

CHINA DAILY

GLOBAL EDITION 中國日報 WEDNESDAY, FEBRUARY 20, 2019

A bounty of benefits, thanks to 'BRI factor'

Since the rollout of the Belt and Road Initiative in 2013, views have been mixed around the world: optimistic, pessimistic or skeptical. Some take it as having economic, political and cultural challenges. Others see it as offering multidimensional development opportunities for mutual prosperity. There is no dearth of analyses from various perspectives, but objective evaluation of its outcomes and impacts is scarce.

The Global Competitiveness Report allows the comparative study of infrastructure development in Belt and Road economies with the rest of the world.

For the Belt and Road economies, we adopt the classic definition of those along the Silk Road Economic Belt and the 21st Century Maritime Silk Road.

The index has been compiled by the internationally renowned World Economic Forum since 2005. It is based on 12 pillars – institutions, infrastructure, the macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labor market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation.

As expected, the competitiveness scores of developed economies rank on top of the list and developing

WORLD WATCH
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economies rank at the bottom. In terms of growth momentum, however, European and North American economies have been slackening in recent years, while developing economies in Asia, Africa and Latin America have been catching up.

Since the index covers most Belt and Road economies, the finding is reliable.

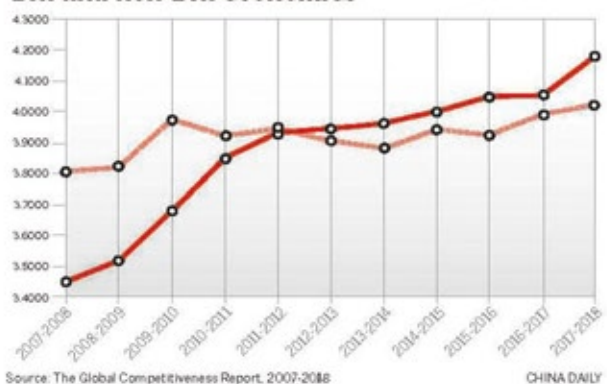
The BRI advocates the five connectivities of policy coordination, facilities connectivity, unimpeded trade, financial integration and people-to-people bonds. Infrastructure, as the term implies, is essential and indispensable.

The "infrastructure" pillar in the index is used to illustrate comparative development between Belt and Road and non-Belt and Road economies. The Chinese mainland, Taiwan, Hong Kong and Macao are considered "host" economies and thus excluded.

The average index score of infrastructure in Belt and Road

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Average infrastructure score in BRI and non-BRI economies



BRI: Initiative offers host of opportunities

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economies was far below that of the other economies in 2007. Five years later, their average scores were almost on par.

Following the commencement of the initiative, the average score of Belt and Road economies surpassed the non-Belt and Road region, and the gap is widening.

One may notice that the average score of infrastructure in Belt and Road economies has been rising since 2007, while that of the other economies has been stagnant since 2009. Stagnancy in these economies is explainable by the outbreak of the global "financial tsunami" in 2008 and its subsequent recession.

How could the Belt and Road economies still improve their infrastructure if they were not immune to the global economic downturn? The "BRI factor" might give a plausible explanation.

Infrastructure is the cornerstone of the economy and competitiveness is its determinant. With continuous improvement in infrastructure, Belt and Road economies also inject dynamism into their economies.

Although the Global Competitiveness Index is compiled by a reputable body with reliable data through a professional approach

and is undoubtedly objective and authoritative, there are still inadequacies to bear in mind.

First, not all countries or economies under the initiative are included.

Second, the index focuses on economic and financial factors, while other areas such as policy coordination and social relations are not covered. Thus, its impact could be understated.

Third, standards or criteria used in compiling the index can be improved by considering and addressing any inherent cultural biases.

Undoubtedly, the impact of ambitious, tremendous regional cooperation and integrated plans under the initiative will not be apparent in the short term. It will take time to develop and incubate.

The initial analysis shows that although the challenges are numerous, the potential and opportunities are equally large.

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