

China hosts second Belt and Road Initiative forum

Peter Symonds
30 April 2019

Chinese President Xi Jinping last week hosted the second forum in Beijing of one of his key programs—the Belt and Road Initiative (BRI)—a massive infrastructure scheme aimed at linking China throughout Eurasia via land and sea and enhancing China’s position on the world stage.

Since it was first announced in 2013, the BRI has come under increasing fire from the US, which regards it as a challenge to its own global ambitions. When Italy became the first G7 power to formally sign up to the project last month, the US National Security Council lashed out with a tweet declaring that Rome was legitimising China’s “predatory approach to investment.”

US officials, including Vice President Mike Pence, think tanks and the media have repeatedly accused China of using the BRI to create “debt traps” to pressure countries to meet Chinese demands. The criticism is entirely hypocritical. The US has for decades exploited institutions like the International Monetary Fund to impose its economic and geopolitical dictates around the world.

President Xi was anxious to use the BRI forum to counter mounting US criticism and strengthen ties across Eurasia and with Africa. In opening the gathering last Friday, Xi declared that China was committed to transparency and building “high-quality, sustainable, risk resistant, reasonably priced, and inclusive infrastructure.”

Xi told the audience the BRI would promote “open, green and clean development.” Without specifically mentioning the US, he declared that “we need to build an open world economy and reject protectionism.” The remark was not only directed against the Trump administration’s trade war measures against China. It was a pitch to the European powers, which also

confront the threat of punitive US tariffs.

Amid an increasingly aggressive US stance toward China—first under Barack Obama, then Donald Trump—the BRI was always designed to strengthen China’s economic and strategic position, particularly in Europe, by touting the economic benefits of closer economic and political cooperation.

Italy is the only major European power to sign up to the BRI and to send its head of government, Prime Minister Giuseppe Conte, to the forum. However, other major European countries sent high-level representatives to look for economic opportunities, while attempting to avoid Washington’s displeasure.

UK Chancellor Philip Hammond attended the forum to lobby on behalf of British corporations. A Treasury statement declared there were opportunities for British companies in the fields of “design, engineering financing, public-private partnerships and legal services.”

In the lead-up to the Beijing forum, despite heavy pressure from the US, the British government gave approval, in principle, for Chinese telecom giant Huawei to assist in building the country’s next generation 5G data network. US State Department official Robert Strayer warned on Monday that any involvement of the “untrusted vendor,” even in non-core elements of the network, could compromise US-UK intelligence cooperation.

German Economy Minister Peter Altmaier was also at the BRI forum. He pushed for a multilateral BRI agreement between China and the European Union, which would ensure a greater say for Germany in the implementation of projects. In a thinly-veiled criticism of Italy, Altmaier declared that the EU “in its great majority” agreed that it did not want to sign any bilateral agreements.

In all, some 5,000 foreign delegates from more than 150 countries and more than 90 international organisations attended the forum, including 37 heads of government or heads of state. Along with the Italian prime minister, Russian President Vladimir Putin attended, along with leaders from Austria, Portugal, Hungary and Greece.

Top leaders from nine of the ten countries in the Association of South East Asian Nations were in attendance, as well as four of the five Central Asian republics. Pakistani Prime Minister Imran Khan took part, but India, which is hostile to China's close ties with its regional rival Pakistan, was not represented by its prime minister.

Not only did US President Trump not attend, but there was no senior American representative at the forum.

Before the forum, the Chinese government set out to blunt some of the criticism of the financing of BRI projects. Malaysia Prime Minister Mahathir Mohamad, who came to power in last year's election, was heavily critical of Chinese investment during the campaign and suspended or cancelled several major projects, including a railway line along the country's undeveloped east coast.

China last month renegotiated the agreement on the \$20 billion rail line by cutting the cost of construction by a third. The new deal ensured that Mahathir attended the Beijing forum and gave the BRI his "full support."

President Xi told the media that China had signed some \$64 billion in deals at the three-day forum. An Al Jazeera report estimated: "To date, about \$90 billion have been invested in multiple BRI-related projects, but several hundred billion more have been loosely committed and it will be years before all that capital is invested." Overall, China has indicated that over \$1 trillion will be invested in various projected.

The communiqué from this forum identified several key projects that will be fast-tracked, including Pakistan's Gwadar port—the starting point of the China-Pakistan Economic Corridor to China's southwest—and Greece's Port of Piraeus, which China regards as a key beachhead into Europe.

The other major project is the China Railway Express—a network of railways linking London to the Chinese city of Chongqing and projected to be used by more than 14,000 freight trains every week. These

infrastructure links are expected to cut costs, but from China's standpoint also avoid too heavy reliance on sea transport through the Malacca Strait, which could be blocked by the US navy in time of war.

The US is determined to ensure that China's BRI plans do not undermine American economic and strategic interests. At the ASEAN summit last November, US Vice President Pence slammed the BRI and declared that a US infrastructure plan for the Asia Pacific provided a better option. "We don't drown our partners in a sea of debt, we don't coerce, or compromise your independence ... We don't offer a constricting belt or a one-way road," he declared.

The US, which is seeking support from allies such as Australia and Japan, has announced that just over \$100 billion will be on offer for infrastructure projects. Not surprisingly, all the ASEAN countries were strongly represented in Beijing last week, as considerably more money is potentially available.

Unwilling to provide greater investment, Washington will undoubtedly ramp up the aggressive methods it has used to date to undermine Chinese influence—diplomatic intrigues, including regime-change operations, military provocations in dangerous flashpoints such as the South China Sea, and preparations for war with China.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact