

Xi says more nations joining Belt & Road, \$64bn in deals

BEIJING: Chinese President Xi Jinping said Saturday \$64 billion in deals were signed at a summit on his Belt and Road Initiative and more nations would join the global infrastructure programme as he sought to ease concerns over the colossal project.

Xi and 37 world leaders wrapped up a three-day forum in Beijing with pledges to ensure that projects on the new Silk Road are green and financially sustainable following concerns about debt and environmental damage.

“We are committed to supporting open, clean and green development and rejecting protectionism,” Xi told journalists at the end of the forum, without taking questions.

His signature foreign policy aims to reinvent the ancient Silk Road to connect Asia to Europe and Africa through massive investments in maritime, road and rail projects — with hundreds of billions of dollars in financing from Chinese banks.

But critics say the six-year-old project is a plan to boost Beijing’s global influence, riddled with opaque deals favouring Chinese companies and saddling nations with debt and environmental damage.

The US, India and some European nations have looked at the project with suspicion. Washington did not send any representatives to the meeting.

“This year’s forum sends a clear message: more and more friends and partners will join in the Belt and Road co-operation,” Xi said.

A document released after the meeting showed that Equatorial Guinea, Liberia, Luxembourg, Jamaica, Peru, Italy, Barbados, Cyprus and Yemen were the latest countries to join the club.

Xi said enterprises will be the main driver in all Belt and Road projects and market principles will apply, with governments providing a supporting role. “This will make the projects more sustainable and create a fair and non-discriminatory environment for foreign investors,” Xi said.

Xi said that business leaders meeting at a side event signed some \$64 billion worth of deals during the forum, without providing details.

At the picturesque Yanqi Lake outside Beijing, leaders from Europe, Africa, Asia and Latin America gathered to issue a joint communique.

The gathering included Russian President Vladimir Putin, Italian Prime Minister Giuseppe Conte, whose nation became the first G7 member to join Belt and Road, and Pakistan’s Imran Khan.

The massive projects, financed mainly through Chinese bank loans and investments, have raised concerns that poorer countries are being saddled with debt — Sri Lanka turned over a deep-sea port to China for 99 years after it was unable to repay loans.

A communique released at the end of the meeting said leaders encouraged multilateral development banks and other international financial institutions to support projects “in fiscally sustainable ways” and mobilise private capital in line with local needs. “We emphasise the importance of economic, social, fiscal, financial and environmental sustainability of projects,” it said. The draft communique says BRI will welcome developed countries and international investors to participate in the projects.

“Faced with this rising resistance for the past year and a half and this debt image ... China is trying to reposition (BRI) and send a reassuring message,” said Nadege Rolland, a senior fellow at the National Bureau of Asian Research, a US-based think tank. But “let’s see how it is put into practice”, she said.

China’s finance ministry released guidelines Thursday for assessing financial risk and debt sustainability to apply to projects in BRI countries.

But the document notes that countries already facing payment problems or in the process of restructuring payments “does not automatically mean that debt is unsustainable in a forward-looking sense”.

Beijing also published a list Saturday of 283 “deliverables” that bore the Belt and Road brand name, including agreements between museums and art festivals, and even cooperation on space — a clear sign that BRI is a major soft power tool for China as well.

Russian President Vladimir Putin praised China for acting in a “civilised and soft manner” and he took a veiled swipe at the United States.

“Nobody wants sanctions, nobody wants trade wars, except those who start them. These sanctions harm the world economy,” Putin said, adding that China “currently defends liberal values”. BRI projects have faced pushback in some countries. In Malaysia, Prime Minister Mahathir Mohamad cancelled some planned works and renegotiated a rail project, cutting 30 percent off the price tag.

But Mahathir and other leaders attending the summit had fulsome praise for BRI.

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