China’s Belt & Road Initiative:
Connecting maritime transport flows for trade-driven prosperity, multilateralism and global peace

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ROUND TABLE ON FUTURE MARITIME TRADE FLOWS

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What is BRI (OBOR)?

- A transport network consisting of a “Belt”, i.e., overland transport connecting China to Europe through Central Asia; and a “Road”, i.e., a maritime return-route from southern Europe, through Suez, back to Asia, with a stopover at East Africa (alternatively known as the “Maritime Silk Road”). The Mediterranean Basin is therefore ‘central’ in this network, being the “hub-of-hubs”, connecting Asia with Europe, Africa and the Americas.*

- Looking at Chinese investments in Australia, Central- and South America, BRI could be easily extended to a global Around the World (ATW) transport system. Recently, China has again made known its interests in S. America (including the Nicaragua canal).

* That was the reason why –in the past three years- H&A has helped Mediterranean ports create the MEDPorts Association.
A lot of talk has been taking place over the years on the importance (for China) of the Pakistani port of Gwadar. Little however is known (publicly) on the importance of Myanmar and its port Kyaukphyu.
Reviving the Silk Road

Announced by Chinese President Xi Jinping in 2013, the Silk Road initiative, also known as China's Belt and Road initiative, aims to invest in infrastructure projects including railways and power grids in central, west, and southern Asia, as well as Africa and Europe.

Key
- Silk Road Economic Belt
- New Maritime Silk Road

Projects subsumed under China's Belt and Road initiative
- Gas pipelines
- Oil pipelines
- Railroad
- Proposed economic corridors
- Ports with Chinese engagement
- Planned or under construction

Source: Mercator Institute for China Studies, C. Inion, 24/03/2017
Introduction: BRI and its OBJECTIVES

BRI, the Chinese Belt-and-Road Initiative, is a US$ one trillion plan aiming at greater economic integration and development, through better connectivity. BRI promotes connectivity as the main enabler of trade growth and trade driven prosperity. Recent research shows that a 10% improvement in connectivity* between countries along the “Maritime Silk Road” would deliver a 3% decrease in Chinese trade costs which would in turn boost China’s imports and exports by around 6% and 9% respectively. The latest studies by the World Bank and other international institutions suggest that BRI cooperation could cut the costs of global trade by 1.1 to 2.2 percent.

Since the BRI was first announced in 2013 by President Xi Jinping of China, 25% of this budget has been spent. There are as many plans as interested countries, and China is talking to most of them.

One should not forget also China’s “Made in China 2025” strategy. According to this, by 2025, China should supersede, as an industrial, high-tech, manufacturer, USA and Japan taken together; and this requires secure global supply chains, including ports; thus, BRI.

In the past 3 years, China has managed to commit nearly US$ 2 trillion from various sources including the Asian Infrastructure Investment Bank (AIIB).

*Connectivity is usually defined as a function of frequency of calls and number of liner companies calling at a port.

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President Xi Jinping’s noble BRI objectives: A shared future for mankind

• The BRI is guided by the principles of consultation and cooperation, aiming at shared benefits. The initiative represents an approach to international cooperation featuring mutual respect, justice, equity and cooperation for win-win outcomes. BRI is committed to multilateralism and an open global economy. As such, BRI will help move economic globalization toward greater openness, inclusiveness, balance and win-win outcomes.

• As President Xi Jinping has pointed out, the BRI aims to replace estrangement with exchanges between different civilizations, replace clashes with mutual learning and replace a sense of superiority with coexistence; it aims to boost mutual understanding, mutual respect and mutual trust among different countries. In this light, the BRI is seen as a path towards global peace.

Africa, the Mediterranean, Russia and Iran

• China is not investing only in African infrastructure but it transfers manufacturing activity there. By the end of 2015: 128 industrial projects in Nigeria, 80 in Ethiopia, 77 in South Africa, 48 in Tanzania and 44 in Ghana. It seems developing Africa is much easier than developing China’s own northwestern territories, and this trend is bound to continue in line with rising labor costs in China.

• With investments in Australia (Darwin), Central- and South America, and a continuing interest in the Nicaraguan canal, China will soon be looking at the Pacific Ocean, expanding BRI to a global, “around-the-world” network, served, possibly, by the ultra-large containerships (25,000+) China is building, or by the “hub-free ship-carrier carrier” project it is researching.

• What are the prospects of the Panama Canal, in view also of competition from the Suez Canal and a possible Nicaragua Canal? To my view, not very promising: BRI and the three global shipping alliances (Ocean Alliance – THE Alliance – 2M) intend to transform the Mediterranean Basin into a “global super hub”, serving Europe, Africa and the Americas (this was the reason why we created the MEDPorts Association).

• Russia is squeezed from both sides: USA/NATO from the west / China-Eurasia-BRI from the east. Russia’s response: its own ‘OBOR’: The North-South Transport Corridor, running from Bandar Abbas (Iran) to Moscow through Baku (Azerbaijan).

• Both Russia and China aspire to develop their own currencies into reserve, clearing ones, away from the dollar and a crisis-prone, risky and overburdened western financial system. China in particular has created a currency clearing house in Qatar while Russia has an “oil for goods” deal with Iran. The latter country too has recently entered into a “rail for oil” barter deal with Turkey.
On 26 July 2018, at a press conference held at China’s Ministry of Transportation in Beijing, it was announced that China has signed a total of 38 bilateral and regional maritime agreements, covering 47 countries along the BRI route.* The latest one was signed last month (March 2018) with Italy: an MoU comprising 29 deals, including investments in the ports of Genova and Trieste. Although such MoUs have no formal legal status, nor they create rights and obligations, they have nevertheless great value for China, in terms of anchoring BRI onto as many countries as possible.

The internet portal for BRI of the Chinese government lists 129 countries that have signed some type of cooperation agreement which China on BRI.

In addition, and in the 5 years since BRI’s inception in 2013, China has participated in the construction and operation of 42 ports in 34 countries, including the highly strategic ports of Piraeus, Hambantota (Sri Lanka), Djibouti, and Gwadar (Pakistan).

*Although there’s no such thing as “BRI Route”.*
In March 2015, with the authorization of the State Council of China, China's National Development and Reform Commission, the Ministry of Foreign Affairs and the Ministry of Commerce jointly released Visions and Actions on Jointly Building Silk Road Economic Belt and the 21st-Century Maritime Silk Road. The document clearly emphasized the construction of 15 coastal ports, namely, Shanghai, Tianjin, Ningbo, Guangzhou, Shenzhen, Zhanjiang, Shantou, Qingdao, Yantai, **Dalian**, Fuzhou, Xiamen, Quanzhou, Haikou, and Sanya.

**NB:** Through a cooperation between Erasmus University Rotterdam and Dalian Maritime University, we have established the ports which would make meaningful economic sense for inclusion in the BRI network in West Africa; along the Yangtze River; and along the ‘Road’ from Valencia-Genova-Trieste-Piraeus to East China. In the same research, we are also looking at Chinese industry relocation due to port development along the BRI. Much of this research has already been published or is under review.
**North-South Divide**

There's an important core-periphery divide when it comes to Europe's openness to Chinese investments. At the same time that Germany, France and Italy are pushing for an EU-wide investment screening mechanism, like the Americans, governments in Greece, Portugal and Cyprus are sceptical of such a move, saying it would hamper their countries' ability to attract much-needed capital. The sale of Piraeus to Cosco has left a rather bitter aftertaste to Europe.

A sizable amount of additional investments, of which no financial details are disclosed, as well as investments of Hong Kong companies with no (significant) ties to mainland China, are not reported here (e.g. Vado terminal in Italy, Toulouse Blagnac airport in France, etc.). In Marseille: China Merchants PH has minority stake in Terminal Link, owned by CMA CGM, in the OCEAN Alliance with Cosco. In Rotterdam: Cosco SP has a minority stake in Euromax.

**Bloomberg** has crunched the numbers to compile the most comprehensive audit to date (2018) of China's presence in Europe. It shows that China has bought or invested in assets amounting to at least $318 billion over the past 10 years.
EUROPE: FROM GREECE, BRI MOVES WESTWARDS TO SPAIN, WITH A STOPOVER IN ITALY

COSCO’s acquisition of Noatum Port Holdings (NPH) was a strategic move more important even than that of Piraeus. With Piraeus in the east, and Valencia in the west Mediterranean, China is solidifying its interests. By controlling Noatum (Spain’s major terminal operator, former Dragados), Cosco Shipping Ports (CSP) controls not only Valencia (the country’s prime container port) and Bilbao (Short-Sea-Shipping services with Rotterdam and Northern Europe) but also the inland terminals of Madrid and Zaragoza. BPI moves West and it won’t be long before it crosses the Atlantic. China’s recent interest in the Italian ports of Trieste and Genova completes the northern Mediterranean (European) picture.
• After Piraeus in the east and Valencia in the west of the Mediterranean Basin (as well as the remoteness of both ports from central/western European markets), China looks at central Mediterranean for gateways for its exports. These are the ports of Genova and Trieste. The former is well connected by rail (and distribution) to Rotterdam, while the latter serves not only Central/Eastern Europe but also the other Member States of the Northern Adriatic (Slovenia, Croatia, Bosnia, and perhaps all the way down to Montenegro and Albania).
China’s “debt-trap diplomacy”: True or Fake News? (cont…)

A part of western concerns on BRI consists of what has come to be known as ‘debt-trap diplomacy’. The Sri Lankan Port of Hambantota has often been used as a case in point. The practice is not unknown to certain western ‘financiers’, however, and in short it consists of extending loans to borrowers, usually under onerous terms, when one knows that the latter will be unable to repay. The solution is often a swap of debt with equity, i.e., in our case, the lender takes over control of the port. Whether this is the case or not, in the case of BRI investments, remains to be seen. But loans to Sri Lanka (Hambantota) were rather concessionary (2%), while the country’s largest debt is to Japan and not to China. The case, to my view, was one of wide public sector corruption rather than anything else.

The case of the Port of Piraeus is not much different either: At the time of writing, the Greek government rejected a €600 million port investment plan on grounds of archeological finds. Also at the time of writing, a mounting Chinese disillusionment with the port of Piraeus has led China to start looking at the Italian ports of Trieste and Genoa. Since it was leased to Cosco, however, the port has become one of the fastest growing container ports in the world, soaring to the 36th place in global container traffic ranking, from the 93rd in 2010. The port has only 10 Chinese staff but employs 3,000 Greeks, and it has also created more than 10,000 indirect local jobs.

*according to researchers at Rhodium Group and the Mercator Institute for China Studies.
Decisions made in the BRI framework, whether project selection or investment and financing cooperation, are all based on full consultation among the parties, and on the basis of risk assessment and investment feasibility studies.

China and another 27 countries have jointly adopted the *Guiding Principles on Financing the Development of the BRI*, which highlight the need to ensure debt sustainability in project financing.

China claims that in cases where its BRI partners face difficulties in servicing debts, China will properly address the issue through friendly consultation, and will never press partners for debt payment.
• Copying similar procedures of the US Senate, a **screening mechanism** was proposed by the European Commission in 2017 and approved by the Parliament in February 2019. The screening mechanism aims to see to it so that “strategic infrastructure”, such as ports, is not **predatorily** targeted by foreign investors.

• The “mechanism” is seen as a coordinating tool at EU level, which does not intend to replace national mechanisms, or challenge member states’ prerogative to decide on investments.

• The screening mechanism has led to a 40% drop of Chinese investments in the European Union in 2018, compared with 2017, to about €17.3 billion. In 2016, Chinese investments had reached a record peak of €37 billion. This ‘success story’ has been over-advertised in Brussels, but, to my view, the decline in Chinese investments is due to the cooling of the Chinese economy since 2016 (6% growth is forecast for 2019) rather than to a (fairly lukewarm) screening mechanism.
Has China Started to Downplay BRI?

• Mostly due to mounting western concerns about China’s possible geopolitical aspirations and objectives, China has moderated its flowery rhetoric on the Belt and Road Initiative and has been more reluctant to invest large sums of money abroad. Indeed, China’s outward investment has fallen by more than 20% since 2016. Even though the second Belt and Road Forum is taking place later this month (25-26 April 2019), commentary around it has been surprisingly limited.

• China’s economy is slowing down – 2018 was already the slowest in over two decades and, as already said, 2019 may fall below 6%. Together with an unfavourable global trade and development climate -especially the trade wars with the US- domestic economic problems* are starting to have priority in the minds of policy makers. Last year alone, for example, 2.8 million people were made redundant in China’s industrial sector. This year (2019), those economic pressures are foreseen to continue.

* The country’s non-performing loans (NPL) represent 25% of its GDP and this might prove to be a bomb in the foundations of the Chinese economy.
Is BRI letting off steam?

The slowing-down of the Chinese economy; rising unemployment and the millions of Chinese living below the poverty line are all questioning foreign investments in far away countries, the more so when bankable projects have already been financed and low-hanging fruit has already been picked up.

Domestic criticism of BRI intensifies even more for, as it looks, BRI investments are not limited to infrastructure, but extend to everything that is for sale from theaters, football teams, historic buildings and more. **SAFE**, the *State Administration of Foreign Exchange* has made known that it will scrutinize investments in what it has called, “irrational” sectors including real estate, sports complexes, cinemas and other areas it deems unrelated to Chinese firms’ core businesses.
The “Northern Sea Route -NSR” maritime silk road is in the making. China is showing strong interest in port investments in Russia, Lithuania (new container port in Klaipeda), Norway (Kirkenes) and Iceland.

Both China and Russia have great expectations regarding the potential of NSR as an alternative to Suez, and COSCO is already operating 5 containerships on the route since 2016, albeit with meagre results. Other shipping companies (and researchers) do not share this enthusiasm, considering the “Belt” (for the more expensive cargo) and the “Road” (Suez shipping) as sufficient alternatives, in addition to aviation for the very expensive and time-sensitive cargo. In all honesty, NSR ought to be much more interesting for Russia, due to her Siberian exports, than for China.
The North-South Transport Corridor: Russia’s response to OBOR

Mumbai-Bandar Abbas (Chabahar)-Tehran-Baku-Moscow vs Mumbai-Suez Canal-Gibraltar-English Channel- St. Petersburg-Moscow

(30% cheaper and 40% shorter and less vulnerable to possible “interferences”)

A note on Azerbaijan and Georgia: The new port of Baku (70 kms south of the city) is the country’s most strategic investment, according to President Aliyev. The European Union is showing an interest in this port, and it invests in its future development. Georgia is developing a new, US$ 2.5 billion port in the Black Sea (Anaklia), with US financing (Conti International). The rail connection between the two, south of Caucasus, is not bad at all. Would the two Seas be connected? This, to our view, is a very important “missing link” (yellow line by H&A – see also below).
More interesting though are the developments in Malaysia: Malacca is the name of the new kid on the block and China aims at developing it into a second Singapore. In April 2016, transport minister Liow Tiong Lai announced that China is investing $10 billion to develop a deep sea port in Malacca which would be the biggest in the region when completed in 2025. In addition to the Melaka Gateway, China is investing $2.84 bn on Kuala Linggi Port; $1.4 bn on Penang Port; and $177 m on Kuantan port.

In another block (Bay of Bengal), the kid is called Kyaukpyu (Myanmar). Together with Hambantota (Sri Lanka), China is fencing off the east coast of India, (actually, it is fencing off the Bay of Bengal) something that doesn’t make the latter very happy. India thus bypasses Pakistan on the Persian Gulf, talking to the Iranians for her trade with Russia and Europe. In chess, this is called ‘castling’. In addition, India has 4 naval bases outside “the fence” at Andaman & Nicobar islands (Port Blair).

In Sri Lanka, security concerns among the citizenry have invoked anger and have stalled developments for years. The new (2017) deal, however, appears to appease things: Two companies are created to run the commercial operations at the port of Hambantota. In the second one, the Sri Lankan government holds the majority share (51%) while the Sri Lankan Port Authorities is responsible for security controls. The deal provides that no military vessels can berth at the port. Although, internationally, Hambantota has been described as the showcase of “debt trap diplomacy”, Sri Lanka’s biggest debt is to Japan and not to China, which has extended rather concessionally loans for the development of the port (2% interest rate).
Myanmar:

A New Route Connecting the Persian Gulf to Western China, bypassing Malacca Straits

The country is extremely important to China (and its outlet to the Bay of Bengal). This, not just because of the oil and gas pipelines, railroads and logistics parks constructed by China (among others in order to bring oil to Kunming (Yunnan Province) directly from the Middle East), but also because the construction of a new port (e.g. at the superb natural harbor of Kyaukpyu) would allow China to bypass the Malacca Straits, where, in Malacca, China is building a “second Singapore”! Connecting Kyaukpyu and Kunming via a 1,200 km railway line is another of China’s priorities. Finally, by 2025 China plans to complete a 1000-hectare industrial park and Special Economic Zone (SEZ) at Kyaukpyu, showing in this was the strategic importance of Myanmar for China. The deep-sea container port at Kyaukpyu has a projected capacity of 7 million TEU per annum and obviously its intention is to also serve both Kolkata in India and Chittagong in Bangladesh, all the way to Nepal and Bhutan. To complete the picture, China is showing a great interest in the Kra Canal in Thailand...
Thailand: the Kra canal

• The discussion on the Canal goes back to the 17th century. The projected length, width, and depth of the Thai (KRA) Canal are approximately 100 kilometres, 500 metres, and 20 metres, respectively. The project is highly political and against western interests in the region. Thailand said recently (Feb 2018) that the project does not have high priority.

• The Canal would cut Thailand in two, bypassing Malacca straits (like the Myanmar projects) and thus the Port of Singapore, establishing Shenzhen and Hong Kong as the “Asian ports of origin”. It will cost $30 billion, to make a two-way channel, and its construction will employ 30,000 workers. The canal comes into the Bay of Bengal (Andaman Sea) and passes south of the Andaman and Nicobar islands (naval bases of India) to head to Sri Lanka. This would cut navigational distance between Yellow- and South China Sea on the one hand, and Bay of Bengal – Arabian Sea on the other by more than 1000 n.m.

The idea of constructing a Nicaragua canal can be traced back to the 16th century.

Strong resistance by environmental lobbies.

The canal would be able to accommodate the largest of ships of today and tomorrow (drafts up to 26 meters, i.e. ultra capers, ULCCs, 25,000 TEU (Cosco)+ containerships, etc.)

However, its use would mostly be westwards bulk shipments (dry and wet) from the US; Venezuela; Brazil (iron ore; coal; oil; grains). Eastward containerized traffic with the ultra-large containerships of the latest generations (14,000+) to the US East Coast wouldn’t be possible due to port draft limitations, prohibitive dredging costs, bridges in NYNJ and other limitations of the US East-Coast.

As regards exports of US grains to Asia, the Nicaragua canal would offer a great advantage to shippers, not in terms of ship sizes (grains do not utilize very large bulk carriers) but in terms of sailing distances (Nicaragua canal is much closer to the Gulf of Mexico than the Panama canal).
## Comparison of Panama, Suez and Nicaragua Canals

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<thead>
<tr>
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<th>Previous Panama Canal (*)</th>
<th>Expanded Panama Canal (*)</th>
<th>Previous Suez Canal (**)</th>
<th>New Suez Canal (***)</th>
<th>Nicaragua Canal</th>
</tr>
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<tbody>
<tr>
<td>Beginning service year</td>
<td>1914</td>
<td>2016</td>
<td>1869</td>
<td>2015</td>
<td>-</td>
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<tr>
<td>Length (km)</td>
<td>77</td>
<td>77</td>
<td>193</td>
<td>193</td>
<td>276</td>
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<tr>
<td>Maximum container vessel size (TEU)</td>
<td>4,700</td>
<td>14,000</td>
<td>18,000</td>
<td>24,000</td>
<td>&gt;25,000</td>
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<tr>
<td>Maximum vessel size (thousand DWT)</td>
<td>65</td>
<td>180</td>
<td>200</td>
<td>280</td>
<td>400</td>
</tr>
<tr>
<td>Maximum vessel draft (m)</td>
<td>12.04</td>
<td>15.2</td>
<td>17.7</td>
<td>20.1</td>
<td>24-26</td>
</tr>
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**Notes:**

(*) The maximum vessel size on the Panama Canal is determined by the lock capacity.

(**) The figures relate to the year 2009. In 2009 the Suez Canal was deepened from 18 to 20m, allowing ships of up to 58 feet draft (about 17.7m) to pass through.

(***) Since August 2015, the New Suez Canal is in operation with a new parallel canal of 35 km in length in the middle part. The water depth now reaches 23m at the shallowest section allowing ships with a draft up to 20.1m.

A “missing link” in China’s Belt-and-Road Initiative: Connecting The Caspian- to The Black Sea (Turkmenbashi-Baku-Batumi/Poti-Istanbul-Thessaloniki-Constanza-Danube-Rhine-Rotterdam)

• The first time I threw around my ideas of connecting the two great seas, The Caspian- and the Black Sea, seeing this connection as a missing (multimodal) link in China’s Belt and Road Initiative (BRI), was in 2016 in Amsterdam (TOC Europe). A roadshow followed (aimed at ‘selling’ the idea to interested parties) to Shanghai, Baku, Kuwait, Tehran, Marseille, Rotterdam, Venice, Hamburg and Brussels.

• Through the Baku-Tbilisi-Kars railway system (BTK), running south of Caucasus, the link would connect the new port of Baku (President Aliyev’s top national priority) to the Georgian ports of Batumi, or Poti, or -why not- the 2.5 billion dollar port of Anaklia, once this project materializes.

• As Baku is at the crossroads of the North-South (Iran-Azerbaijan-Russia) corridor (a tripartite grand project already agreed, signed and sealed by the 3 countries), the interests of Iran and Russia in the project are obvious, as are those of India who wants to use the north-south corridor for her exports to Russia and Europe.

• The H&A plan did not stop at Georgia. Navigating the Black Sea, our Missing Link would extend to Istanbul, Thessaloniki and Costanza and from there, through the Danube-Rhine fluvial system, it would end up to central and northern Europe (Rotterdam) (see map).

• We are therefore pleased to report today that, at a meeting in Bucharest last week, the Ministers of Foreign Affairs of Turkmenistan, Azerbaijan, Georgia and Romania signed a declaration on the development of the Caspian Sea - Black Sea international transport corridor (CSBS-ITC).
Connecting the Persian Gulf to the Mediterranean

- Although Persian Gulf ports are not yet part of the BRI network in any visible way, the Region’s importance cannot be underestimated, as seen also by the Chinese investments in Oman, Qatar, etc., as well as India’s interest in the Iranian port of Chabahar, so as to ‘bypass’ the (for her ‘worrisome’) Pakistani port of Gwadar, developed by China. In short, and particularly for ports in the Upper Gulf (MAK, Umm Qasr, Bandar Imam Khomeini), the region could constitute a (land-bridge) alternative to Suez, at the same time connecting the Gulf to the Mediterranean Sea. In addition, a ‘port system’ such as this, would and could serve the vast hinterlands of Iraq, Iran, Turkey, all the way up to Moscow, thus connecting to BRI (Belt) through Russia’s North South Transport Corridor (NSTC).

- Connecting the Upper Gulf port system of MAK (Kuwait)-Umm Qasr (Iraq)- Bandar Imam Khomeini (Iran) -three ports, in three different countries, at a spitting distance of each other- to the Mediterranean Basin (Lebanon or Syria or both), and from there to the Port of Piraeus and to the EU is another grand project of H&A. The connection of the Upper Gulf Port System to the Caspian Sea (Tehran) would complete the 'big picture', connecting the two projects together, as well as to the North-South Iran-Azerbaijan-Russia corridor which, eventually, will extend, by sea, to India (Bombay).
A Game of Chess: China’s (quasi) Maritime Silk Road. India’s Ambitions?

India is looking carefully at the Iranian port of Chabahar, so as to bypass the Pakistani port of Gwadar, developed by China. Connecting itself to Russia’s NSTC is one of India’s strategic objectives. The second is to connect to the Mediterranean through Kuwait-Iraq-Syria-Lebanon.

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Djibouti and the Gulf of Aden

• Geopolitically, Djibouti and the Gulf of Aden are ‘hot’ areas. A number of western countries (France, Italy, Germany, USA) have a military presence there, while Djibouti is China’s only foreign naval base (so far). Illegal arms trade in Djibouti and the Gulf of Aden is a major cause for concern but, interestingly, no western power with a presence there seems willing to do anything about it, presumably in fear of losing their military concessions. At the time of writing, the Djibouti government was sentenced to pay a substantial amount of money to DP World, for breaking the latter’s concession to run the Doraleh Container Terminal (thus favouring China).
Conclusions I

The Chinese economy is slowing down and so are its outward BRI investments. SAFE, the State Administration of Foreign Exchange, has made known that it will scrutinize investments in what it has called, *irrational* sectors, including real estate, sports complexes, cinemas and other areas it deems unrelated to Chinese firms’ core businesses.

No evidence, anywhere, of a Chinese ‘debt-trap diplomacy’; rather, conspiracy theories and fake news are at play.

China and its partners have jointly adopted *Guiding Principles on Financing and Development*, aiming to ensure sustainability in project financing.

Stated BRI objectives are noble, aiming at boosting mutual understanding, mutual respect and mutual trust among different countries. In this light, the BRI is seen as a path towards global peace.

The fundamental concept of BRI is reducing trade and transport costs through better connectivity.
Conclusions II

China considers the Mediterranean Basin as a “global super-hub”, connecting three continents.

The major ‘beneficiary’ of a possible ‘Nicaragua Canal’ would be westward (bulk) flows from the Americas to Asia.

The Iran-Azerbaijan-Russia “North-South Transport Corridor” is Russia’s answer to BRI. India is showing great interest in this corridor, for its exports to Russia and Europe.

It is unlikely that the North Sea Route (NSR) will ever present itself as a serious challenger to Suez in the Europe-Asia seaborne trade.

With investments in Myanmar and Thailand, China bypasses the Strait of Malacca.

Outside China, Piraeus; Djibouti, Gwadar, Hambantota, and Kyaukpyu are China’s showcase port investments.

Connecting the Persian Gulf to the Mediterranean is a major project of Haralambides & Associates (H&A).

Connecting the Caspian Sea to the Black Sea has been another flagship project of H&A. At the time of writing, a 4-country Agreement has been signed (Turkmenistan-Azerbaijan-Georgia-Romania), connecting Central Asia to Europe, through its eastern gateway, i.e. the Romanian Port of Constanza.

H&A research on a “hub-free ship-carrier-carrier” project is presently going on.