

II. Economics

Report from the Third Belt and Road Forum in Beijing

Global Majority Supports Belt and Road Initiative

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The historic Third Belt and Road Forum (BRF) held in the capital of China, Beijing, Oct. 17–18, in which the Belt and Road Institute in Sweden (BRIS) took part, opened the gate to a new opportunity for global development and potential peace.¹ Building upon the achievements of the last ten years since the launching of the Belt and Road Initiative (BRI) in 2013 by President Xi Jinping, the Chinese leadership and its partners from 152 nations and more than 40 international organizations diffused all doubts about the future of the BRI. Not only will they not “scale down,” as wished by think tanks and media in the West, but they will double up their efforts and investments in this now largest-ever global development initiative. In addition, new features will be explored and added to what has been achieved. The BRI, launched and backed by China, now belongs to the whole world.

There were 151 nations represented at the Forum, including representation by the head of state from 20 nations, making it truly a global event. Chairwoman of the BRICS New Development Bank and former President of Brazil, Mrs. Dilma Rousseff also attended,

1. See *EIR*'s initial coverage of the Third Belt and Road Forum, in Daniel Platt and Dennis Small, “China’s President Addresses 3rd Belt & Road Forum: BRI Cooperation Is on the Right Side of History,” *EIR* Vol. 50, No. 42, Oct. 27, 2023, pp. 39–41.



At the Third Belt & Road Forum for International Cooperation, Oct. 17–18, 2023, after 10 years of large-scale construction, the focus has shifted to integration and maximizing economic impact. Here, China’s President Xi Jinping (center) with Russia’s President Vladimir Putin (left) and Kazakhstan’s President, Kassym-Jomart Tokayev (right), Beijing, Oct. 17, 2023.

adding a new dimension of the role of the Global South to the BRI process.

A phase change has been reached with the successful completion of the BRI’s first decade in operation, and now the focus is shifting to one of integration and maximizing the economic impact of the large-scale construction of the first ten years, including industrialization. The leaders and representatives who attended spoke about the role they see for their nations as part of this process.

The most important point raised by the leaders present in Beijing is the synergy that they want to create between their national and regional economic development plans with the BRI and China’s plans. One such integration process is that of the BRI with

the Eurasian Economic Union (Russia, Belarus, Armenia, Kazakhstan, and Kyrgyzstan), and the North-South International Transport Corridor (Russia, Iran, and India). This was [pronounced](#) by President of the Russian Federation Vladimir Putin.

Putin said that the Belt and Road Initiative is coherent with Russia’s plans for an “integration contour” for Eurasia, which involves trade, investment, and employment, along with an interconnected infrastructure grid.

He stressed that the BRI “rhymes with our idea of creating a greater Eurasian partnership” and contributes to the alignment of various integration processes, such as the Shanghai Cooperation Organisation (SCO), the Association of Southeast Asian Nations (ASEAN) and the Eurasian Economic Union (EAEU), which Russia is successfully developing with its post-Soviet partners.

In contrast to artificially engineered geopolitical theories of the war between the different transport and logistics corridors, Putin clarified how these different Eurasian corridors will be complementing each other:

I will mention some of our forward-looking



President of Kazakhstan webpage

President of Kazakhstan Kassym-Jomart Tokayev detailed plans to connect with the global Chinese initiative. Here he is greeted by Xi Jinping.

North South Transport Corridor (NSTC)



CC/Zbk1

One project that will transform the entire Eurasian continent, that will integrate national and regional economic plans, is the 4,200 km North-South Transport Corridor (in red), a multi-mode network of ship, rail, and road that will connect Russian ports on the Baltic and Arctic seas to ports in the Indian Ocean and Persian Gulf. The much longer Standard Route (in blue) is also shown.

plans we are already implementing, which harmoniously complement other infrastructure projects in Eurasia, including those that are being implemented within the framework of the Belt and Road Initiative. Taken together, they will allow us to create an integral transport and logistics network and to diversify freight traffic through more effective, reliable and safe transportation.

For example, we are building the North-South international corridor in European Russia, which President Xi has mentioned. It will connect Russian ports on the Baltic and Arctic seas to ports in the Persian Gulf and the Indian Ocean. Seamless rail connectivity, as professionals say, will be ensured throughout this route, from Murmansk in the north of Russia to Bandar Abbas in Iran.

Putin outlined the main transport corridors Russia is involved in building, highlighting the North-South transport corridor which will transform the entire Eurasian continent. This includes the modernization of parts of the Trans-Siberian Railway, the construction of the Northern Latitudinal Railway toward the ports on the Arctic Ocean and the Yamal Peninsula, a new North



The 8,445 km Western Europe–Western China Highway connects China’s Yellow Sea coastal city of Lianyungang to Russia’s St. Petersburg on the Baltic. It was completed September 27, 2018, after 10 years of construction.

Siberian Railway from the Khanty-Mansi Autonomous Area toward the Trans-Siberian Railway and Baikal-Amur Mainline, and another Arctic-South corridor in the Far East. Putin also described how they also plan to modernize highways and construct new deep-water ports around the region. Summarizing these projects, Putin said:

These north-south transport corridors in European Russia, Siberia and the Far East will allow us to directly connect the Northern Sea Route and to integrate it into major logistics hubs in the south of our continent on the Indian and Pacific oceans.

President of Kazakhstan, Kassym-Jomart Tokayev, who spoke in Mandarin to the surprise of many viewers, [said](#) in the opening ceremony:

It is highly symbolic that ten years ago it was in Kazakhstan that you [President Xi] first outlined the far-reaching Belt and Road initiative, thus becoming its main driving force. Marking this important anniversary, today we can confidently say that your initiative has proved its relevance, has been recognized by the international community, and has turned into a grand project of global scale....

Currently, Kazakhstan accounts for about 85% of all land transit traffic from China to Europe. Attaching great importance to the development of the transportation industry, over the

past 15 years we have allocated over \$35 billion for this purpose.

We have launched such major infrastructure projects as the Kazakh-Chinese logistics center in Lianyungang, the Khorgos dry port, the Western Europe-Western China transit highway, and the railway corridor from China to Iran. At the same time, we do not stop at what we have achieved.

President Tokayev announced plans to lay 1,300 kilometers of new railway track within three years, open a third railway checkpoint on the border with China, and build

new dry ports at Bakhty and Kalzhat. “These are real examples of Kazakhstan’s major economic projects being paired with the global Chinese initiative,” he said. Furthermore, Tokayev announced that two intergovernmental agreements on the development of the Trans-Caspian route (Middle Corridor) have been signed between Kazakhstan and China:

For more effective coordination of our efforts, I propose to create a Partnership network of major strategic ports, logistics centers and postal hubs.... [Kazakhstan is] interested in establishing joint production of transport ships and containers, and is ready to become a reliable air bridge and a convenient harbor for the world’s leading airlines, ensuring a steady flow of passengers and cargo.

Next Phase of BRI: Industrialization

Industrialization will be an important factor in the growth of the BRI, as many nations, especially in Africa and Ibero-America, are urging industrial nations and China in particular to invest in industrial projects that add value to the raw materials existing in their lands. For example, countries that have been exporters of raw rare earth elements and critical metals like lithium are looking to build battery factories in their countries to raise the value of their natural resources domestically. This is also the case with many other minerals. In oil and gas rich countries, China and its partners like Saudi Arabia are building advanced petrochemical



CC/Daniel Zaretsky

A BRI project, the Khorgos Gateway Dryport on the China-Kazakhstan border, formerly a transit point on the Silk Road, is now the location of a massive industrial zone and logistics center.

The Argentine president expressed his hope to strengthen cooperation with China to enhance the value-added processing of Argentina's lithium resources, thereby bolstering Argentina's export capabilities, enriching its production profile, and, notably, promoting the creation of quality, high-paying employment opportunities.

The Prime Minister of Ethiopia, Abiy Ahmad, in his [speech](#), expressed his strong support for the process of industrialization becoming a pillar of the BRI in Africa in the coming years. Ethiopia has established several industrial zones with Chinese investments where textile, leather, and even automobile production is thriving.

industries to provide industrial grade materials to the world market.

Outgoing Argentine President Alberto Fernández addressed the opening ceremony too:

For us (who) respect multilateralism, the BRI showcases a mechanism for inter-country relations that does not compete with existing regional structures, but aligns with them and leverages their advantages.

Regarding cooperation, Fernández mentioned that China is participating in Argentina's energy transformation by funding and constructing hydropower stations, wind farms, and photovoltaic parks. The dam complex built in Patagonia, Argentina, represents an investment of nearly 5 billion U.S. dollars. This is a project that generates clean and renewable energy, which will mean a significant improvement in Argentina's energy matrix.

The BRI will continue to be an integral part of Africa's quest for integration, economic diversification, enhanced cross-border trade, digital economy, energy security, and green development.

He made three proposals for integration of Ethiopia and Africa into the BRI partnership:



届“一带一路”国际合作高峰论坛互联互通高级别圆桌会议
THE THIRD BELT AND ROAD FORUM FOR INTERNATIONAL COOPERATION

Office of the Prime Minister

Ethiopian Prime Minister Abiy Ahmed announced several industrial zones with Chinese investments in textile, leather, and automobile production.

Firstly, our partnership and cooperation should continue to adopt the most effective financing solutions for sustainable development; secondly, we should deepen cooperation in agriculture and agribusinesses by modernizing the sector and enabling technology transfers to enable food sovereignty; lastly, we must intensify industry centers' development cooperation. China's industrial and technological experience in this regard is an inspiration to the developing world including Ethiopia.



CC/International Rivers

Many speakers urged the completion of the Grand Inga III hydroelectric dam on the Congo River, part of a proposed seven-dam interregional system, the largest in the world. When built, the system will provide 40 GW of new, reliable electricity for millions currently altogether without it.

Financial Coordination for Development: Case of the Grand Inga Dam Project

Financial coordination, which is one of the five pillars of the BRI, will also see a boost. Given the many financial and economic crises that have engulfed the developing nations in recent years, the issue of financing infrastructure and industrialization has become a major obstacle. Therefore, there is a need for innovative methods in this field.

China has played a central role in the creation of financial institutions dedicated to development financing such as the Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank (NDB), which will most likely back up BRI projects. However, there is a need for other players in this field. For example, the Gulf Cooperation Council (GCC) members' sovereign wealth funds boasts of reserves amounting to about US\$ 4 trillion.

An important portion of this wealth is looking to secure investment opportunities. BRI infrastructure

and agro-industrial projects are a suitable harbor for such win-win investments. With Saudi Arabia, the United Arab Emirates, besides Egypt, Iran, Ethiopia, and Argentina joining the BRICS-Plus Jan. 1, 2024, new potential financial resources will be added to the NDB's capabilities. Financial coordination was one of the main points raised by President Xi in his speech at the China-GCC Summit in December 2022. More innovative financial services are to be expected in the immediate period as de-dollarization accelerates.

Back in August, at the BRICS summit in Johannesburg, NDB President Dilma Rousseff [spoke](#) of the massive financial resources required for Africa:

Today I want to talk about how the development of the African continent is strategically important for the Global South; Africa is a continent that has been hurt by and bears the wounds of colonialism, unbridled exploitation, and shameful slavery. Africa is where we come from, and the 21st Century is the time to rescue it once for all...

A new financial architecture is urgently needed to channel the resources needed to expand physical and digital infrastructure.

Rousseff noted certain challenges, like using local currencies and other, yet-to-be-created financial instruments that will be involved in setting up a new financial system which is more multilateral and inclusive. Another is "to increasingly allow joint projects between several countries to be carried out, as

is the case with interregional infrastructure projects. She picked the case of the Grand Inga Dam Project as the most important example. The financing and construction of the largest hydro-power project in



Dilma Rousseff, President of the New Development Bank: "A new financial architecture is urgently needed to channel resources to expand physical and digital infrastructure."

the world, the Grand Inga in the Democratic Republic of Congo, will become a major test for the issue of financing infrastructure on a global level:

Here on the African continent, for example, we have the largest untapped hydroelectric potential on the planet, the Grand Inga Dam, which can guarantee renewable, continuous, basic, safe and affordable energy. It has three times the capacity of The Itaipu Dam in Brazil and twice the capacity of The Three Gorges Dam in China. The Grand Inga Dam is capable of serving as an energy source for an entire continent.

Rousseff noted that this will be key to industrialization and adding value to the resources of the continent. She emphasized that there is a clear need to establish a new financing model to promote these renewable and efficient multinational projects, pointing out:

Multilateral platforms such as the Asian Infrastructure Investment Bank, the African Development Bank, the Islamic Development Bank, and the NDB are strategic in the quest for a fairer and more inclusive rebalancing of the international financial order.

[The NDB's priorities are] aligned with the African Union's Agenda 2063. I am confident that, together, we can realize this vision and mission.

She added that the NDB has the potential to be a leader in financing projects that address the most pressing challenges facing countries on the African continent.

China has shown interest in a wide range of power and water projects in different parts of Africa. The biggest such investment would be the first stage of the Grand Inga Dam. This stage, called Inga III, will generate 11 gigawatts of electricity, tripling the power generation capacity of the Democratic Republic of the Congo (DRC). This \$14 billion project was to be financed and carried out jointly by Three Gorges and Sinohydro from China and the Spanish construction company ASC and EUROFINSA. However, the World Bank and the European Union (EU) withdrew their support from the project in 2016, claiming that the DRC



Presidency of the Republic of South Africa

South African President Cyril Ramaphosa: “Only if the West reforms the global financial system and invests in African infrastructure projects, like the Grand Inga, will African nations believe the West is serious about [such] commitments.”

government had moved the project into a “different strategic direction” without explaining what that direction is.

Challenge to Europe

The contrast between the spirit of the BRI and level of ambition at the Third Belt and Road Forum in Beijing on the one hand, and similar events organized in Europe or the U.S. on the other, could not be starker. The question of financing for development surfaced in Paris at the New Global Financial Pact Summit held June 22 this year, including the example of the Grand Inga Dam itself. African leaders there called for reforming the global financial system to make development finance more efficient. But it seems that these calls fell on the deaf ears of the EU leaders. A frustrated President of South Africa, Cyril Ramaphosa, summed it up in the conclusion of the debate at that Summit. According to South African media [reports](#), Ramaphosa called for the rich nations “to walk the talk when it comes to investing in infrastructure in Africa.” Ramaphosa said that only if the West reforms the global financial system and invests in infrastructure projects in Africa, will African nations believe the West is serious about the commitments they are making.

Raising the issue of the Inga Dam as an example, Ramaphosa said:

As we rise from this, we should be able to say the Grand Inga Dam is now going to be developed into a power station. If you can do that, we as Africans will be convinced that these summits are really meaningful. We will now go home and say “You know what? It’s worthwhile going to these summits, coming to Europe and to listen to all the promises because they are willing to act on the promises.”



The European Union’s Global Gateway Forum 2023 on green energy transition and green hydrogen, Brussels, Oct. 25–26, 2023, offered political sloganeering without much substance.

EU

Directing this challenge to French President Emmanuel Macron, Ramaphosa said:

This is what, President Macron, I believe will be one of the important outcomes. The reform of the financial architecture as well as the practical infrastructure project that is going to add a lot of value.

Ramaphosa re-emphasized that generating electricity and building power stations through the Inga Dam is the most important, immediate issue to be addressed:

Let’s get that done and then we will be convinced that you are serious with the promises that you make.

He concluded that nations that have money must invest in infrastructure projects.

No follow-up on this question was made either by Macron or the EU leadership, as was obvious from the less than exciting EU [Global Gateway Forum](#), organized only a few days after the Beijing BRF. Our own [analysis](#) of the so-called alternatives to the BRI, like the G7 Build Back Better World (B3W) and the EU’s Global Gateway, shows that these are political sloganeering attempts with not much substance.

The real reason for the inability of the G7 and the EU to raise any resources for infrastructure either at home or abroad is the bankruptcy of the trans-Atlantic financial and banking system. Without reforming that system, which has become a kind of gambling casino, Africa and the rest of the developing world can expect no support for infrastructure development coming from the West in any meaningful way. Therefore, the alternatives

presented in the BRF in Beijing and the BRICS remain the best chance for this kind of development financing.

Africa Deserves Better

The total Grand Inga Project, comprising seven dams, has the potential of generating 40 GW of clean and renewable energy, which will make it the largest hydropower project in the world. The whole Congo River potential is about 100 GW. Africa’s total hydropower potential is estimated to be around 340 GW, of which only 11% is [exploited](#). This is one of the central projects of the century for Africa, which this author included in the [book](#), *Extending the New Silk Road to West Asia and Africa* (2017), which is a blueprint for pulling Africa from the clutches of poverty and ushering in the age of modernization and industrialization.

Other mega-projects include the Trans-African Highway and high-speed rail network connecting all the capitals and regions of Africa with a modern transport network; Transaqua, the project to revive the drying-up Lake Chad by transfer of water from the eastern DRC tributaries of the Congo River through a 2,000 km canal; building a trans-African river and lake multi-modular navigation system; Greening the deserts of the Sahel; building clusters of new high-temperature modular nuclear power plants; a space program; and revolutionizing agriculture in the continent.

This level of investment is what is required, and it will become an interesting challenge not only for the nations that have joined the BRI but also for Europe and the U.S. to pool all resources, financial and technical, to achieve this win-win goal, and fulfill the 2063 African Agenda.

Conclusion

What the BRI has achieved in the first 10 years is the creation of a sound platform of bilateral and multilateral cooperation, transcending political, social, and cultural differences. The first 10 years of the BRI has witnessed a large-scale investment in building infrastructure in developing nations. The “Global South” and developing sector nations remain as a focus of the continued building of the BRI. Infrastructure is a necessary pre-requisite for economic development and poverty eradication, and China will continue to work with its partners to enhance physical and trade connectivity such as building railways, roads, ports, and airports. As the world’s number one nation in construction and engineering, China will continue to deliver this kind of expertise.

The focus in the next ten years will be to increase the process of industrialization and environmental conservation to go hand in hand. “Small but smart” projects with direct impact on the livelihood of the people will be prioritized. Capacity building, education, vocational training, and exchanges will be of great importance.

While China’s plans for the BRI include “green” growth, this is very different from the type of “green” policies that dominate in the West. China has emphasized the need to balance between energy-intensive economic growth—something which they intend to increase not just within China but throughout the world—while at the same time conserving the environment. This is shown, for example, in China’s role as a world leader in such technologies as desert control and afforestation, which is of great importance for many nations facing desertification and drought.

Digitalization, AI, and digital trade infrastructure will increase in importance in the coming ten years. Therefore investment in the infrastructure for this high-tech process will increase dramatically, such as 5G networks, regional and transcontinental optic fiber cable construction, and satellite-steered communication. Another area of extreme importance for building modern economies is the integration of space exploration and remote sensing technologies with economic activities all over the planet. President Xi Jinping highlighted this aspect of cooperation in his speech to the China-Gulf Cooperation Council Summit in December 2022, where he proposed deeper cooperation in space exploration and related technologies.

Industrialization will be an important factor in the growth of the BRI, as many nations, especially in

Africa and Ibero-America, are urging industrial nations and especially China to invest in industrial projects that add value to the raw materials existing in their lands.

Capacity building, education, scientific exchanges, and technology transfer will be key elements in the growth of the BRI as well as the equitable and common growth of all nations, especially in the Global South.

Agriculture will also be an area of enhanced cooperation. The recent food crisis triggered by the shortage of both grains and fertilizers due to the war in Ukraine, has forced many developing nations into designing strategies to ensure food security and boost self-sufficiency as much as possible. Therefore, agricultural machinery, biotechnology, fertilizer production, irrigation techniques, and raising the technological and skill level of farming societies will be a growth area. China is a leading country in this field of agricultural cooperation, but this will leap from mere assistance to joint investments. Agricultural industries like packaging, conserving, and marketing will also become a growing activity. The fact that China is opening up its domestic consumer market through “dual circulation,”² is a major opportunity for global food producers. China has also prioritized African nations by lowering and even removing tariffs on food exports from these countries, creating a major boost in this area.

Financial coordination will also see a boost. Given the many financial and economic crises that have engulfed the developing nations in recent years, the issue of financing infrastructure and industrialization has become a major obstacle. Therefore, there is a need for innovative methods in this field. China has played a central role in the creation of financial institutions dedicated to development financing, such as the Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank (NDB), which will most likely back up BRI projects. However, there is still need for other players in this field who will step up their involvement.

In general, the first ten years of the BRI has paved the way by creating a platform for cooperation, experimenting, and overcoming many challenges and obstacles. The next ten years of the BRI will utilize this relatively seamless structure that has been created to augment the benefits for all BRI partners.

2. Introduced by China’s leadership in May 2020, the new development paradigm of “dual circulation” allows the domestic and overseas markets to reinforce each other, with the domestic market as the mainstay.