China Belt-Road plan may top US$500b

Initiative's future seen as promising amid US isolationism

BY JEFF KEARNS

BEIJING: China could pour more than half a trillion US dollars (RM2.16 trillion) into its Belt and Road Initiative, and the push for greater global influence looks even more promising with US President Donald Trump pulling back from engagement, according to Credit Suisse Group AG.

The plan could funnel investments worth US$313 billion to US$502 billion into 62 Belt-Road countries over the next five years, Hong Kong-based analyst Shen Hu wrote in a report on Tuesday. In Africa, China may make additional investments of as much as US$79 billion in 13 countries, she said.

Most funds may flow into India, Russia, Indonesia, Iran, Egypt, the Philippines and Pakistan, Shen and other analysts said. They added that the biggest beneficiaries of the plan, which is designed to link China with its neighbours by road and sea, could be mid-sized domestic construction and machinery companies, and Asian infrastructure firms with close ties to the country's investment.

"Its future seems even more promising" as the White House pullback creates opportunities, Shen wrote. "China's overseas investment can be more significant for the world, with its growing influence and the US administration potentially taking a more isolationist turn."

Chinese President Xi Jinping, who will convene a Belt and Road summit with 28 world leaders from May 14 to 15 in Beijing, has embraced a new role as an advocate for free trade after Trump's election, working to boost China's role in global governance. Xi defended trade before the World Economic Forum in Davos this year, and Premier Li Keqiang echoed the theme in an essay for *Bloomberg Businessweek*, saying China will champion economic openness and trade.

The analysts estimated the size of the initiative, which they expect will last at least five years but likely as long as a decade, by scoring demand and supply factors, focusing on infrastructure. China may give certain countries preferential treatment to serve its own interests, such as bilateral relations, resources demand and the soundness of investment, they said.

The analysts included a caveat, adding that due to the uncertainties of the initiative, "there's not much meaningful discussion about how large the initiative could really be". — *Bloomberg*