



Decline in China's BRI Investments

For Prelims: Belt and Road Initiative (BRI), Build Back Better World, Blue Dot Network, Global Gateway

For Mains: BRI and its reach, implications and consequences, Initiatives launched to tackle BRI.

Why in News

According to a China based think tank report, **investments in China's much-touted Belt and Road Initiative (BRI) have fallen by 5% since 2019.**

- Unsuccessful deals and the **Covid-19 pandemic** contributed to the fall in the investments.
- Also, China is no longer doling out hard cash for projects in Africa, amid criticism over infrastructure debt and loan defaults.



Key Points

- **About BRI:**
 - It is a **multi-billion-dollar initiative launched in 2013.**

- It aims to **link Southeast Asia, Central Asia, the [Gulf region](#), Africa and Europe** with a network of land and sea routes.
- It has been launched **to undertake big infrastructure projects** in the world which in turn would also enhance the global influence of China.
- **More than 100 countries signed agreements** with China to cooperate in BRI projects like railways, ports, highways and other infrastructure.
 - From 2000 to 2020, China helped African countries build more than 13,000 kms of roads and railways, and more than 80 large-scale power facilities, and funded over 130 medical facilities, 45 sports venues and over 170 schools and built the African Union Conference Centre.
- **Activities under BRI:**
 - It encompassed **five kinds** of activities:
 - Policy coordination, Trade promotion, Physical connectivity, Renminbi internationalization (China's currency) and People to people contacts.
- **Routes of BRI:**
 - **New Silk Road Economic Belt:** It encompasses trade and investment hubs to the north of China, by reaching out to Eurasia including a link via Myanmar to India.
 - **Maritime Silk Road (MSR):** It begins via the South China Sea going towards Indo-China, South-East Asia and then around the Indian Ocean thus reaching Africa and Europe.
- **Related concerns (for India and World):**
 - **Hamper India's Strategic Interests:**
 - The [China-Pakistan Economic Corridor \(CPEC\)](#) passes through Pakistan-occupied Kashmir (PoK) and Baluchistan, both of which are home to a long-running insurgency.
 - CPEC would hamper India's strategic interests in the South Asian region and can aid Pakistan's legitimacy in the Kashmir dispute too.
 - Also, [attempts to extend CPEC to Afghanistan](#) may undermine India's position as economic, security and strategic partner of Afghanistan.
 - **China's Strategic Rise in the Subcontinent:** Along with [China-Myanmar Economic Corridor \(CMEC\)](#) and CPEC, China is also developing the [China-Nepal Economic Corridor \(CNEC\)](#) which will link Tibet to Nepal.
 - The endpoints of the project will touch the boundaries of the Gangetic plain.
 - Thus three corridors signify the economic as well as strategic rise of China in the Indian subcontinent.
 - **Lack of Transparency:**
 - **Lack of transparency of the BRI agreements** and mounting debt to China by smaller countries have raised global concerns.
 - The 99-year lease of **Hambantota port to China** by Sri Lanka has raised red flags about the downside of the BRI and push for major infrastructure projects **costing billions of dollars in small countries**.
- **Initiatives to Tackle BRI:**
 - **B3W Initiative: The [G7 Countries](#) proposed a '[Build Back Better World \(B3W\) initiative](#)' at the [47th G7 summit](#) to counter China's BRI.

 - It aims to address the infrastructure investment deficit in developing and lower income countries - the space which has been increasingly captured by China.**
 - **Blue Dot Network (BDN):** It is a **multi-stakeholder initiative** formed by the US, Japan and Australia to bring together governments, the private sector and civil society to promote high-quality, trusted standards for global infrastructure development.
 - [BDN](#) was formally announced in november, 2019 at the Indo-Pacific Business Forum in Bangkok, Thailand.
 - **Global Gateway:** In a bid to compete with BRI, the [European Union](#) recently launched the Global Gateway, a new infrastructure development scheme.

Way Forward

- To counter China's BRI, **alternative projects must be launched** by more advanced countries which are also participatory in nature keeping into account the interests of the host/recipient countries.
- **India must seek help from partners like Japan** when necessary to build and upgrade its

infrastructure and create an alternative to Chinese-led connectivity corridors and infrastructure projects since India's ability to act alone in South Asia and the larger Indian Ocean is limited.

- For India, it is **important to work with its partners in the region** to offer alternative connectivity arrangements to its neighbours.
 - Connectivity is increasingly seen as a tool for exerting foreign policy influence.

Source: BS

PDF Referenece URL: <https://www.drishtias.com/printpdf/decline-in-china-s-bri-investments>