

## Analysis of Covid-19's influence on BRI

**Zhou Quan**

*Suzhou High School of Jiangsu Province International Program, Suzhou, 215000, China*

**ABSTRACT :** *Since 2013, China provides countless benefits for countries along BRI (Belt and Road Initiative), which is developing towards a good future. However, the break out of Covid-19 from China in January greatly slowed down, even blocked the development of BRI, so does those countries along it. Hundreds of projects had to cease to prevent the spread of the virus, and the economy of China and countries along BRI also stagnated. This article evaluates the extent of Covid-19's various effects on BRI in different periods. From the breakout to the time when China have mostly recovered.*

**KEYWORDS:** *Belt and Road Initiative, Covid-19, corporation*

### Introduction

The Belt and Road Initiative, which is also called The Silk Road Economic Belt and the 21st Century Maritime Silk Road, was announced by XI, the Chinese President in 2013. BRI aims to prompt regional integration between China and other Asian, African, and European countries, through enhancing infrastructure and institutional linkages i. BRI promoted the building up of thousands of infrastructures in countries along the BRI, meanwhile it helps boost communication among developing countries, thus enhance their economy. For example, the Mombasa-Nairobi Railway system built in 2014 promoted communications between countries in East Africa.

Until 2018, BRI has established itself as a defining feature in the global economy and politics. It has induced investment over \$80 billion and created more than 80 special economic zones, which brought numerous incomes and jobs for the host countries.

However, BRI is also facing some kinds of criticism from the United States, the major competitor of China. US consider BRI as “a cover for debt-trap diplomacy, through which China knowingly traps borrowing countries in unrepayable debts to gain political Leverage” ii.

### **BRI's performance in 2019**

Constantly, BRI's performance in 2019 was still stable. For China, its trade partners along BRI robust in 2019, had covered two-thirds countries in the world<sup>iii</sup>. In total, trade with those partners in 2019 generated 9.27 trillion yuan, a growth of 9.4% comparing to that in 2018. <sup>iv</sup>

Particularly, the most important event should be The Second Belt and Road Forum for International Cooperation, which was held in Beijing from April 25 to 27. During the forum, Chinese President Xi points out that BRI aimed to focus on the project qualities, improve the connectivity of BRI countries, and further enhance the cooperation between different regions. Furthermore, the forum facilitated more project plans: according to Chinese official data, 283 contracts were signed during this period.

The forum implies the theme of BRI in 2019: corporation. This year, more countries joined the program and enlarge the scale. The involvement of Italy, Switzerland, and Kazakhstan means that BRI's global influence is noticeable. Specifically, Switzerland, who used to be known as a neutral state and is the center of various financial organizations, will bring about lots of benefits and conveniences for BRI.

In conclusion, 2019 was a perfect year for BRI, and if there's no accidents, the global situation paved the way for the development of BRI. But in 2020, "something" did happen.

### **Covid-19's immediate impact on BRI**

Near the end of January, Chinese government blocked the way of exportation and other countries banned Chinese travellers from entering. This means that BRI became a single way: countries along BRI could provide resources and medical equipment to China, but commodities from China were not able to be transported. Just as Alfred Wu said, in order to stop the virus from spreading, ongoing projects will need to be rescheduled, the pandemic as well as its induced economic slowdown will be further set back and may even be the death knell for some BRI projects. <sup>v</sup>On the other hand, the wave of unemployment along with Covid-19 further limited the productivity of China. In general, the initial stage was very difficult only to China, who were dealing with a significant trade-off between productivity and economy. At that time PPE were expensive and scarce in China and, lots of companies were not capable to recover and went bankrupted.

China spent about a month to alleviate the pandemic. At the beginning of March, the situation became stable, so China began to recover and provide resources for other countries. However, most of the countries could not resolve the problem as efficiently as China, thus the role switched. China's population ensured their productivity and provide PPE through BRI for according countries. J. Buckley points out that China is dedicating on pivoting to a "digital silk road" and a "health

silk road”: many of the BRI host countries lack adequate health provisions in the face of COVID-19. China’s “health diplomacy” in supplying medical equipment may tie these countries closer to China.

Some organizations hold an opposite view: CUFU gives us a different view: the pandemic may harm the global supply chain this time, as the reliance on Chinese manufacture goods, plus China still have its own problems on economy to be solved. viiHowever, just like mentioned before, it is just a short-term influence and won’t post huge threat.

### **The future of BRI**

Just as the last part mentioned, if the invention of vaccine still stagnates, China’s “health Diplomacy” may further influence the world. On the other hand, lots of developed countries stagnated because of covid-19. For China, which is under such a condition as the only stable supplier around the world, they have lot of potentials to develop over other countries, and now the trend has formed.

### **References**

- 
- [1]Fan Zhai, “China’s belt and road initiative: A preliminary quantitative assessment”,  
<https://www.sciencedirect.com/science/article/pii/S1049007817300775>, 2018
- [2]Pradumna Bickram Rana, Xianbai Ji, “Belt and Road Forum 2019 : BRI 2.0 In The Making?”,  
<https://www.rsis.edu.sg/rsis-publication/cms/belt-and-road-forum-2019-bri-2-0-in-the-making/#.X0pgE8gzZPY>, 2019
- [3]Deloitte, “BRI Update 2019-Recalibration and New Opportunities”  
<https://www2.deloitte.com/cn/en/pages/soe/articles/bri-update-2019-recalibration-and-new-opportunities.html>,2019
- [4]Xinhuanet, “China’s trade with BRI countries booms in 2019”  
[http://www.xinhuanet.com/english/2020-01/14/c\\_138704581.htm](http://www.xinhuanet.com/english/2020-01/14/c_138704581.htm),2020
- [5]Alfred Wu, “The impact of COVID-19 on Belt and Road Initiative infrastructure and construction projects”<https://www.nortonrosefulbright.com/en/knowledge/publications/1785d344/the-impact-of-covid19-on-belt-and-road-initiative-infrastructure-and,2020>
- [6]Peter J. Buckley, “China’s Belt and Road Initiative and the COVID-19 crisis”  
<https://link.springer.com/article/10.1057/s42214-020-00063-9#:~:text=Coronavir us%3A%20Immediate%20Impact%20on%20BRI,shock%20to%20the%20global%20economy.&text=The%20BRI%20focuses%20largely%20on,to%20digital%20versus%20physical%20connectivity.,2020>

---

[7]中央财经大学绿色金融国际研究院, “Balancing economy and health: But, if SARS is an indicator, Coronavirus (Covid-19) will have little effect of Chinese BRI investment and trade”

<https://green-bri.org/if-sars-is-an-indicator-coronavirus-covid-19-will-have-little-effect-of-chinese-bri-investment-and-trade,2020>