
BELT AND ROAD INITIATIVE FACILITATES ECONOMIC COOPERATION AMONG CHINA, ASEAN, SOUTH ASIA

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With China now a major contributor to global growth, involvement in the Belt and Road Initiative could help strengthen links within ASEAN and South Asia and with China, said Standard Chartered Global Research in a report issued Wednesday.

China's economic relationship with the region has deepened in the past decade, and the improved trade is the most obvious indicator of the closer relationship, the research house highlighted.

According to the report, imports from ASEAN and South Asia accounted for 14 percent of China's total imports in 2017, versus 10 percent in 2000. Meanwhile, exports to the area made up 16 percent of China's total exports in 2017, double 8 percent in 2000.

"Lower cost of logistics is another key reason for the region to increase connectivity. In addition, the long-term growth outlook for the region and for China remains upbeat, which should generate further trading opportunities," it said.

The report also said that the Belt and Road Initiative has generated significant interest among countries in region, given their substantial infrastructure needs and China's ability to offer the expertise to deliver large-scale infrastructure projects.

Besides the allure of infrastructure, it opined that China's increasing economic influence in the region has also sparked interest in the other goals of the initiative, including enhanced and broader connectivity - in policy coordination, unimpeded trade, financial integration and "people-to-people bonds."

The report also pointed out the need to tackle the challenges posted by short-term cost of some major projects to reap the long-term benefits of better infrastructure.

It suggested better project planning, tackling of financing hurdles, adequate legal frameworks to facilitate infrastructure development, as well as the need for better local cultural awareness.

Proposed by China in 2013, the Belt and Road Initiative aims to build a trade and infrastructure network connecting Asia with Europe and Africa along the ancient trade routes of the Silk Road. It comprises the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

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