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Belt and Road Construction's Achievement of the Past Decade and Development Prospect

Summary: Ten years ago, with deep insight into global development trends and to promote common development and human progress, General Secretary Xi Jinping put forward the grand Belt and Road Initiative. Now it can be concluded that it is a successful and globally important project which has advanced world economy, but also created a brand-new model of international cooperative development. This text offers a series of concrete data: for example, China has signed MoUs for the Digital Silk Road with 17 countries, established bilateral cooperation mechanisms for "Silk Road" e-commerce with 23 countries and built 34 cross-border terrestrial cable systems and several international submarine cables. More importantly, numerous forms of integration have been realized between those countries, from cooperation in culture, education, tourism, science and technology to the construction and expansion of transport infrastructure. Thanks to the open and partnering relationship, the paradigm of international cooperation development has been changed, which announces a prospect of expanding the cooperation domain with new projects such as the "Green Silk Road", the "Digital Silk Road" and the "Health Silk Road". It implies a new way of thinking and approach to the values, rules and standards, and the promotion of new technologies such as artificial intelligence, big data, cloud computing, and Internet of Things.

Keywords: "Belt and Road", development orientation, global infrastructural investments, struggle for power, turbulent period, new cooperation paradigm

Ten years ago, with deep insight into global development trends and to promote common development and human progress, General Secretary Xi Jinping put forward the grand Belt and Road Initiative (BRI). Over the past decade, the Belt and Road construction has not only forcefully advanced the global connectivity process and injected significant dynamics to the world economic recovery but also created a brand

new model of international cooperative development, and conducted innovative exploration for change on global governance, becoming a milestone of the history of human development, especially that of contemporary international relations as well as an important support for promoting the rejuvenation of the Chinese nation and building a modern socialist country with Chinese characteristics.

Marked Achievements of Decade-Long Belt and Road Construction

Under the BRI framework, “five connections” complement one another, with “hard connectivity”, “soft connectivity” and people-to-people bonds bringing out the best in each other. Not only has the BRI achieved direct and real benefit that attracts the world’s attention, it has also made comprehensive long-term benefits for the future generations.

50 | First, the BRI has advanced China’s political, economic and social relations with partner countries. By June 2023, China has signed BRI cooperative documents with 152 countries in the world and 32 international organizations, covering more than three quarters of global countries and 60 percent of global population. By the end of August, it has signed 21 free trade agreements with 28 countries and regions, and the trade in goods between China and the BRI partners has expanded from US \$1.04 trillion in 2013 to US \$2.07 trillion in 2022, with an average annual growth of 8 percent. In 2022, the proportion of China’s total imports and exports with BRI partner countries reached 32.84 percent, 7.82 percentage points above that of 2013. Between 2013 and 2022, the total value of new project contracts signed by Chinese enterprises with the BRI partner countries and the turnover accumulated to US \$1.2 trillion and US \$800 billion respectively, accounting for a half of the total value of contracted foreign projects during the same period. The two-way investment between China and BRI partner countries accu-

mulated to US \$270 billion, and investment in Overseas Economic and Trade Cooperation Zones (OETCZ) in the BRI partner countries accumulated to US \$57.13 billion, creating 421,000 local jobs. The economic relations between China and BRI partner countries have improved resilience of each country’s supply chains. In 2022, China’s exports of textile products, electronic components, basic organic chemical products and automobile parts increased by 14.5%, 21.1%, 31.1% and 24.6% respectively, and energy and agricultural imports increased by 58.8% and 13.4% respectively. The BRI plays an important role in ensuring stable energy, food and key mineral supplies for all countries concerned.

Second, the BRI has advanced the global process of comprehensive connectivity. Over the past ten years, as the four-in-one connectivity of land, sea, space and cyber has moved forward in a solid way, a connectivity framework of “six corridors, six routes, and multiple countries and ports” has taken shape. The China-Europe Express freight trains increased from 80 trips in 2013 to 16000 trips in 2022, having connected over 110 cities in China and 216 cities in Europe by the end of June 2023. Since the China-Laos Railway became operational in December 2021, passenger trips have totaled 20 million, with cargo trips covering Laos, Thailand, Myanmar, Cambodia and Singapore. Goods categories have increased from over 100 including chemical fertilizer and general merchandise to begin with to over 1200 including electronics, photovoltaic and cold chain fruits. The New Western Land-Sea Corridor has taken shape with the Eastern, the Central and the West-

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ern railway main roads, radiating to 18 provinces, autonomous regions and municipalities under direct jurisdiction of the central government, and 61 cities, while logistics and transportation network connecting 119 countries and regions, and 393 ports across the globe. China has signed MoUs of cooperation on the Digital Silk Road with 17 countries, established Silk Road e-commerce bilateral cooperative mechanisms with 23 countries, and built 34 cross-border terrestrial cable systems and several international submarine cables. More importantly, the China-Europe Express, the New Western Land-Sea Corridor, the China-Laos Railway and the Digital Silk Road have promoted integration among countries involved and thus created a still greater integration effect. Under the BRI framework, as cooperation in culture, education, tourism, science and technology, poverty alleviation, sports and medicine and public health has continued to deepen, people in the countries concerned have not only aligned with the BRI cooperation vision but also actively participated in the Belt and Road construction process, and increasingly become important BRI participants and contributors.

Third, the BRI has boosted world economic recovery. The Belt and Road construction has brought real economic development and people's well-being to the participating countries. For instance, China-Belarus Great Stone Industrial Park has attracted 107 enterprises from 15 countries, covering machine building, e-commerce, new materials, traditional Chinese medicine, artificial intelligence and 5G network development, and become the largest industrial park in the

Eurasian region. Since a Chinese conglomerate invested and took part in the operation of the Port of Piraeus in Greece, this largest Mediterranean port has been helped out of operational difficulties and rejuvenated, being praised by Greek Prime Minister Mitsotakis as "a win-win landmark project". Since purchasing Smederevo steel mill in Serbia, another Chinese conglomerate has turned around the enterprise that had made losses for years running into a profitable one, saving 5000 local jobs and becoming the second largest exporter of the country. Yet another Chinese company contracted the construction of Puttalam power plant in Sri Lanka, solving the problem of electricity for 20 million people and providing 40% of power supply of the country. Engineering projects such as the Mombasa-Nairobi Railway, the Addis Ababa-Djibouti Railway, Jakarta-Bandung High-Speed Railway and the Kamchiq Tunnel greatly cut back on local transport time cost. As the World Bank's Belt and Road Economics: Opportunities and Risks of Transport Corridors report goes, if fully implemented, BRI transport infrastructure can reduce travel time for economies along the transport corridors by up to 12%, increase trade by between 2.8% and 9.7% for the corridor economies, and increase real income by 1.2% and 3.4%, lifting 7.6 million people from extreme poverty and 32 million people from moderate poverty. According to a study by the Centre for Economics and Business Research of the United Kingdom (UK), by 2040, the BRI will contribute more than US \$10 billion to the GDP of over 50 BRI participating countries whereas the United States (US), in spite of not participating

in the BRI, will benefit a 1.4 percentage increase to its economic growth.

Fourth, the BRI has led innovation on the paradigm of international cooperation and global governance. Traditional international economic cooperation basically goes by the logic of “prioritizing institutions”, i.e., to set up institutional rules first and then to conduct cooperation according to the unified rules. There are three major problems of the institution-led cooperation: first, some of the institutions cannot guarantee equal rights for all countries; second, institutions in themselves are not enough to fully induce development vitality of all parties; and third, it is liable to lead to insufficient supply of public goods like infrastructure. The BRI transcends the traditional international cooperation model by combining rule-orientation with practical cooperation-orientation, combining top level design with “wading the river by groping for stones”, combining government function with market logic, combining infrastructure with financial innovation, and combining focusing on key points with openness and inclusion, underlining the wisdom of uniting knowledge and action, that results in unity of theory and practice. The BRI practice has led to paradigm shift of international cooperative development. In recent years, there has emerged a concentration of a large number of conceptualizations for international cooperation, taking reference of the BRI in partners, domains, ideas and paths of cooperation. The cooperation ideas of other developing countries such as the Bright Road Initiative of Kazakhstan, the Development Road Initiative of Mongolia, Laos’ strategy of turning a land-locked country into a land-linked one, and the Middle Corridor Initiative of Turkey

are all closely connected to the BRI, whereas the so-called alternatives like the “Blue Dot Network”, “Build Back Better World” and the “Partnership for Global Infrastructure and Investment” also take reference of the BRI experience. As a matter of fact, it is the general view of the international community that the BRI has taken the lead in leaving its deep footprint in global infrastructure construction, with multiple advantages in infrastructure, production capacity, fund and amenities, and the development trend of Belt and Road construction cannot be impeded by any externally competitive ideas.

Fifth, the BRI has increased the voice and influence of developing countries. The BRI has changed the history that developing countries could not but participate and be integrated into the institutional platforms created by the West, providing an important platform for the practice of promoting evolutionary “incremental change” to the international system, helping the emerging markets and developing countries increase their voice and influence on international affairs, and pushing the international order and global governance towards greater fairness and rationality. To date, the UN and other major international institutions like the G20, the APEC, and the Shanghai Cooperation Organization deeply subscribe to the BRI cooperative vision, with membership of the Asian Infrastructure Investment Bank reaching 106 and its amount of financing reaching US \$38.8 billion, the Silk Road Fund providing investment and financing support to over 60 countries and regions, and the cooperative mechanisms centering on the Belt and Road Forum for International Cooperation having

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taken shape. Integration of development strategies and development planning between China and other developing countries under the BRI increasingly deepens, making economic globalization more open, inclusive, balanced and beneficial for all, and providing important opportunities and brand-new options for developing countries in the process of their independent pursuit of moderni-

zation. Other developing countries under the BRI uphold justice on international and regional hot spot issues, speaking up on issues relating to the COVID-19 virus origin-tracing, human rights, Hong Kong, Xinjiang and Taiwan, having become staunch companions and supporters of China in promoting international justice and safeguarding its core national interests.



President of the Republic of Serbia, Aleksandar Vučić, with the HBIS Group Steel delegation led by the General Director of this company, Song Sihai, October 2022

Photo: Dimitrije Gol

New Situation in Face of High-Quality Joint Belt and Road Construction

As the evolution of world profound changes unseen in a century has accelerated in recent years, global political and economic patterns undergoing profound transformation, and world civilizations mutually enriching and stimulating one another, the Belt and Road construction shoulders more arduous historical mission and faces more complex environmental conditions.

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First, the world economic recovery and growth remain weak. As the world economic development is a major cycle whereas the COVID-19 pandemic is a minor cycle, the latter may have impact on the former in somewhat way but cannot change its general direction. The easing of the COVID-19 may alleviate the disorder in global industrial and supply chains and release pended development dynamics. However, from the macro point of view, the world economy remains in the period of switching over from old drivers to new ones, with the old development model being difficult to carry on and the new economic drivers being yet to mature, and it will undergo slow and medium-speed growth for a long time to come. At the same time, as the impact of political security factors may intensify, the Ukraine Crisis and major power contest have affected trade, investment, financial stability, food and energy security, and the backlash against globalization, unilateralism and protectionism are yet to wane. The world economy faces dual pressure of weak recovery and lingering inflation, with fragmentation of trade rules preventing cooperation from deepening,

division of economic and technology systems interfering development process of globalization, and climate change and extreme weather liable to cause a large-scale humanitarian crisis. Pushing forward the Belt and Road construction will help bring out complimentary advantage of industrial and supply chains between China and other developing BRI partners to continue, better cooperative potentials and inject more stability, certainty, balance and strong dynamics into global development.

Second, overall debt pressure on BRI participating countries increases. According to statistics of the International Monetary Fund, 70 low-income economies are in face of US \$326 billion in debt, half of which have fallen or will fall into a debt crisis. In the Asia-Pacific region, average government debt level is at its peak in 18 years, 19 of the regional countries being classified high risk ones of debt crisis. Scale of African debts has increased markedly over the past decade and more, reaching US \$696 billion by 2022, leaving 60% of African countries at high risk of debt distress. The peak period of repayment for developing countries in the Asia-Pacific region and Africa will come in a few years' time, and the world's largest mass debt crisis for developing countries in decades may occur, leading to economic crises and social turbulence in many countries. China is not a major creditor for middle- and low-income countries. According to the World Bank, debt increment of developing countries comes mainly from Western commercial creditors and multilateral financial institutions, bilateral governmental debts account for less than 30% and those owed to China, for less than 10%. However,

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as Chinese government loans take a large proportion of bilateral governmental debts for countries concerned and plus deluding influence of “debt trap theory”, relevant BRI project financing is under considerable public pressure. It is necessary for China and its BRI partners to guide the international community to understand the debt issue objectively and rationally, analyzing concrete debt composition, and both facilitating solution to debt issue for concerned countries and seeking sustainable investment and financing model so as to practice the philosophy of “teaching people how to fish while giving them fish”, and to help BRI partners upgrade endogenous dynamics for social and economic development and self-he-matopoietic ability.

Third, head-on external competition intensifies. External competition to the BRI boils down to three levels. First, putting forward so-called competitive alternatives, through the “Blue Dot Network”, “Build Back Better World” and the “Partnership for Global Infrastructure and Investment” to increase investment in Africa, Middle East, South Asia, Southeast Asia and Latin America, contest with China for global infrastructure market in either with me or against me thinking, and instigate “decoupling” industrial chains, de-sinicization and de-risking. Secondly, resorting to institutional rules to put soft shackles on the BRI in environment, financing and transparency so as to both block the process of Belt and Road construction and prevent the rules and standards in the practice of Belt and Road construction from becoming global rules and standards. Third, launching cognitive warfare against the BRI to continue producing fallacious arguments like debt

trap, rule substitution, new colonial expansion, resource plunder, digital infiltration and threat to values, to apply their advantage in agenda setting, narrative skills, media network and technology in creating international opinion to attack and smear the BRI's original philosophical purpose, construction results and development prospect. Seemingly objective and neutral, a small number of individual countries attempt to, through NGOs, rating agencies, management consultancies, attack the weak links of the BRI cooperation, twisting the facts, speaking in superlatives and spoiling the atmosphere.

Fourth, boundary between global development and security is becoming increasingly blurry. An important manifestation of the world entering a new period of turbulence and change is the rising weight of security, with the security logic excluding and extruding the development logic. The BRI is an initiative for cooperative development, with its results not only leading the local economic and social development but also producing positive effect for international peace and stability. However, certain forces hold on to the Cold War mentality and the logic of power politics, looking at the BRI from the bloc rivalry perspective, pan-politicizing economic cooperation, over-interpreting the concept of security, and challenging the BRI cooperation with the logic of geopolitics. Meanwhile, the Ukraine crisis, the Afghanistan issue as well as terrorism, telecom fraud, biosecurity, food and energy security also in a profound way affect the comprehensive deepening of the Belt and Road construction. As diverse issues are increasingly impossible to be avoided, it is necessary for the BRI cooperation

to actively shape a positive posture where development and security bring out the best in each other, actively resist impact of certain political and security logic, try its best to maintain the general direction of economic globalization, secure global industrial and supply chains, enhance international security cooperation and safeguard common interests of all parties in the BRI cooperation so as to accumulate conditions for resolving international hot spot and tough issues with practical cooperation.

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Continuing to Lead Theoretical and Practical Innovation for Global Common Development

The Belt and Road construction in practice has created a new paradigm of international economic cooperation, achieved new results of global common development, and become an important practical platform for building a community with a shared future for mankind. Looking to the future, high-quality joint Belt and Road construction will continue to lead theoretical and practical innovation for global common development, contribute more material and cultural public goods to the world, and help various countries advance modernization process in common effort.

First, facilitating development issue to return to the core of international agenda. At present, the world economic recovery remains weak, anti-globalization goes strong, development gap between the North and South widens, energy and food security faces challenge, the problem of unbalanced, insufficient and unsustainable global development protrudes, and development agenda is at risk of

being politicized and marginalized. China's practical experience illustrates that as development is the foundation and key for solving all problems, problems arising in the course of development can only be solved with further and better development. The fact that the Belt and Road construction has won warm response and active participation of the international community can largely attribute to the fact that it has got right on the major issue of human development, discovered the root cause of the issue, and found the key of development to solving issues. The Belt and Road construction upholds the development orientation, and makes all parties push development back to the core of international agenda and prevent against marginalization of the development issue. At the same time, the BRI is a comprehensive cooperative framework, involving an extensive range of entities, domains, industrial forms and models, and has encountered all sorts of problems and challenges in the practice of its construction, which makes it necessary to be pragmatic cooperation-oriented and developmental needs-oriented, solve urgent practical development problems for all parties, stimulates enthusiasm of all parties for cooperation through solving pain points and difficulties, whereby lasting driving forces for cooperation can converge.

Second, intensive cultivation of infrastructure and industrial cooperation. The practice of the Belt and Road construction in the past decade demonstrates that infrastructure and industrial cooperation is the focal point for developing countries to achieve development, and an important basis for preventing economy turning from substantial to fictitious. Building high-quality, sus-

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tainable, risk-resistant, rationally priced, inclusive and tangible infrastructure and fostering industries fitting local resource endowment and with competitive advantage helps developing countries be better integrated into global industrial, supply and value chains, enlarge their independence and voice, and achieve linked, common development. According to reports of relevant research bodies, in the future there will be an annual shortfall of global infrastructure investment of roughly US \$1 trillion and more, with overall demand in global infrastructure market exceeding supply, and therefore it is entirely possible for major countries to attain complementary advantages and make common efforts in promoting a global connectivity process. The BRI keeps focusing on infrastructure connectivity and production capacity cooperation, giving full play to China's advantage in infrastructure, production capacity and industrial supporting facilities and being able to provide driving force for economic development of BRI partners. At the same time, the BRI pursues the concept of opening and inclusion, being open to all concepts for global infrastructure cooperation, continuing to promote innovation on cooperative domains, models, paths and mechanisms, and inducing synergy of all parties in making joint efforts to expand global infrastructure and production capacity cooperation.

Third, exploring construction of long effect cooperation mechanisms in all domains. The Belt and Road construction is a century project that calls for continued exploration for optimum and sustainable cooperation models. The philosophical requirements of extensive consultation, joint contribution and shared benefits, and of openness, green

development, clean government, high-standard, sustainability and benefiting people's livelihoods will guide the direction of high-quality joint BRI construction. These philosophical requirements will turn into concrete practice. Infrastructure is of strong public goods attributes, cannot rely only on the market logic and corporate strength, and needs governments to play their roles. Therefore, it is necessary to explore a sustainable infrastructure supply model, and give full play to government and enterprise synergy. As there are many projects of large investment, long cycle and slow results in the Belt and Road construction, the source of funding, if too unitary, would result in heavy financial pressure. Therefore, it is necessary to explore sustainable investment and financing model, attract investment from multilateral development agencies and financial institutions of developed countries, increase the proportion of equity financing, and deepen third-party market cooperation so as to form a virtuous circle of investment, development and income. For Belt and Road projects to be both economically gainful and perceptible to local communities it is necessary to extensively listen to people's interests and suggestions, comprehensively considering direct and real income, as well as long-term and comprehensive effect, explore sustainable mechanisms for benign social and economic interaction, summarize experience that can be replicated and promoted, remove barriers and divide between the economic logic and the social logic.

Fourth, coordinating the advancement of practical development and theoretical innovation. Just as the proposition of the BRI is in itself a theoretical and practical pioneering work,

the high-quality Belt and Road construction also firmly requires dynamics from innovation. It is necessary for the Belt and Road construction to expand new cooperation domains like the Green Silk Road, the Digital Silk Road, and the Health Silk Road, explore new cooperation models like inter-governmental cooperation, inter-firm cooperation and inter-local cooperation, advance new development in mindset, values, rules and standards, and promote new technologies like AI, big data, cloud computing, and internet of Things. It is necessary to serve the construction of new development paradigm, collaborate in implementing the Global Development Initiative, the Global Security Initiative, and the Global Civilization Initiative, tap new potentials for global common development, and inject new dynamics into the

construction of a community with a shared future for mankind. At the same time, the BRI contains the profound wisdom of Chinese philosophy, and has transcended traditional Western theoretical frameworks on economics, development, and cooperation, broken blind superstition and path dependence, and achieved comprehensive innovation and transcendence in philosophical basis, value pursuit, and cooperation models, methods and paths. The BRI theoretical system and discourse system will continue to be enriched by practical development, giving Midas touch like theoretical support and opinion support for high-quality joint Belt and Road construction to move forward steady and go far, and providing ideological enlightenment and practical path for global common development and progress.



Drone flight over Shanghai, China

Photo: Shutterstock