

Ten years of Belt & Road – quo vadis?

Victor De Decker

A decade ago, President Xi Jinping announced the Belt and Road Initiative. Promising large infrastructure projects, the initiative was welcomed by vastly underinvested countries all over the world. Also on the home front, Chinese state-owned enterprises (SOEs) and banks were eager to participate. In recent years, however, China has been facing an increasingly hostile environment. The BRI itself has become the subject of criticism due to construction defects and a mounting debt burden.

In this paper, the main drivers and changing dynamics of the BRI are touched upon. Changing trends are forcing China to focus increasingly on quality, rather than quantity in its development policy. This is the case for China's domestic industrial policies, as well as for its foreign investment policy through the BRI.

HISTORY

Since the inception of the People's Republic of China (PRC), infrastructure development has played a pivotal role in China's domestic and foreign policy. Throughout the history of the PRC, infrastructure development has taken different proportions, shapes and roles. After a brief period of domestic reconstruction, the Chinese Communist Party (CCP) formulated its first Five Year plans (1953-57 and 1958-62). These plans entailed a Soviet-style approach to development, targeting GDP growth through a high rate of investment. As part of its early foreign policy in the 1960s, the PRC already instrumentalised infrastructure investments through in-

kind grants and interest free loans to distressed African nations, of which the Tanzania-Zambia Railway is an example. To the PRC, this policy was a means to actively break out of its diplomatic isolation.

After the Cultural Revolution, the CCP embarked on a programme of Opening Up in 1978. The country was still vastly underinvested and lacked basic infrastructure, logistics, and manufacturing capacity. In order to fill this funding gap, Chinese authorities encouraged domestic savings, which provided the state-led and state-owned policy-banks with ample resources which could be allocated to fuel a new high investment-led growth regime. This development finance model, together with a closed-off financial system and inflows from foreign capital, together with ample infrastructure investment opportunities, resulted into a rapid increase in productivity and steady high growth rates.¹

Besides carefully targeting domestic capital, foreign capital in the form of foreign direct investment (FDI) was welcomed as well from the 1990s onwards. This trend was strengthened by China's WTO accession in 2001.² From virtually zero in 1979, FDI net inflows soon accounted for 6.2% of GDP.³ A significant proportion of this capital was channelled to infrastructure development. Between 1992 and 2011, China ploughed 8.5% of its GDP into infrastructure, far exceeding any other country or region. The largest share of this spending went on the construction of roads, power, rail, and water infrastructure.⁴ Another important impetus for increased infrastructure investment was the twin crises China faced in 2008: on the one hand the Global Financial Crisis (GFC) was harming China's exports, while at the same time China's heartland was

hit by a devastating earthquake, causing 70,000 casualties and rendering millions of people homeless.⁵

These crises urged central authorities to implement a vast stimulus package, using both fiscal and monetary policies to maintain growth and restore infrastructure in the affected provinces. A significant portion of the fiscal package, totalling \$586 billion (RMB 4 trillion) over 27 months, was earmarked for large-scale infrastructure investments. According to figures provided by the National Development and Reform Commission (NDRC), RMB 280 billion (\$41 billion) was allocated for housing projects; RMB 370 billion (\$54 billion) for improving infrastructure in rural areas, and RMB 180 billion (\$26 billion) for building highways, railroads, and the power grid. On top of this, an additional RMB 1 trillion (\$146.5 billion) was allocated to the areas worst-hit by the earthquakes.⁶

Key in this post-GFC infrastructure push was the introduction and vast expansion of China's high-speed rail (HSR) network. In the first decade following the GFC, China consecutively constructed and put into operation over 25,000 km of dedicated HSR lines. This not only improved transport connections for average Chinese citizens, but also provided the Chinese economy with considerable experience in planning, constructing, and operating HSR infrastructure, as well as developing a localised ecosystem for HSR technology. All of this was done at a significantly lower cost than for similar HSR projects in Western countries. With an approximate rate of \$17-21 million per km, the PRC only paid two-thirds of what other countries had to pay. This can, to a large extent, be explained by a high degree of standardisation in design and procedures.⁷ Still, this initial rail infrastructure was of poor quality. Testament to this was the dramatic Wenzhou bullet train crash in 2011, which was attributed to "design flaws".⁸ In the 2010-11 WEF Global Competitiveness Report, China's quality of overall infrastructure ranked only in 72nd place globally.⁹

While the Stimulus Package was effective in fostering a strong rebound of the Chinese economy, achieving a double-digit annual growth rate in 2010 (10.6% GDP growth), the overall trend ever since has been one of declining annual growth rates.¹⁰

This trend instigated fears that the PRC could be facing the "middle-income trap" (MIT).¹¹ The MIT phenomenon happens when a rising economy attains a certain level of development, income rises and so the country loses its competitive edge. If an economy is more export-based, it is more prone to the MIT.¹² As the Chinese economy is highly dependent on an industry-led, labour-intensive export sector, it is feared that China could be an easy prey for the MIT in the coming decade.

In parallel to this relative decline in annual GDP growth rates, the strong reliance on investments burdened the Chinese economy with mounting debt. Especially since the GFC, China's corporate and household debt has risen sharply.¹³

Underlying this rising debt-to-GDP ratio is a marked slowdown in growth in output per worker since the GFC. This trilemma – lower growth, higher corporate debt, and lower productivity – indicated that the PRC could not simply spend its way out of stagnation, but that it needed a new paradigm for growth.

BRI 1.0

This new paradigm for growth was partly offered by the announcement of the Belt & Road Initiative in 2013. Henceforth, China's growth strategy would be more outward-looking.

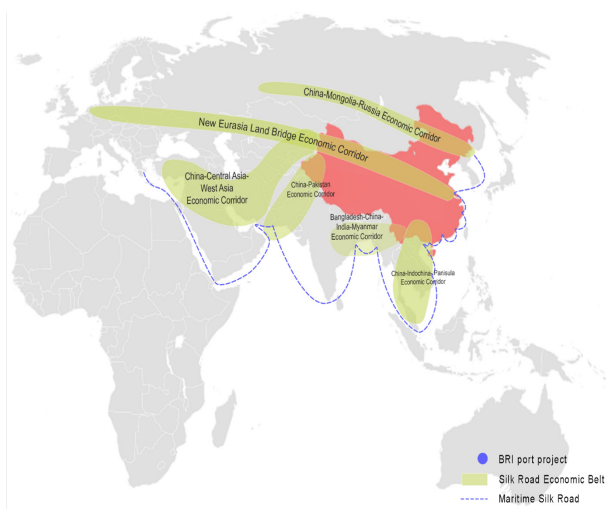
The BRI can be perceived as a continuation of existing foreign policy initiatives, notably the Going Out Strategy, in which the Chinese government supported Chinese state-owned enterprises to expand internationally,¹⁴ and an already increasing Outward Foreign Direct Investments (OFDI) rate. The BRI intensified these ongoing dynamics and specifically targeted foreign infrastructure development.

Moreover, the BRI was also a way to avert a collapse of China's domestic investment-led growth model by remoulding it into an internationalised investment-led growth model. State-owned banks and enterprises were redeemed from hard trade-offs regarding their

overcapacity and high corporate debt while their market broadened.

The initial name – “One Belt One Road (OBOR)” – was derived from the overland “Silk Road Economic Belt” (SREB) and the “21st Century Maritime Silk Road” (MSR), concepts which Xi Jinping introduced in Kazakhstan and Indonesia. At the centre of this initiative were a host of infrastructural projects with the purpose of interlinking all the countries and cities of the Eurasian continent. The Silk Road Economic Belt involved the establishment of a continental economic and trade corridor extending the entirety of Eurasia and Africa. The Maritime Silk Road, on the other hand, promoted the development of ports and maritime trading hubs across the world.

The SREB had six pivotal infrastructure project corridors linking Chinese provinces to neighbouring countries and regions: the China-Pakistan Economic Corridor (CPEC), the China-Mongolia-Russia Economic Corridor (CMEC), the New Eurasia Land Bridge Economic Corridor (NELBEC), the China-Central Asia-Western Asia Economic Corridor (CCAWAEC), the China-Indochina Peninsula Corridor (CIPC) and the China-Bangladesh-India Economic Corridor (CBIEC). The MSR on the other hand was aimed at port development projects along the Ancient Silk Road. This way China’s major ports could be even better integrated into international shipping routes.



Initially the BRI was unveiled by the Chinese government as an infrastructure project, putting in place a secure and efficient network of land, sea and air passages, lifting connectivity to a higher level.¹⁵ Though of significance at the launch of the BRI, the geographic scope along the above-mentioned “corridors” has become less straightforward. Over the past decade the list of “BRI countries” has evolved into a patchwork of around 150 nations spanning the world. The commitment of these countries to the BRI varies widely and is often defined vaguely by the signature of Memoranda of Understanding, which imply no binding commitments on either side (neither for the PRC nor for the signatory country).¹⁶ It is also important to note that, despite its more elaborate global branding than the “Going Out” strategy, the BRI did not significantly alter the sectoral or geographic composition of China’s overseas development financing programmes.¹⁷ China’s trade and investment relations with “BRI countries” had already started to intensify well before the announcement of the initiative.¹⁸

Nonetheless, at the time of the announcement, emerging and developing economies were in dire need of infrastructure development and, with an investment gap of \$452 billion per year,¹⁹ were eager to accept any increase in infrastructure investments. For China, on the other hand, this was a way of averting the trilemma of low GDP growth, lower levels of production and high corporate debt. China’s internal investment-oriented development model could be externalised to foreign markets where seemingly low-stake, high-yield, and productive infrastructure investment opportunities were plentiful.

The BRI took off with great speed, as over the first five years, the number of “mega-projects” – financed with loans worth more than \$500 million – approved each year tripled.²⁰ Chinese industrial and financial players – facing high financial debt and industrial overcapacity, especially since the GFC – eagerly tapped into the externally faced growth-potential of BRI.²¹ They have since played a pivotal role within the BRI; Chinese SOEs have contracted about half of BRI projects by number

and nearly three quarters by value.²² In this view, the domestic component should not be understated either. Chinese provinces too play a key role in the BRI. For example, local authorities conveniently leveraged the BRI narrative to revive faltering or previously deemed unsustainable infrastructure projects and locally owned SOEs on the home front, as was the case in Hubei and Hunan Province.²³

BRI 1.0 AND MADE IN CHINA 2025

China's outward-looking BRI cannot be seen separately from its domestic industrial policies and economic ambitions. In 2015, the China State Council announced its "Made in China 2025" industrial policy masterplan as part of the 13th Five Year Plan (2016-20). Unsatisfied with a lower-end role within global value chains, this plan was intended to make China a dominant high-tech powerhouse in ten high-end sectors.²⁴ By becoming a tech leader itself, China aspired to achieve a 70% self-sufficiency in the identified sectors. The intention of MIC2025 was thus three-fold: to create high-value growth, to escape the middle-income trap that haunted other emerging markets, and to become less dependent on external market forces.

The BRI expanded the market for Chinese high-end products used in transport and energy infrastructure, which were highlighted in MIC2025. Eventually, this increased usage was projected to further (regional) standards for Chinese IT, machinery, and high-speed rail. Particularly in Southeast Asia Chinese companies have been using High Speed Rail (HSR) and Higher Speed Rail (HrSR) technology and rail-building experience in BRI-investments in the Jakarta-Bandung Line²⁵ and the China Lao Railroad.²⁶

On the supply side, the Chinese government started to integrate BRI countries into Chinese supply chains. Moreover, there was an active push for the migration of whole production facilities to foreign countries. This view has been reflected by a rare speech by Jin Qi, the Chairman of the Silk Road Fund. In 2016 she said that China sits in the middle of the global production chain

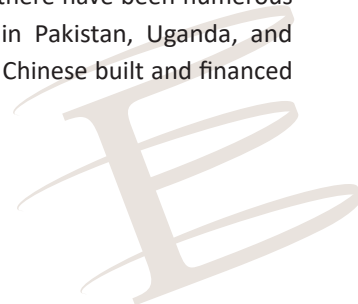
and could help countries at an early stage of development to industrialise. She further noted that "China possesses high-quality industrial production capacity, technology, ample supply of funds and 30 years of development experience. [...] [Chinese capital can] help facilitate international production cooperation and reorganise the global production chain".²⁷

As it became clear that the MIC2025 benchmarks would not be reached by 2025²⁸ and Chinese plans for tech dominance and self-sufficiency were increasingly met with American and European backlash, Chinese officials started to soften the MIC2025 discourse by 2018. Ever since this date, officials have either downplayed or ignored the plan wholeheartedly.²⁹

BRI 2.0

The initial years of the BRI were marked by low interest rates, declining energy prices, a China-friendly global trade environment and a still booming domestic Chinese economy. The Covid-19 pandemic, rising interest rates, intensified geopolitical tensions, elevated energy prices, and the Russian invasion of Ukraine have made the current environment much less auspicious. As a significant number of BRI-projects have stalled, billions of dollars, mostly provided by Chinese policybanks, have turned into mountains of debt for low and middle income countries, with 42 nations currently having levels of public debt exposure to China in excess of 10% of GDP.³⁰

Covid-19 impacted China's global investment drive. In 2020 China's global outward FDI plummeted 72% from the average of the previous five years. In BRI-countries, the impact was less strong, but still amounted to a 62% decline.³¹ Development finance to BRI-countries has dropped simultaneously.³² Countries that are highly dependent on Chinese lending to finance their infrastructure needs are thus left vulnerable. Next to financial setbacks, one decade after its inception, the BRI is being increasingly criticised for its low construction quality. Over the past years there have been numerous reports from BRI projects in Pakistan, Uganda, and Ecuador, indicating cracks in Chinese built and financed



hydroelectric plants.³³ It is estimated that 35% of China's overseas infrastructure projects have faced major issues, ranging from corruption scandals, labour violations, environmental hazards and public pushback.³⁴ To make matters worse, in 2021, it was estimated that 42 Low and Middle Income Countries (LMICs) had debt exposure to China exceeding one tenth of their annual GDP.³⁵

An overall deteriorating environment as well as financial and construction setbacks turned the global narrative against the BRI and instigated China to rethink the Initiative. Something had to change in order to keep the BRI alive.

In 2019, Xi Jinping formulated a fundamental reorientation at the Belt & Road Forum.³⁶ He iterated this vision by a metaphor: to transform BRI from a "xieyi" (freehand painting with broad brushstrokes) to a more refined "gongbi" (meticulous painting style with fine brushstrokes). This "gongbi" approach would imply project prioritisation and result-oriented implementation.³⁷

In this vein, "BRI 2.0" is reoriented towards more nimble priorities and benchmarks, as well as towards "high-quality development".³⁸ Important to note here is that official guidelines have been emphasising "high quality development" ever since. Nonetheless, guidelines on specific schemes and processes for achieving these "high-quality" benchmarks remain largely absent.³⁹

While BRI 1.0 focused on mega-projects along corridors spanning entire sub-continent, the current BRI 2.0 focuses on development through collaborative agreement along the lines of specified areas. Four key sectoral and crosscutting "Silk Roads" were iterated:

- The Health Silk Road: supporting mutual efforts to combat Covid-19; enhancing the availability, accessibility and affordability of vaccines, medicines and medical supplies; establishing bilateral, regional and international mechanisms for health cooperation; investing in sound and resilient health infrastructure.
- The Green Silk Road: promoting green and sustainable development through "Green Investment Principles".

- The Digital Silk Road: promoting international collaboration on cloud computing, big data, IoT, and AI.
- The Clean Silk Road: addressing corruption along BRI cooperation.

While high party officials like Wang Yi still laud the progress made in hard connectivity (i.e., infrastructure development), as a part of the BRI,⁴⁰ emphasis has shifted increasingly towards soft connectivity and collaboration efforts.⁴¹

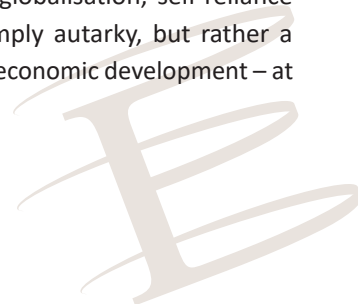
Also, important to note is that BRI 2.0 has a considerably lower price tag. In 2020, megaprojects fell to their lowest year-to-year level since the announcement of BRI, with individual investments seldom exceeding \$1 billion.⁴²

From the side of emerging markets, which are primarily targeted by the BRI, infrastructure investment is, however, still seen as an important prerequisite for economic development. As the BRI evolves into a smaller-scale project around finding collaborative synergies, it remains to be seen whether BRI 2.0 can reverse the chronic dearth of infrastructure investments in these countries.

BRI 2.0 AND THE DUAL CIRCULATION STRATEGY

While MIC2025 branding faded, the core economic ambitions of China remained unchanged: to move up supply chains and become increasingly self-reliant. The Party needed a new strategy, more sophisticated, feasible, and with a clear vision of the current state of globalisation. In April 2020, Xi Jinping launched the Dual Circulation Strategy (DCS). Similar to MIC2025, DCS emphasises indigenous innovation and self-reliance. It is an overarching plan for managing global integration, explicitly reorienting the Chinese growth model from exports and domestic investments towards innovation and domestic consumption.⁴³

As its aim is to internalise globalisation, self-reliance within the DCS does not imply autarky, but rather a dynamic management of its economic development – at



home and abroad.⁴⁴ Four core objectives can be distilled from the DCS:

- Boosting domestic consumption relative to external demand as a driver of economic growth;
- Positioning China as a high value-added manufacturing powerhouse;
- Attaining higher levels of self-sufficiency in key areas;
- Ensuring access to critical inputs by diversifying supply chains.⁴⁵

In the current conjuncture, these goals point to inherent paradoxes in the domestic and international ambitions of China in global value chains. Firstly, China wants to reorient its growth model away from export and investment as the twin driving forces of its economy, moving up the ladder of global supply chains. This way, self-reliance can be enhanced and better-paid jobs provided for its growing middle-class, which will therefore see its consumption power increased.

Also, the rising tensions between China and the West are hampering China's growth. As China's economy still relies on American and European technology, know-how and capital, the looming threat of a de-coupling between the West and China poses serious problems for the DCS in the near future. While BRI countries can indeed offer commodities, low-end manufacturing and trade partners, they are no substitute for the indispensable role of Western economies in China's growth model.

A global health crisis, China's ambiguous stance towards the war in Ukraine, decoupling, sanctions and technological containment efforts by the US government are making international firms think twice about investing in China.⁴⁶ Contrary to what the DCS is aiming for, exports towards the US and the EU, have also been on the rise again, resulting in a rather familiar high trade surplus – as opposed to the intended reorientation towards consumption.⁴⁷

When it comes to ensuring access to critical inputs by diversifying supply chains (goal 4), BRI countries can indeed play an important role in the upstream value chain

(lowerend manufacturing) and in providing a reliable supply of raw materials for the DCS. It remains to be seen whether these countries, already facing considerable debts, will be willing to act as mere commodity and low-end supply partners of China.

Facing these discrepancies and challenges, high party officials have been advocating a more mutually reinforcing relationship between the BRI and the DCS. Vice-Premier Han Zheng called for a better alignment between the BRI and the DCS “where domestic and overseas markets reinforce each other”.⁴⁸ Without explicitly mentioning either the DCS or BRI, in March 2023, President Xi Jinping again pledged to speed up efforts for high-quality development and achieving self-reliance. Further in his speech, President Xi mentioned that “China should ultimately rely on scientific and technological innovation” for growth.⁴⁹

CONCLUSION

In trying to offset its internal economic discrepancies, China burst onto the scene with a massive plan for development, projecting its domestic growth model to the world. Less than a decade later, however, China came to the realisation that it was fighting the same demons abroad as it was at home from the onset: debt, overcapacity, low productivity, and setbacks due to low construction quality.

To a certain extent, high-ranked officials have already come to the same conclusion, as they have recently started to publicly advocate for higher quality development, and better coordination between the goals and practices of the BRI and DCS, indicating unease with the current conjuncture.

Pledges of high-quality development alone will not be sufficient to address the issues at hand. Rather, setting clear and coherent commitments towards quality criteria, standards and benchmarking should be the objective in the near term to develop a sustainable pathway towards growth – domestically as well as internationally. It will be tough to achieve high-quality growth while being

increasingly side-lined from Western technology, hence a “thaw” in geopolitical tension would be more than welcome for the Chinese side as well.

In any case, the ball is in Zhongnanhai’s court to implement a “new reform and opening up”. If these profound policy changes are not made, all the calls made for a BRI 2.0 and DCS will ring hollow. If this day comes, it will bring an unavoidable reckoning for a large proportion of the Chinese SOE and policy-bank landscape, which will not be able to have their cake and eat it anymore. However, one should remember that economic reform is no dinner party.

Victor De Decker is a Research Fellow in the Europe in the World Programme at the Egmont Institute since January 2023. His research centres on geoeconomics, economic statecraft, international political economy, and economic security. He holds a master’s degree in international relations from Ghent University and is working towards a PhD in Geoeconomics at both his Alma Mater and the Royal Military Academy.

This paper was originally written as a chapter in a 2023 ISPI Report “Enhancing Resilience in a Chaotic World – The Role of Infrastructure”, under the original title “China’s Quest for High-Quality Infrastructure and Growth. The author is especially thankful to Astrid Pepermans and Alessandro Gili for their edits.



Endnotes

- 1 M. Pettis, “Can China’s Long-Term Growth Rate Exceed 2–3 Percent?”, Carnegie Endowment for International Peace, 6 April 2023.
- 2 World Trade Organization (WTO), “NEWS - WTO Ministerial Conference approves China’s accession”, Press 252, 10 November 2001
- 3 World Bank, “Foreign direct investment, net inflows (% of GDP)”, China [Dataset]
- 4 Chinese infrastructure: The big picture, McKinsey & Company, 1 June 2013.
- 5 C. Sorace, “China’s Vision for Developing Sichuan’s Post-Earthquake Countryside: Turning Unruly Peasants into Grateful Urban Citizens”, *The China Quarterly*, vol. 218, 2014, pp. 404-27.
- 6 “NDRC reveals details of stimulus package”, *China Daily*, 27 November 2008.
- 7 M.B. Lawrence, R. Bullock, and Z. Liu, “China’s High-Speed Rail Development”, World Bank Groups, 2019
- 8 “China bullet train crash ‘caused by design flaws’”, *BBC News*, 28 December 2011.
- 9 World Economic Forum (WEF), *The Global Competitiveness Report 2010-2011*, 2010, p. 129.
- 10 World Bank, “GDP growth (annual %) – China. [Dataset]
- 11 L. Glawe and H. Wagner, *The People’s Republic of China in the Middle-Income Trap?* ADBI Working Paper Series, no. 749, ADB Institute, 2017.
- 12 M. Vivarelli, “The middle-income trap: a way out based on technological and structural change”, *Econ Change Restruct.*, vol. 49, 2016, pp. 159-93.
- 13 “China’s debt problem”, *Reuters*, 17 September 2014.; “China’s Debt-to-GDP Ratio Rises to Record 279.7% on Credit Boom”, *Bloomberg.com*, 8 May 2023.
- 14 “China’s ‘going out’ strategy”, *The Economist*, 7 August 2009.
- 15 English.gov.cn, The State Council, The People’s Republic of China, “Initiative offers road map for peace, prosperity”. 30 March 2015.
- 16 Profiles - Belt and Road Portal, https://eng.yidaiyilu.gov.cn/info/iList.jsp?cat_id=10076
- 17 A.A Malik et al., *Banking on the Belt and Road: Insights from a new global dataset of 13,427 Chinese development projects*, AIDDATA (Executive Summary), AIDDATA, September 2021.
- 18 M. Ruta et al., “Belt and Road Economics: Opportunities and Risks of Transport Corridors”, World Bank Group, 18 June 2019.
- 19 F. Ruiz-Núñez and Z. Wei, *Infrastructure Investment Demands in Emerging Markets and Developing Economies*, Policy Research Working Paper 7414, World Bank Group, September 2015.
- 20 A.A Malik et al. (2021).
- 21 D. Zhang and J. Yin, “China’s Belt and Road Initiative, from the inside looking out”, *The Interpreter*, Lowy Institute, 2 July 2019.
- 22 Z. Xinwei, “Zhen Xinwei: It is of great significance for central enterprises to participate in the construction of the ‘Belt and Road’ with high quality”, *Belt and Road Portal*, yidaiyilu.gov, 22 March 2019.
- 23 M. Ye, “Fragmentation and Mobilization: Domestic Politics of the Belt and Road in China”, *Journal of Contemporary China*, vol. 28, no. 119, 2019, pp. 696-711.
- 24 State Council of the People’s Republic of China. “‘Made in China 2025’ plan issued”, Press release, 19 May 2015. Ten sectors: 1. New Information Technology; 2. High-end numerically controlled machine tools and robots; 3. Aerospace equipment; 4. Ocean engineering equipment and high-end vessels; 5. High-end rail transportation equipment; 6. Energy-saving cars and new energy cars; 7. Electrical equipment; 8. Farming machines; 9. New materials, such as polymers; 10. Biomedicine and high-end medical equipment.
- 25 S. Strangio, “Indonesian High-Speed Railway to Begin Operations in August: Minister”, *The Diplomat*, 11 April 2023.
- 26 *Xinhua*, 4 December 2021. Strictly speaking, with a top-speed of 160 km/h, the China-Lao Railway qualifies as “higher speed rail”, but not as “high speed rail”, which handles speeds by 200 km/h and above.
- 27 P. Cai, *Understanding China’s Belt and Road Initiative*, Lowy Institute, 2017.
- 28 J. Wübbeke, M. Meissner, M.J. Zenglein, J. Ives, and B. Conrad, “MADE IN CHINA 2025. The making of a high-tech superpower and consequences for industrial countries”, *MERICs Papers on China* no. 2, *MERICs*, December 2016; S. Tabeta, “‘Made in China’ chip drive falls far short of 70% self-sufficiency”, *Nikkei Asia*, 12 October 2021
- 29 M. Martina, K. Yao, and Y. Chen, “Exclusive: Facing U.S. blowback, Beijing softens ‘Made in China 2025’ message. U.S.”, *Reuters*, 25 June 2018.
- 30 The editorial board, “China’s emerging Belt and Road debt crisis”, *Financial Times*, 27 July 2022; Malik et al. (2021).
- 31 A. Garcia-Herrero and E. Freymann, “A new kind of Belt and Road Initiative after the pandemic”, *Bruegel Blog*, 23 June 2022.
- 32 R. Ray and B.A. Simmons, “Tracking China’s Overseas Development Finance”, *Global Development Policy Center*, 7 December 2020
- 33 R. Dube and G. Steinhäuser, “China’s Global Mega-Projects Are Falling Apart”, *The Wall Street Journal*, 20 January 2023.
- 34 Garcia-Herrero and Freymann (2022).
- 35 K. Walsh, K. Solomon, S. Zhang, T.-B. Elston, and S. Goodman, *Banking on the Belt and Road: Insights from a new global dataset of 13,427 Chinese development projects*, AIDDATA (Executive Summary), AIDDATA.
- 36 C.H. Wong and J.T. Aredy, “China’s Xi Vows New Direction for ‘Belt and Road’ After Criticism”, *The Wall Street Journal*, 26 April 2019.
- 37 K. Zhu, R. Shi, and R.J. Lempert, “Recalibrating the Belt and Road Initiative amidst deep uncertainties”, *Journal of Mega Infrastructure & Sustainable Development*, vol. 2, no. 1, 2020, pp. 47-68.; Remarks by H.E. Xi Jinping President of the People’s Republic of China at the Press Conference of The Second Belt and Road Forum for International Cooperation, The Second Belt and Road Forum for International Cooperation, 24 April 2019.

- 38 Foreign Ministry of the People’s Republic of China, High-Quality Belt and Road Cooperation: Partnership on Connectivity Report on the Findings and Recommendations from the Meetings of the Advisory Council of the Belt and Road Forum for International Cooperation in 2019 and 2020, 2021.
- 39 Zhu, Shi, and Lempert (2020).
- 40 “China to push high-quality Belt and Road cooperation with participating economies: foreign minister”, Global Times, 7 March 2022.
- 41 Foreign Ministry of the People’s Republic of China, High-Quality Belt and Road Cooperation: Partnership on Connectivity Report on the Findings and Recommendations from the Meetings of the Advisory Council of the Belt and Road Forum for International Cooperation in 2019 and 2020..., cit
- 42 B. Tanjangco, Y. Cao, R. Nadin, O. Borodyna, L. Calabrese, and Y. Chen, Pulse 2: China navigates its Covid-19 recovery – outward investment appetite and implications for developing countries, ODI Economic Pulse Series: China’s outward investment and Covid-19: emerging trends for developing countries, Overseas Development Institute (ODI), February 2021
- 43 A.L. Brown, J. Gunter, and M.J. Zenglein, “Course correction: China’s shifting approach to economic globalization”, MERICS, 19 October 2021.
- 44 Ibid.
- 45 B. Hart, Will the Dual Circulation Strategy Enable China to Compete in a Post-Pandemic World?, ChinaPower Project, 19 April 2022
- 46 A. Lee, “Ukraine war, 1 year on: are China’s supply chains headed toward upheaval, or can it stem the tide?”, South China Morning Post, 24 February 2023.
- 47 World Bank, “Net trade in goods and services (BoP, current US\$)” - China [Dataset].
- 48 State Council of the People’s Republic of China, Vice-premier stresses highquality development of Belt and Road Initiative, February 2022
- 49 “Xi stresses high-quality development in China’s modernization endeavor”, Xinhua, 6 March 2023.





The opinions expressed in this Publication are those of the author(s) alone, and they do not necessarily reflect the views of the Egmont Institute. Founded in 1947, EGMONT – Royal Institute for International Relations is an independent and non-profit Brussels-based think tank dedicated to interdisciplinary research.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the permission of the publishers.

www.egmontinstitute.be

© Egmont Institute, October 2023

© Author(s), October 2023