing is prepared to take.

## US initiative in response to Chinese ambitions

At the same time, the US-led India-Middle East-Europe Economic Corridor (IMEC) programme will take over the space left vacant by the waning BRI.

Often labelled as the US answer to China's BRI, this project will strengthen transport links between India, the Middle East and Europe, their railways, sea lanes, cable lines, power grids and digital infrastructure.

All participants expect IMEC as a stimulus to their economies through an increase in the volume of exchange and its great acceleration. The President of the European Commission, Ursula von der Leyen, estimated that with IMEC, trade between the EU and India would

be 40% faster than currently.

In this respect, this project goes beyond the ambition of being just a response to the BRI, as the regions it connects carry incomparably more geopolitical weight than the BRI ever did.

After all, no new response to the BRI is needed because the initiative celebrated in Beijing as "the most ambitious geopolitical project of the century" is gradually becoming history.

The economic and technological rapprochement project between India, the Middle East and Europe, which US President Joe Biden announced at the recent G20 summit in New Delhi, represents a response to China's new strategies for the following decade.