



Faculty of Humanities and Social Sciences
Bachelor in International Relations

Final Bachelor Thesis

The BRI and the Global Gateway

Supporting connectivity and
sustainability in South East Asia

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1. ABSTRACT

This research delves into the European Union's ambitious Global Gateway initiative and its connections to the Belt and Road Initiative (BRI) within the South East Asian region, particularly in the 10 ASEAN countries. Rather than striving to outcompete China, which is often viewed as setting lower standards, the EU has the potential to set new benchmarks, thereby addressing different nations' development needs while promoting sustainability. Avoiding a narrow-minded zero-sum game, the EU and China may be able to overcome their differences in developmental approach, and forge a complementary relationship, leveraging their respective strengths to enhance the ASEAN infrastructure landscape. Collaboration and coordination in BRI-penetrated regions, could open new avenues for further global development. In order to explore these outcomes, this research seeks to understand the interplay between the European Union's Global Gateway and China's Belt and Road Initiative on development cooperation within ASEAN countries.

2. KEYWORDS

Belt and Road Initiative, Global Gateway, ASEAN, China, European Union, connectivity, sustainability, development cooperation, infrastructure development projects.

3. GLOSSARY OF TERMS

ACGF	ASEAN Catalytic Green Finance Facility.
ADB	Asian Development Bank.
AIIB	Asian Infrastructure Investment Bank
ASEAN	Association of Southeast Asian Nations. Its 10 members are
ASEAN+3	ASEAN plus the People's Republic of China, Japan, and the Republic of Korea.
ASEM	ASIA-EUROPE reunion between the EU and the ASEAN members.
AMS	ASEAN Member States

BRI	The Belt and Road Initiative, also called OBOR/1B1R for short, is a global infrastructure development strategy adopted by the Chinese government in 2013 to invest in more than 150 countries.
CLMV	The four newest ASEAN states; Vietnam, Lao PDR, Myanmar and Cambodia.
CDB	China Development Bank
DAC	Development Assistance Committee.
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank.
EU	European Union
EEZ	Exclusive Economic Zones
EXIM	Export-Import Bank of China
FTA	Free Trade Agreement
GFC	Global Financial Crisis
GG	Global Gateway: essentially an umbrella strategy to synchronize already existing EU and member states global infrastructure investment programs.
GVCs	Global Value Chains
IDC	International Development Cooperation
IAI	Initiative for ASEAN Integration
IO	International Organization
LDCs	Least Developed Countries
MSMEs	Micro, small and medium enterprises
MPAC 2025	Master Plan on ASEAN Connectivity of 2016.
NDB	New Development Bank
OECD	The Organization for Economic Co-operation and Development
ODA	Official Development Assistance
ODI	Total Overseas direct Investment
PGII	Partnership for Global Infrastructure and Investment

SDG	Sustainable Development Goal.
SEA	Southeast Asia
SOBs	State-Owned Banks
SOE	State Owned Enterprises
TAIEX	Technical Assistance and Information Exchange instrument of the European Commission
TEI	Team Europe Initiatives consists of the European Union, EU Member States, including their implementing agencies and public development banks, as well as the EIB and the EBRD (European Commission, 2024b).

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3. INTRODUCTION

The 21st century is marked as the Asian Century and a manifestation of this is that the emerging economies of Asia have been shouldering global growth since the Global Financial Crisis of 2008 (Nasir, Huynh, & Tram, 2019).

The Asian Development Bank (ADB) has estimated the Association of Southeast Asian Nations (ASEAN) alone requires a staggering \$3 trillion in infrastructure investment to alleviate the region's woes, characterized by subpar roads, inefficient ports, and inadequate transport services (2023ab).

Despite the widely-held perception of China's dominant role in infrastructure investment, European Union (EU) contributions to ASEAN countries consistently surpass those of China, the United States, and Japan in terms of Foreign Direct Investment (FDI). The EU allocates over €50 billion annually for global development and solidarity projects (European Commission, 2023). Whereas, China's FDI in ASEAN amounted to \$18.65 billion in 2022, around 11.4% of their ODI flows (National Bureau of Statistics, 2022, p. 15).

In a world where infrastructure deficiencies pose significant challenges to economic growth and development, sustainable connectivity investment and greener transitions are paramount. To this purpose, the EU has a €10 billion budget for the Global Gateway since the EU-ASEAN meeting of 2022, €4.2 billion of which are already engaged in the region (European Commission, 2024a). The EU already supports six infrastructure projects in four ASEAN countries: these are Vietnam, Laos, Indonesia, and the Philippines. These projects vary from grid improvements, port and rail infrastructure, digital connectivity, irrigation systems, and hydropower and solar power systems, to health and education promotion. The European Commission (2024a) describes the Global Gateway as “the EU's positive offer to reduce the worldwide investment disparity and boost smart, clean and secure connections in digital, energy and transport sectors and to strengthen health, education and research systems”.

This research delves into the EU's ambitious Global Gateway initiative and its connections to the Belt and Road Initiative (BRI). While the BRI employs state-owned commercial and policy banks to fund infrastructure projects, questions linger regarding the EU's ability to

harness private capital for similar endeavours, given the considerable costs and uncertain returns associated with these investments (Kliem, 2021).

Rather than striving to outcompete China, which is often viewed as setting lower standards, the EU has the potential to set new benchmarks, thereby elevating global infrastructure development. Avoiding a narrow-minded zero-sum game, the EU and China can forge a complementary relationship, leveraging their respective strengths to enhance the ASEAN infrastructure landscape. Collaboration and coordination in BRI-penetrated regions could open new avenues for further global development. To explore these outcomes, this research will delve into the year 2023 context of development cooperation with ASEAN countries, and how the EU's Global Gateway initiative is shaping the future of global infrastructure development and the relationship with China's Belt and Road Initiative (BRI).

4. PURPOSE AND MOTIVES

The interest of this research lies in recognizing the historical pattern known as the Thucydides Trap, in which an emerging power, such as China, and an established power, such as the US or the EU, are drawn into a supposedly inevitable conflict (Allison, 2015). While development cooperation may not be the main battleground in the security dilemma, it is indeed bathed in geopolitical overtones: from economic security to migration flows. China's growing importance as a donor and the strategic positioning of its investments has raised European wariness on this matter, both because of the danger of debt traps for recipient countries and their very different approach to development. The concept of Strategic Autonomy adopted by the EU in recent years is very much linked to these developments and increasing global uncertainty. The turn of the Century signalled a 'Chinese Century' and the Global Financial Crisis (GFC) put into question the capacity and role of Europe in the decades to come.

According to Chinese White Papers, "throughout history, peace and development have been the primary aspirations of humanity, hence, the idea that 'we are all one human family' is gaining traction, and the desire for a global community grows stronger than ever" (China's State Council Information Office, 2023).

By examining the dynamics between two major development initiatives in ASEAN countries, such as the BRI and the Global Gateway, one could analyze whether such zero-

sum geopolitical dynamics are the most effective or serve to explain the behavior of 21st-century states. Identifying opportunities for constructive synergies instead is a possibility often criticized and viewed as 'weak' by those who see global dynamics as a zero-sum game.

Motivated by a desire to empower ASEAN nations to navigate this complex landscape while maintaining their autonomy, this thesis aims to move beyond the perception of a competing approach to development cooperation between the EU and China, and instead explore how these initiatives can be reconciled to provide a more cohesive and effective pathway for the region's development needs. Nonetheless, it will be necessary to consider the geopolitical implications and both the interests of the EU countries and Beijing that go beyond the development of infrastructure in South-East Asia (SEA).

5. STATE OF THE ART

As mentioned above, the need for infrastructure investment in the ASEAN region, projected by the ADB (2023a) at \$3 trillion, will not be satiated by the current infrastructure development projects and FDI flows of a couple of key players. Many scholars argue economic indicators such as the GDP need to be revised to measure the impact and the underlying purpose of the development projects (Coscieme, et al., 2020; Kapoor & Debroy, 2019; Pilling, 2014; Sen, 2021). According to the IESE interview of Amartya Sen (2021), Nobel laureate economist, "a country could have high GDP growth and yet not have the kind of satisfactory performance for other aspects of human development". These go beyond economic growth. Human development encompasses aspects like education, healthcare, access to clean water, and equality of opportunity. For instance, some oil-rich countries boast high GDPs but lack investment in education and healthcare, leading to low human development scores. Conversely, some countries with lower GDPs prioritize social welfare programs, resulting in high literacy rates and improved life expectancy.

While growth is slowing, especially for advanced economies, ASEAN countries have strong economic growth projections around 4.6% of GDP for 2024 (ADB, 2023c). Areas such as infrastructure stocks have been growing at a significant pace, yet their levels remain well below corresponding world averages in terms of both quantity and quality (Straub & Terada-Hagiwara, 2010). Other indicators, such as Human Development Index (HDI), to

measure human development and the success of development efforts in these nations, will be reviewed in the following section.

In addition to ASEAN emerging as a major center of economic growth, the area is also the scene of geopolitical rivalries and territorial conflicts that have an impact on world dynamics. While some countries are historically, politically, and economically close to the US, others are closer to China (Borrell, 2023b). ASEAN aims to control tensions and promote diplomacy to avert confrontation through various efforts. These efforts include the South China Sea Declaration of Conduct and the ASEAN Economic Community. Amid the competition between the US and China, the South China sea is at the center of the 21st Century “Pacific Shift” (Åberg, 2016). Through closer integration, its ten members share a common interest in avoiding a binary choice between two great powers (Borrell, 2023b). This tension and the assumption of a natural clash between a rising and ‘ruling’ power, described above as the Thucydides Trap, is a key to understanding ASEAN integration (Allison, 2015).

The term “Asian Centrality” describes the increasing significance of Asia in world geopolitics and economy, but also emphasizes a self-centred development system (The International Institute for Strategic Studies, 2022; Tan, 2020). While retaining their centrality in regional architecture, ASEAN members are hedging their reactions to the US's "free and open Indo-Pacific" policy by collaborating with China and the US only at times (Tan, 2020). “ASEAN is far from being a monolithic block, and there are important differences between its members, not only due to their systems of governance” (Borrell, 2023b).

5.1. Infrastructure Development in ASEAN

With five founding nations, the Association of Southeast Asian Nations (ASEAN) first came into being in August 1967 (ASEAN, 2023). The ASEAN-6 was formed after the incorporation of Brunei Darussalam in 1984, to Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Since then, Vietnam, Lao PDR, Myanmar and Cambodia (CLMV) followed in the 90s, but with significantly lower levels of average per capita income, but also in terms of human resources, institutional capacity, the state of the infrastructure and the level of competitiveness (ASEAN, 2023). This development gap between the six

older states and the newer four raised concerns of a “Second-tier” of ASEAN states (Lee Kuan Yew School of Public Policy, 2023).

Since then, ASEAN has prioritized infrastructure projects to improve regional connectivity and strengthen economic ties. As shown in Appendix D, there are over 850 potential infrastructure projects under construction, waiting for approval, or proposed across the region, with a focus on roads, rail, and airports (Baker McKenzie, 2019). These projects include initiatives in areas such as transport, energy, telecommunications, and industrial and urban development. The high demand for infrastructure projects is mainly due to rapid urbanization, which requires adequate infrastructure to sustain productivity and growth in the region (Berawi, 2018; Straub & Terada-Hagiwara, 2010). The top countries by number of projects are Indonesia, Thailand, and the Philippines (Baker McKenzie, 2019).

Although stark differences persist, and Cambodia, Lao PDR, and Myanmar are still in the LDCs category, there has been progress in many areas. In the 2000-2017 period, HDI for CLMV has increased by 30.4% compared to 11.9% for ASEAN-6, and has had greater inward FDI (ASEAN, 2023; UNDP, 2024). As shown in Table 1, HDI trends in ASEAN economies show certain progression up to the pandemic years that may have set CLMV countries back a decade.

Table 1

HDI average for ASEAN economies between 2000 and 2023.

Economies	2000–2004	2005–2009	2010–2014	2015–2019	2019-2023
ASEAN-6	0.67	0.70	0.73	0.75	0.78
CLMV	0.57	0.61	0.65	0.67	0.64
ASEAN	0.63	0.66	0.70	0.72	0.74

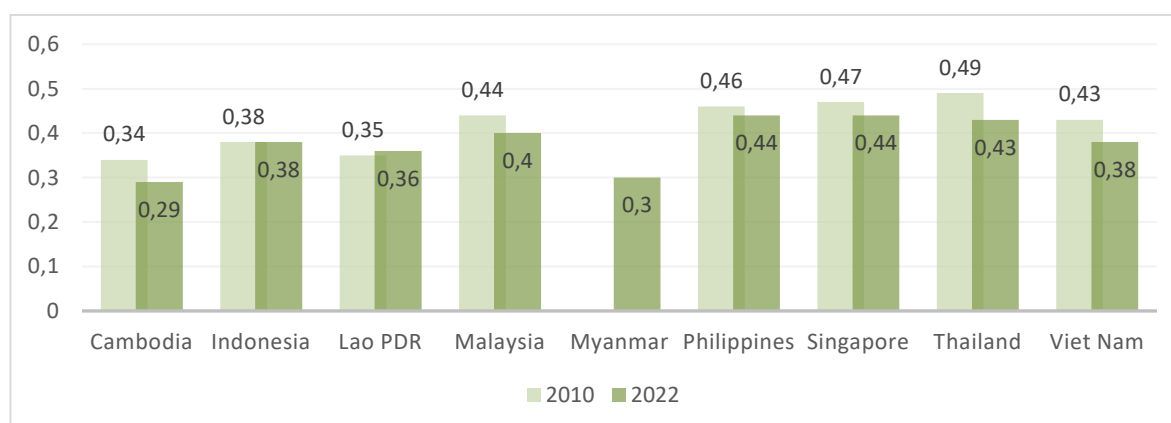
Note. ASEAN = Association of Southeast Asian Nations; ASEAN-6 = ASEAN comprising only Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand; CLMV=Cambodia, Laos, Myanmar, and Vietnam. Adapted from ASEAN Secretariat, 2023. Green data adapted by the author from the Human Development Index, by UNDP, 2024, https://bit.ly/HDI_UNDP2024.

Furthermore, the majority of AMS experienced a decline in their poverty incidence, especially Lao PDR and the Philippines witnessed a significant decrease in their poverty rates, dropping from 24.0% to 18.3% in 2018, and from 23.5% in 2016 to 18.1% in 2021, respectively (The ASEAN Secretariat, 2023, p.24). Growth projections suggest that developing Asia can reduce the prevalence of extreme and moderate poverty to 9% by

2030, but almost 30% of its population may still be economically vulnerable (See Appendix G). Moreover, as shown in Figure 1, most ASEAN countries have seen a significant reduction in inequality according to the GINI coefficient. Although progress has been made, Thailand, Singapore, and the Philippines continue to be the most unequal, while LDCs lead with the lowest GINI ratios.

Figure 1

Gini ratio by ASEAN Member States, 2005, 2010, and 2022



Notes: 1. The latest available data for the Philippines and Thailand is 2021, Cambodia and Myanmar is 2017, Lao PDR is 2013 2. The data for Myanmar before 2015 is not available 3. The data for Brunei Darussalam is not available. Adapted from ASEAN Secretariat, 2023, <https://bit.ly/ASEANGINI>.

Nonetheless, individual ASEAN member states' recent performances on stunting rates show a mixed result, as a quarter of children under 5 years of age were stunted in 2020 (The ASEAN Secretariat, 2023). This is slightly lower when compared to 2016's 27.0 percent (The ASEAN Secretariat, 2023). Significant progress has been made in these indicators in recent years.

On another note, the growing regional cooperation in this area reflects ASEAN's commitment to both sustainable development and the creation of an infrastructure network that supports economic integration. The latest available data indicates that the share of renewable energy in the total final energy consumption in ASEAN was 4.48% in 2020 (The ASEAN Secretariat, 2023). As one of the most climate-vulnerable areas in the world, ASEAN recognizes the imperative of pursuing growth based on environmental sustainability principles (Rasjid, 2023). There is a major concern for the improvement of ASEAN resilience in the face of emerging challenges, which may include: natural

catastrophes, environmental degradation, food insecurity, and negative impacts of intensive land-use activities.

Nonetheless, ASEAN also has significant strengths. In 2023, ASEAN's 680 million population is increasingly affluent; its youthful and educated citizens, combined with an entrepreneurial mindset, create a dynamic workforce and stronger internal market (Lee, 2023). According to Rasjid (2023), to ensure regional integration and achieve its vast economic potential, ASEAN is leveraging its demographic strength and promoting inclusivity as a catalyst for innovation. Its growing importance in developing cooperation is especially due to metrics-based agendas, digitalization, and private-sector involvement (Silva, 2020). The digital capabilities of most ASEAN countries, except for Singapore, are another promising path yet to be explored. Innovation efforts in ASEAN are currently concentrated on sustainable development, trade facilitation, and cross-ASEAN talent exchange (Rasjid, 2023).

The Initiative for ASEAN Integration (IAI) Work Plan IV (2021-2025) not only maintains the five strategic areas: (i) food and agriculture; (ii) trade facilitation; (iii) micro, small, and medium enterprises; (iv) education; and (v) health and well-being, with revised and new actions, but also has considered new challenges and emerging issues such as Gender and Social Inclusion, Industry 4.0, and Environmental Sustainability (ASEAN, 2023). The main players in infrastructure development in ASEAN are Singapore, Malaysia, Thailand, the Philippines, and Indonesia, with the latter two experiencing more limited success. While the pandemic has stalled the development of existing infrastructure, it has also increased the demand for new infrastructure needed to meet the new challenges of the post-pandemic period (ADB, 2023b).

On one hand, ASEAN looks outwards with 5 strategic FTA partners which include ASEAN plus 3 (China, Japan, and South Korea), ASEAN-China FTA, ASEAN-US FTA, ASEAN-Japan FTA, and ASEAN-India FTA. There are, however, many other cooperation partnerships such as ASEAN+6, which also includes New Zealand, Australia, and India. This highlights how ASEAN states perceive the benefits and gains from FTAs if they liberalize intraregional commerce. Nasir et al. (2019) warn, however, that economic growth, financial development, and foreign direct investment in ASEAN-5 countries lead to an increase in environmental degradation.

On the other hand, sub-regional cooperation is encouraged within the ASEAN structure, linked to the shared challenges of nearby or akin areas, illustrated by the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), Brunei Darussalam-Indonesia- Malaysia- Philippines East ASEAN Growth Area (BIMP-EAGA) and the aforementioned CLMV between the four newcomers. The scale and complexity of development cooperation is and should be growing in the next few years.

Additionally, Strange (2012) lays out his advised CLMV development priorities, among others: to narrow the development divide in ASEAN and East Asia; the CLMVs, with a focus on hard and soft infrastructure for connectivity; economic diversification, private sector and agricultural development; regional integration and the capacity to implement regulation for the cross-border movement of goods, services and people, particularly for education and labor market responsive skills' development; institutional strengthening, with more sophisticated anti-corruption and governance strategies; aid effectiveness and graduation from aid dependency. Between these points, fighting corruption and strengthening aid effectiveness have been especially present in public debate, especially the issue of ghost projects. According to Haw, Kueh, and Ling (2020), in ASEAN nations, the link between corruption and growth has a U-shaped relationship; corruption promotes growth to a certain point, at which point it becomes a hindrance. They caution that corruption is a vicious cycle that hinders a country's health over time while discouraging action against it since it is “deep-rooted at all levels” (Haw, Kueh, & Ling, 2020).

These are some of the specific challenges that hinder economic growth in the ASEAN region, and popular guiding principles to shape ASEAN and particularly CLMV development in the future. The problems and advantages of their geographical proximity push ASEAN nations to work together and take a stronger stand in the global economy based on the common grounds of development.

5.2 Global Infrastructure Development

“We do want higher incomes, of course, but not only higher incomes. We also want better educational facilities, better healthcare, better communication with each other, better literature, better art, and all the other things that make life valuable” (Sen,

2021). Nearly 700 million people worldwide live in extreme poverty, subsisting on less than \$2.15 a day (The World Bank, 2023). This number is expected to rise to two billion by 2030, often associated with the growth of informal settlements (DESA-EN, as cited in Buhigas Schubert & Costa, 2023). Moreover, the World Bank estimates that almost 50% of the world's population lives on less than \$6.85 per day, the measure used for upper-middle-income countries, and the current rate of progress will likely miss the global goal of ending extreme poverty by 2030 (The World Bank, 2023). In this context, the Asian Infrastructure Investment Bank (AIIB) has identified infrastructure quantity and quality as critical factors for sustaining global value chains and lifting people out of poverty (AIIB, 2021). The bank emphasizes the importance of targeting and prioritizing selected geographies and sectors, removing bottlenecks, and improving infrastructure quality and efficiency.

Infrastructure development nowadays faces a convergence of factors such as geopolitical interests, technical considerations, political mandates, and public-private partnerships (Buhigas Schubert & Costa, 2023). These are naturally interlinked with individual and collective interests of the population of recipient countries. Recent policy trends framed as 'win-win' strategies in development cooperation have been criticized for a lack of transparency and the suspicion of concealed geopolitical interests of donor countries. To facilitate evaluation practice, many voices call for more explicit articulation of all goals (Keijzer & Lundsgaarde, 2017; Strange, 2012). Terms such as connectivity, partnership and financial integration are emerging in this field, reflecting a complex interaction at the global level (Buhigas Schubert & Costa, 2023). Although different institutions offer slightly different figures, they all agree on two basic, undeniable trends: the infrastructure gap is widening, and most countries cannot afford to invest in infrastructure without external financial support, even less so after the impact of the COVID-19 pandemic (Buhigas Schubert & Costa, 2023, p.1).

According to Nedopil (2024), 2023 saw a worrisome first decline (17 percent) in international project finance deals for renewable energy since the Paris Agreement. Overall, while the UNCTAD expects a modest increase in FDI flows in 2024 with moderate inflation and tempered borrowing costs, Nedopil warns of the remaining geopolitical risks and high debt levels that may affect global FDI flows (Nedopil, 2024).

Another recent trend in development cooperation signals the blurring of the North-South divide in development cooperation, driven by the emergence of Asia and its push for the reshaping of global governance. Western countries are looking towards Southeast Asia, despite their distance, as ASEAN countries are at the center of global growth and the Pacific Shift. In this context, South-South cooperation has resurrected interest, due to its potential for economic development and liberation from Northern domination, while others fear it may be subsumed within the existing global capitalist development paradigm (Gray & Gills, 2016).

Trilateral Cooperation is also a growing trend in the IDC regime, with promising but sometimes conflicting results. Despite its potential to improve aid effectiveness and reshape development relations, it may also co-opt emerging donors into a depoliticized and ineffective aid system (McEwan & Mawdsley, 2012). This is a preferred cooperation strategy in ASEAN countries, that aligns well with their neutrality stance in the Thucydides's Trap between the US and China.

O'Sullivan & Rethel observed in SEA nations, particularly Indonesia and Malaysia, recent state activism in financialization, putting into practice new market logics for the benefit of their domestic middle classes through the development of domestic capital markets, that contrasts with emerging literature focused on close alignment of the interests of states and international portfolio investors (2023). These ideas have gained momentum, especially since the GFC of 2008, which will be addressed below.

Lastly, international organizations, such as the Asian Development Bank (ADB) and the AIIB, naturally play a role in addressing the infrastructure needs of the region. The World Bank (WB) and the International Monetary Fund (IMF), of which ASEAN is a member, are under pressure to change to reflect Asia's increasing economic weight (Christiansen, Kirchner, & Wissenbach, 2019).

5.3 Chinese Contributions to ASEAN

"If one country has gained a comparative advantage in the relationship between infrastructure and foreign policy, that country is China" (Buhigas Schubert & Costa, 2023, p.11). In China-ASEAN security, the core concept is developmental peace, and the norms of cooperation are the ASEAN way, the new security concept and the Asian security

concept (Ling, 2021). This security requires a focus on development that goes beyond trade promotion, but it is built upon that foundation.

Following the 2008 GFC, the Chinese leadership came to understand that the Western capitalist economic model was not invincible and that, with its own 'rise', China could claim a right to an autonomous role on the international stage, following its model of development (Politi, 2023). This new shift in Chinese Foreign Affairs became clear with Xi Jinping's rise to power and the implementation of his "New Assertiveness" policy in 2013 (Buhigas Schubert & Costa, 2023; Johnston, 2013). The establishment of the China-ASEAN community during that particular year may or may not represent a coincidental occurrence. China would follow its development model and, at times, even export it to third countries through strategies that do not rely on Western standards, such as the Belt and Road Initiative (Bi, 2021).

The China–ASEAN FTA is one of the fastest-growing regions in the contemporary world. Trade between them has grown over 120% in the last decade (Chen, 2023). However, ASEAN infrastructure deficiencies are a bottleneck for trade; especially port infrastructure positively impacts China-ASEAN trade volume, with the greatest impact in island countries (Chen, 2023).

The main strategic interests of China's development cooperation in ASEAN are economic benefits, geopolitical influence as a counterweight to the US and promotion of regional stability and its sphere of influence. Following the strategy of new assertiveness, China wishes to take regional leadership and promote its 'China model' of development (Johnston, 2013). In addition, development cooperation can address shared security concerns in the region such as disaster management, climate change and transnational crime. As shown in Table 2, the BRI infrastructure investment up to 2019 already amounted to a total USD 122,530 million on ASEAN infrastructure investment between 2014 and 2019. Burma and Brunei received the least investment, whilst Indonesia, Malaysia and Singapore were the first recipients of investments over USD 20,000 million. Nonetheless, the BRI has seen a decrease in investment and diplomatic engagement since its height in 2016-2017, which coincided with the first Belt and Road Forum for International Cooperation (Armanini, et al., 2023). BRI investment has been cut by less than half since 2019, with an investment of USD 40 billion in 2023 (See Appendix A).

Following a second forum in 2019 and the onset of COVID-19, China's political leadership has reduced the initiative's visibility, as demonstrated by the significant reduction of references in Xi Jinping's speeches (Chen, 2022 as cited in Armanini, et al., 2023).

Table 2

China's infrastructure investment by ASEAN country from 2014 to 2019

	Vietnam	Laos	Cambodia	Thailand	Burma	Malaysia	Singapore	Indonesia	The Philippines	Brunei
Total sum	8100	15020	8840	5800	4250	21650	20730	27630	6010	4500

Note. Units in USD 1 million. From Research on China's Investment in ASEAN Infrastructure from the Perspective of the New Development Pattern, by Shiyu and Zhenqi, 2023, data extracted from the Ministry of Commerce of China. https://bit.ly/Shiyu_and_Zhenqi

“Infrastructure development is an important part of the business cooperation between China and ASEAN, with China's investment in infrastructure in ASEAN countries facing problems such as few financing channels, high costs, cultural conflicts, and political risks” (Shiyu & Zhenqi, 2023). As shown in Table 3, investing in ASEAN countries comes with a number of risks that hinder project implementation and economic development. These difficulties and the cautious and rather bearish international environment may influence the level of BRI investment.

Table 3

Political risks of the ten ASEAN countries

	Corruption	Policy change	Unsound systems and regulations	Political party disputes	Ethnic and territorial conflict	Social turmoil	Terrorist	Great power intervention	International public opinion
Thailand				x	x	x	x	x	
Vietnam									
Cambodia				x				x	
Burma					x			x	x
Laos		x						x	x
Singapore									
Indonesia	x		x	x			x		x
Malaysia				x		x		x	x
Brunei					x			x	
The Philippines	x		x			x	x		

Note. Adapted from Research on China's Investment in ASEAN Infrastructure from the Perspective of the New Development Pattern, by Shiyu and Zhenqi, 2023, data extracted from the Ministry of Commerce of China. https://bit.ly/Shiyu_and_Zhenqi

I. The Belt and Road Initiative

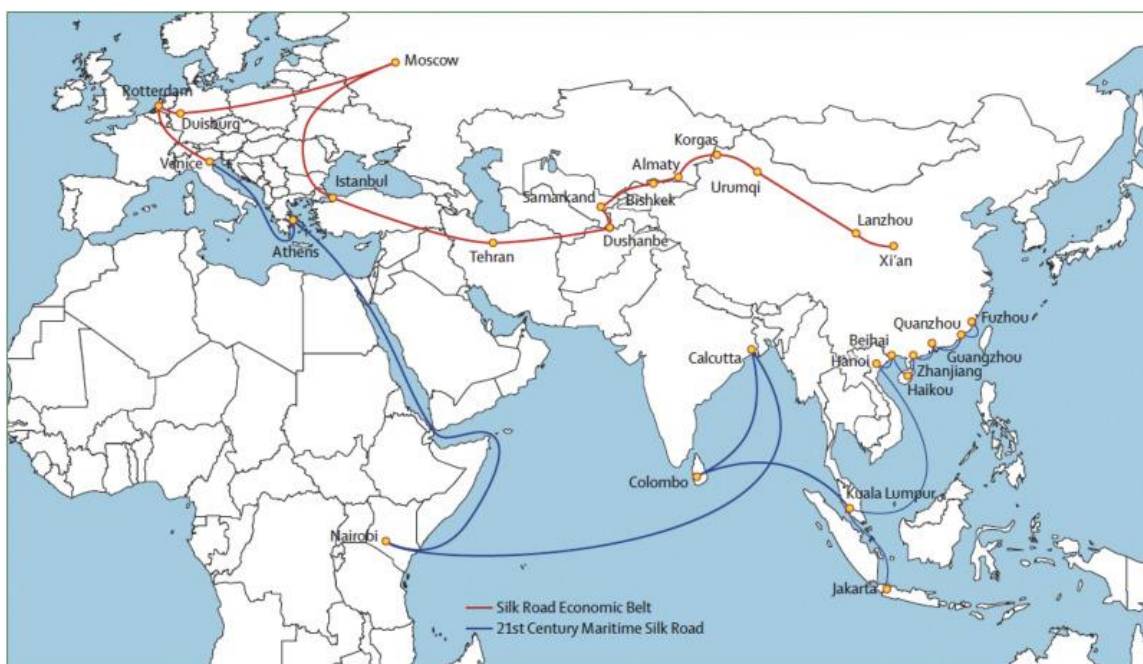
According to a report by Griffith University published in March 2024, cumulative BRI engagement has surpassed USD 1 trillion globally (Nedopil, 2024). It is important to note that calculating the total BRI investment is complex due to the initiative's multifaceted nature, encompassing construction contracts, non-financial investments, and loans. On one hand, Nedopil states that “The average deal size for investments has more than doubled from a low of USD 354 million in 2020 to USD 772 million in 2023” (2024, p.3). On the other hand, as shown in Appendix A, Dixon states that Chinese investment is fizzling under the BRI (2023). Nonetheless, slowly, but surely, 150 countries have been joining the BRI through Memorandum of Understanding (MOU) (Nedopil, 2024). Some EU countries, such as Portugal and Italy, among them (See Appendix B).

As shown in Appendix C, from the BRI's 60 key infrastructure investment projects in ASEAN countries, the main focal points are energy cooperation, connectivity, infrastructure development, and trade. While closely following the principle of non-interference in domestic affairs, China and ASEAN are gradually implementing the BRI to dock with the ASEAN Community Blueprint and the Master Plan on ASEAN Connectivity, and speeding up cooperation in trade, investment, and production capacity for win-win outcomes (Bi, 2021; Christiansen, Kirchner, & Wissenbach, 2019). The concept of docking emphasizes the role of recipient countries in the evaluation of Chinese initiatives to coordinate and jointly coordinate policies with ASEAN countries. As shown in Figure 2, from the main BRI routes, the focus on ASEAN is predominantly connected to the Maritime Silk Road and the South China Sea, but in reality it has a much more extensive set of infrastructure projects. Besides, Chen and Li (2021) affirm that “BRI transportation infrastructure investment has an overall positive effect among the belt and road countries”, with substantial variation in economic welfare and growth rate in Southeast Asian countries.

Nevertheless, problems have plagued many BRI investments, led mainly by governments. While more BRI loans have deteriorated, China has faced increasing financial pressures at home, illustrated by Moody's downgrading of China's credit rating outlook to negative (Meehan & Wang, 2024). Moreover, environmental concerns also accompany large infrastructure projects, such as Thailand's high-speed railways.

Figure 2

“BRI” refers to China's Silk Road Economic Belt and 21st Century Maritime Silk Road

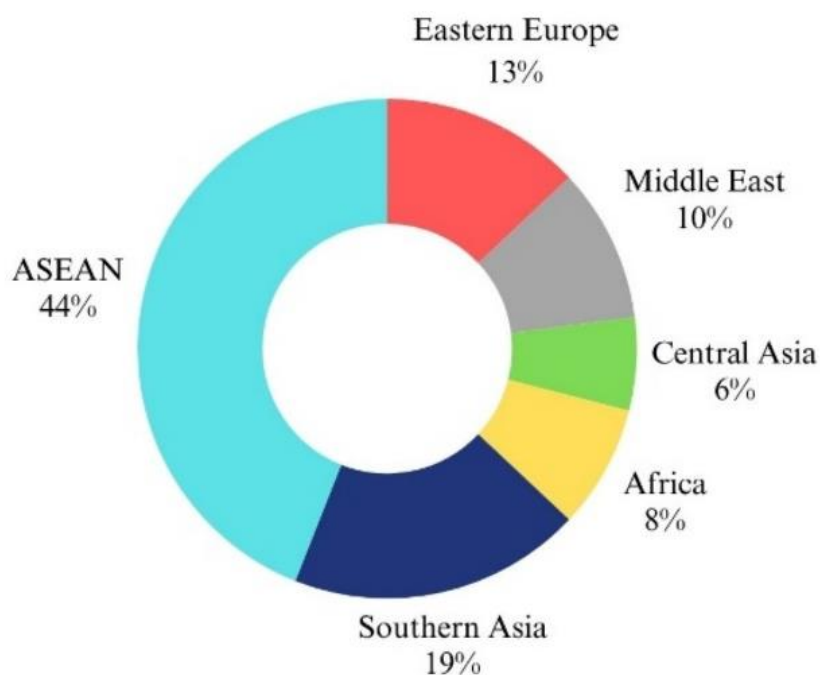


Note. The map shows the main maritime and road routes connecting key cities in the BRI. From Electricity cooperation strategy between China and ASEAN countries under 'The Belt and road', Feng, T.-t., Gong, X.-l., Guo, Y.-h., Yang, Y.-s., Pan, B.-b., Li, S.-p., & Dong, J. (2020). Electricity cooperation strategy between China and ASEAN countries under 'The Belt and road' [Map]. From Electricity cooperation strategy between China and ASEAN countries under 'The Belt and road', Energy Strategy Reviews. doi: <https://doi.org/10.1016/j.esr.2020.100512>

As can be seen in Figure 3, ASEAN's presence in the BRI is far superior to the other regions, accounting for 44% of FDI, followed by Southern Asia with 19%. Ujvari (2019) divides ASEAN nations into three categories: most eager towards BRI cooperation, needy but assertive, and reticent. The first category is formed by the three LDCs: Myanmar, Laos and Cambodia, due to their high capital needs. Nevertheless, the author also highlights indebtedness concerns in Laos, which had seen its debt creep above 60% of GDP, and may have difficulty paying off its share (20%) of a US\$6 billion (Ujvari, 2019). Vietnam, Thailand and Singapore, constitute the 'needy but assertive' category, especially due to political or economic issues such as the South China Sea dispute, although Singapore has re-emerged as a valuable partner for China in three areas: as a financing hub, a source for third-country partnerships, and an arbitration hub for the BRI (Ujvari, 2019). Lastly, Malaysia, the Philippines and Indonesia were cautious to the BRI, mainly for financial and political reasons, linked to disputes over the South East Sea (Ujvari, 2019).

Figure 3

FDI from Mainland China (BRI Region). Economic importance of the Southeast Asia to the BRI.



Note. Adapted from The Belt and Road Initiative in ASEAN, by Park, Tritto, and Sejko, 2020. <https://iems.ust.hk/publications/reports/uob-bri-overview>

The extensive reach of BRI presents significant business opportunities for both multinational and domestic firms in ASEAN. However, careful consideration should be given to the potential challenges of investing in specific countries along the Belt and Road route, according to its financial and political risks illustrated in Table 3 (Park, Tritto, & Sejko, 2020).

5.4 EU contributions to ASEAN

The EU's development interests in ASEAN can be divided mainly into four categories: trade and investment, security and peace, connectivity, and energy and environment.

To begin with, ASEAN is the EU's third-largest trading partner outside Europe, with a bilateral trade volume of over €270 billion and investments worth over €80 billion in 2022 (Press and Information team of the Delegation to ASEAN, 2024). ASEAN is a market of more than 680 million people and an expanding middle class with cheap labor and great

potential for European companies (Lee, 2023). Nonetheless, “while the EU and ASEAN have maintained robust trade ties in the last decade, this relationship has not kept pace with increasing Chinese and U.S. trade with the region” (Ferchen & Cheng-Chwee, 2023, p.32).

The EU seeks to further strengthen trade ties through the signing of FTAs with ASEAN member countries, with Singapore and Vietnam (EPRS, 2023). While there isn't a region-wide FTA between the EU and ASEAN yet, negotiations are ongoing with several other member states: Indonesia, Thailand, Malaysia and the Philippines (EPRS, 2023). The EU has expressed interest in concluding FTAs with all ASEAN countries, but the process can be complex and time-consuming due to varying economic priorities and regulations within the bloc. This is mainly due to strategic interests in promoting regional stability, countering China's influence, and promoting European values through soft power.

In contrast to the Chinese hands-off model of development, the EU has traditionally been associated with complex Official Development Assistance (ODA), trade preferences, and several development policy prescriptions in EU documents such as the European Consensus on Development (Christiansen, Kirchner, & Wissenbach, 2019). According to Borrel, the EU-ASEAN relationship has enjoyed several successes in the last years, elevating relations with ASEAN to a Strategic Partnership, developing the extensive Plan of Action 2023-2027, and culminating in the Brussels EU-ASEAN Commemorative Summit in December 2022, which cemented a growing political momentum in the EU-ASEAN Strategic Partnership (2023b).

Furthermore, the European Union (EU) has adopted a collaborative approach to development cooperation known as "Team Europe" (European Commission, 2024b). This approach emphasizes synergy and collective impact by pooling resources and expertise from EU member states, their implementing agencies, public development banks, the European Investment Bank (EIB), and the European Bank for Reconstruction and Development (EBRD) (European Commission, 2024b). This aligns with the aforementioned 2017 European Consensus for Development's call for the EU to "work better together" (European Commission, 2024b).

Global Europe boasts an annual allocation exceeding €50 billion dedicated to development and solidarity projects, and has quickly become the main financial tool for EU international cooperation from 2021 to 2027 (European Commission, 2024b). This significant funding highlights the EU's renewed commitment to development cooperation. As illustrated by Figure 4, the main means of funding for EU development cooperation are the traditional ODA of member countries, public sector organisations such as AECID and the European Commission, in that order.

Figure 4

EU architecture for external financing and development cooperation (2020)



Note. Amounts in EUR billion. From The Future of the European Financial Architecture for Development, by Buhigas Schubert and Costa, 2023, data extracted from European Parliament (2020). <https://bit.ly/3Jx1fmB>

Buhigas Schubert and Costa (2023) discuss the concept of connectivity within the framework of the Global Gateway Initiative. While the Team Europe approach shares a focus on connectivity, it goes beyond physical infrastructure and digital communication. Team Europe emphasizes interdependence across various sectors, including energy and value chains (European Commission, 2024b). This collaborative approach, coupled with significant financial commitments through the Global Gateway, highlights the EU's renewed focus on development cooperation and its distinct approach to fostering interdependence within the region.

I. EU's Global Gateway Initiative

The European Union's Global Gateway Initiative represents a strategic approach to international development cooperation (European Commission, 2024a; Buhigas

Schubert & Costa, 2023). It prioritizes substantial investments in both physical ("hard") and institutional ("soft") infrastructure across the globe (Buhigas Schubert & Costa, 2023, p.4). The meaning of hard and soft (power) will be clarified in the theoretical framework. This focus on connectivity aims to foster global partnerships, distinguishable from dependency relationships, while simultaneously promoting core EU values. Moreover, the GG emphasizes collaboration with the G7's Partnership for Global Infrastructure and Investment (PGII) (Buhigas Schubert & Costa, 2023, p.3).

The European Union's €10 billion Global Gateway Initiative (GG) aims to foster sustainable infrastructure development and connectivity in partner countries (European Commission, January 2024). The EU's GG focus on infrastructure projects in ASEAN countries, including Vietnam, Laos, Indonesia, and the Philippines is a relatively new initiative compared to established programs like the BRI. Its long-term impact remains to be seen until 2027. Some critics argue that the GG lacks the financial muscle of initiatives backed by major powers like China (Pleek & Gavas, 2023). Compared to the BRI's vast scale, of an accumulated USD 1 trillion investment in the last decade, the GG's funding may seem relatively modest. Moreover, criticisms regarding the GG's effectiveness and transparency necessitate a closer examination. After a slow start, the GG is poised to succeed where similar development financing initiatives have disappointed (Meehan & Wang, 2024).

Table 4

Main characteristics of the Global Gateway Initiative

Feature	Global Gateway (GG)	Other Initiatives (e.g., BRI)
Focus	Sustainability, Values, Broad Connectivity	Primarily Physical Infrastructure
Financing	Public-Private Partnerships, Debt Sustainability	Can involve high debt levels
Partnership	Transparent, Partner-Inclusive	Transparency issues

Note. Data collected by author on the 15th of March 2024.

While the GG represents a significant financial commitment, it's important to consider the EU's existing development cooperation efforts. The EU has a long history of

collaboration with ASEAN, with over 240 research projects receiving €35 million in funding since 2014 (Council of Europe, 2024). The GG builds upon this foundation by mobilizing €10 billion through a combination of grants and leveraged public and private investments (European Commission, January 2024). Some examples of infrastructure investments in ASEAN include the Grid and road modernization projects in Cambodia, to improve the electricity distribution network for energy efficiency and digital transformation; sustainable urban transport, irrigation systems and roads in Laos to improve connectivity and increase climate resilience; solar power stations and about 60,000 home solar systems for last mile electrification in the Philippines, as well as grid and power supply, and a hydropower plant in Vietnam (Council of Europe, 2024).

6. THEORETICAL FRAMEWORK

6.1. Realism, Constructivism, and the 'Chinese school'

“China’s development does not pose a threat to any other country. No matter what stage of development it reaches, China will never seek hegemony or engage in expansion” (Xi, 2017, cited in Christiansen, Kirchner, & Wissenbach, 2019, p.58).

The concept of soft power is one of the most discussed topics and had major impact on Chinese academia (Zhu, Edney, & Stanley, 2020). It is usually applied in parallel to hard power, which refers to a country's tangible resources used to influence others, including military power, economic strength and technological prowess (Ilgen, 2006). According to Joseph Nye, “in an information age, soft powers such as culture, political values and diplomacy are part of what makes a great power” (Cited in Zhu, Edney, & Stanley, 2020). This soft power may comprise numerous tools, including some aspects of economic and development policy.

In the past decades, international relations have been viewed much more through a realist prism in China, particularly when it comes to security issues, the balance of power and a rather mercantilist view on trade. China's concept of "peaceful rise" did not help the West to see China in a friendlier light, but rather had the opposite effect (Christiansen, Kirchner, & Wissenbach, 2019). Therefore, the message was later changed to 'peaceful development'. Chinese scholars are increasingly using indigenous resources to articulate a distinctively Chinese approach to international relations theory (Christiansen, Kirchner,

& Wissenbach, 2019). This movement is characterized by a decisively optimistic assessment of China's role in the world, in contrast to the more pessimistic views of Western IR theory, and starkly related to the "New Assertiveness" policy of Xi Jinping (Christiansen, Kirchner, & Wissenbach, 2019; Johnston, 2013). The Chinese School emphasizes the importance of relationships and networks in shaping international affairs, which is rooted in China's Confucian civilization. For this reason, Relationalism is a key concept in Chinese international relations theory, which emphasizes the importance of relationships and networks in shaping international affairs (Christiansen, Kirchner, & Wissenbach, 2019).

Relationality and China's dream of rejuvenating its glorious past and forging a global community of shared destiny have a strong Constructivist connotation (Hwang, 2021). Constructivism emphasizes the importance of ideas, norms, and values in shaping international relations, and is especially useful to approach cultural differences and soft power.

One of the major problems the China School is accused of is promoting an illusory form of Chinese exceptionalism, according to which "China will be different from any other great power in its behaviour or disposition" (Kim 2016, cited in Hwang, 2021). Furthermore, when authors such as Yan, Zhao and Qin try to reinvigorate traditional Chinese concepts such as human authority, the Tianxia system and relationality, they actually channel Chinese schools of IR into the dominant American discourse of IR with a realist notion of power, a liberal logic of cosmopolitanism and a constructivist idea of relationality (Hwang, 2021). China's "neighbourhood strategy" is based on an asymmetric bargain of respecting China's core interests in exchange for benevolence (Christiansen, Kirchner, & Wissenbach, 2019). This strategy reflects China's emphasis on stability as well as a perception of a hostile environment.

Despite China's advocacy of peaceful coexistence and respect for sovereignty, China's foreign policy remains largely unchanged in its defence of its principles of non-interference in domestic affairs and upholding sovereignty and territorial integrity (Christiansen, Kirchner, & Wissenbach, 2019). This reflects the security dilemma in international relations, where states' efforts to ensure their own security can be perceived as threats by other states.

6.2. Conceptualization

- a) The Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) defines Official Development Assistance (ODA) as government aid specifically designed to promote economic development and welfare in developing countries, typically provided as concessional loans or grants (2022). While the OECD sets the standard for ODA reporting, not all developed countries are members: Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam are particularly active and have become providers of development co-operation, often in triangular co-operation with several DAC members (OECD Development Co-operation Directorate, 2022).
- b) EU strategic autonomy (EU-SA): refers to the capacity of the EU to act autonomously, without being dependent on other countries, in strategically important policy areas (Damen, 2022). As shown in Figure 5, these can range from defence policy to the economy, and the capacity to uphold democratic values, expanding its scope in the context of China's New Assertiveness, Brexit and the Trump presidency.

Figure 5: Strategic Autonomy compared to Maslow's hierarchy of needs

Maslow's hierarchy of needs	Areas of strategic autonomy
<p>Self-actualization desire to become the most that one can be</p>	EU identity, autonomous democratic federation, global role model
<p>Esteem respect, self-esteem, status, recognition, strength, freedom</p>	EU as a normative power, values
<p>Love and belonging friendship, intimacy, family, sense of connection</p>	EU multilateralism/partnerships
<p>Safety needs personal security, employment, resources, health, property</p>	EU military security
<p>Physiological needs air, water, food, shelter, sleep, clothing, reproduction</p>	EU economic independence (supply chains) EU health security; EU energy security; EU food and water security

Note. From EU strategic autonomy 2013-2023: From concept to capacity, Damen, 2022. Source for Maslow pyramid: © laplateresca / Adobe Stock.

6.3. Differences and similarities in development approaches between the EU Global Gateway Initiative and BRI

Firstly, the EU and China both acknowledge common grounds and goals, but they seek to achieve them through different approaches. Contributing to global sustainable development is a declared common objective of both the EU and China, as stated in the

shared UN Framework of the Sustainable Development Goals (United Nations, 2015b). Even when they share similar goals, their means to achieve them differ in many ways. In contrast to the EU, China is not a member of the OECD DAC and does not undergo its peer reviews.

Chinese development aid and support is also generally associated to its own economic growth, infrastructure and technology transfer, as a win-win approach combined with the principle of non-interference. Under the grounds that China is a developing country with persistent domestic challenges, profit and market expansion are prioritized. For this reason, China focuses on enablers of growth, such as infrastructure, industrial projects, and export promotion.

According to Christiansen, Kirchner, & Wissenbach (2019, p.173), the Chinese and EU development cooperation strategies are “a tale of two roads”. On one hand, the EU road is a ‘gift’ financed by European taxpayers, hence it tends to come with conditionalities (Christiansen, Kirchner, & Wissenbach, 2019, p.173). The EU intends not just to connect A with B, but to address poverty, gender, health, education, environment and other issues to contribute to a holistic view of sustainable development (Christiansen, Kirchner, & Wissenbach, 2019, p.173). On the other hand, the typical Chinese road is not a ‘gift’, instead, most infrastructure projects are based on loan arrangements paid for by the recipient country, even if China has frequently forgiven such debts (Christiansen, Kirchner, & Wissenbach, 2019, p.174). In this case, the governments assume the road will contribute to economic growth or related objectives for which it has been conceived, and the recipient countries, not China, are responsible for managing local community consultation, land expropriation, and other ‘behind the border’ issues related to development projects (Christiansen, Kirchner, & Wissenbach, 2019, p.174). However, China often gets blamed for poorly managed deals, even if these issues were the responsibility of the recipient government (China's State Council Information Office, 2021; Christiansen, Kirchner, & Wissenbach, 2019, p.174).

7. RESEARCH QUESTIONS AND OBJECTIVES

This research seeks to understand the interplay between the European Union's Global Gateway (GG) and China's Belt and Road Initiative (BRI) on development

cooperation within ASEAN countries. The main objective is to find synergies between the two approaches to ASEAN development, and avoid overlapping and a lack of a cohesive strategic path. To achieve this, this study must examine the European Union's Global Gateway initiative and its impact on infrastructure development in ASEAN, particularly in the context of the region's pressing need for improved connectivity and greener transitions. Furthermore, it is necessary to assess the EU's interest towards Chinese development cooperation with ASEAN through the BRI and the aims of the Global Gateway.

In order to do so, this study will answer the following research questions:

1. What are the main differences between the BRI and the GG?
2. What opportunities and challenges do ASEAN countries face as a result of the interaction between the EU GG and BRI?
3. What are the implications for regional cohesion and economic integration within ASEAN due to this interaction?
4. How can ASEAN countries take advantage of the competition between the EU Global Gateway Initiative and BRI to promote their own development interests and increase their autonomy?

The interplay between these questions will be explored throughout this research, shedding light on the EU's role as a major player in global infrastructure development and its potential to influence the trajectory of international cooperation.

The hypothetical, expected results before the analysis, can be summarized in the following tentative propositions:

1. The EU, through its Global Gateway initiative, has the potential to shape the future of global infrastructure development by setting new benchmarks, promoting sustainable practices, and fostering collaboration with China's Belt and Road Initiative.
2. The EU's substantial financial contributions to ASEAN, combined with its commitment to green transitions and connectivity improvements, will maintain

its position as number one player in the region's infrastructure development in the long term, albeit the growing presence of the BRI in the region.

3. By avoiding a zero-sum competition and seeking complementary relations with China, the EU can contribute to the enhancement of ASEAN's infrastructure landscape and its own interests on better terms.

8. METHODOLOGY

This research will use a qualitative approach to analyse the interaction between the EU's Global Gateway Initiative and China's Belt and Road Initiative in influencing development cooperation within ASEAN countries.

For data collection, the analysis will use official documents, policy papers, relevant Think Tank briefings, development bank reports and strategic statements from the EU, China and ASEAN member states related to the GG, the BRI and development cooperation in the region. The research will then form detailed tables comparing the key characteristics of the GG and BRI, including their budget, financing mechanisms, recipients, project sectors and focus, debt and transparency concerns, among others. This will be complemented by compiling lists of flagship projects in the Appendix undertaken by each initiative in ASEAN. To analyse the data, the focus will be set on identifying recurring themes and patterns on ASEAN infrastructure development within the initiatives' frameworks, and to address research questions and test the tentative propositions.

The research questions will be addressed by identifying synergies and potential areas of competition between the GG and the BRI in ASEAN, analysing the opportunities and challenges faced by ASEAN countries due to this interaction, and examining the implications for ASEAN development cooperation, with special attention to the infrastructure sector.

This may allow the research to evaluate how ASEAN can leverage competition to promote its development goals. However, the answer to these questions will be limited by data availability and the complexity and scale of each initiative.

9. ANALYSIS

First, to answer the research question and draw out the impact of these projects in ASEAN, it is necessary to differentiate between them. As shown in Table 5, BRI and GG are different not only in scale, but also in approach, funding, and impact. Each initiative pays greater attention to certain sectors and countries in ASEAN. For instance, the BRI's largest investments are in energy and transport, with a recent boom in mining and technology (Shiyu & Zhenqi, 2023; Nedopil, 2024). This is mainly due to increased investment in electric cars and especially in battery production in BRI countries, such as Thailand (Nedopil, 2024). China has historically been the world's indispensable supplier of the raw materials needed for electric vehicle batteries, solar panels and wind turbines (Meehan & Wang, 2024). Therefore, through the BRI, China pursues great opportunities for mining and minerals processing deals as well as technology deals, with a focus on the “New Three”: EV manufacturing, battery manufacturing and green energy industries (Nedopil, 2024).

On the other hand, the GG has a more holistic focus that prioritizes climate and energy projects, broader and digital connectivity, as well as transport, education and health-related projects (see Appendix E). This focus is still linked to their security and economic interests and their Strategic Autonomy focus, but through a less direct approach than Beijing's business-cooperation model. The EU's Strategic Autonomy is connected to the search for greater balance in international relations and the diversification of its commercial and strategic partners. To stand for itself in what matters most, the EU's autonomy has expanded beyond security terms and finds the balance between interdependence, hedging its vulnerabilities such as Knowledge Spillovers, through diversification and partnership building. The Global Gateway aims to foster resilience in partner regions, which in turn contributes to the EU's interests in terms of security, prosperity and global projection. Both ideas share the common objective of strengthening the EU's position on the international stage, diversifying its relations and promoting its interests in a constantly changing world marked by competition between global powers. The EU's global projection, as measured by the Elcano Global Presence Index, continues to grow in 2022, more than 100 points ahead of the US and China in soft power, including development cooperation (2023).

Table 5: Comparison between the Belt and Road Initiative and the Global Gateway

Feature	Belt and Road Initiative (BRI)	Global Gateway Initiative (GG)
Lead Actor(s)	China	European Union
Recipients	150 countries.	Focus on a smaller group of partner countries, particularly those in Africa and Asia.
ASEAN Recipients	The 10 countries, especially Singapore, Malaysia and Indonesia	Flagship projects in 6 ASEAN members: Cambodia, Malaysia, and specially in Vietnam, Laos, Indonesia, and the Philippines
Budget	Total mobilization last decade: USD 1 trillion. BRI finance and investments in 2023: USD 92.4 billion	Aim to mobilise €300 billion in public and private investments from 2021 to 2027. For connectivity projects in ASEAN the aim is to mobilise €10 billion by 2027. Already €4.2 billion is being engaged.
Focus	Primarily physical infrastructure (roads, railways, ports)	Broader connectivity: physical infrastructure, digital, research & innovation, health, education, climate action
Economic Goals	Increased trade between China and BRI countries, boosting Chinese economic growth	Sustainable economic development in partner countries, promoting regional integration
Financing	State-owned banks, and loans.	Public-private partnerships, grants, leveraging private investments
Debt Concerns	Potential for unsustainable debt burdens on developing countries	Emphasis on responsible financing practices, debt sustainability
Transparency & Partner Inclusion	Less transparent decision-making, focus on Chinese interests	Collaborative approach, transparency in project selection, partner needs prioritized
Geopolitical Influence	To expand China's global influence	To strengthen EU's partnerships and global presence
Impact on ASEAN	Significant infrastructure across ASEAN, potential for economic growth, concerns about debt and lack of transparency	Limited projects in ASEAN so far, focus on building partnerships and promoting sustainable development goals
Examples in ASEAN	China-Laos railway, Jakarta-Bandung high-speed rail (Indonesia)	Eastern Thailand Economic Corridor (digital infrastructure)
Institutions	SOBs, Policy Banks (such as the CDB and the China Exim) and Multilateral Financial Institutions (NDB and the AIIB, established under Chinese leadership)	TEI, and possible collaborations with the OECD, WB, IMF, EBRD, ADB, and UN
Number of projects	850 Potential ASEAN Infrastructure Projects	Unclear, at least 14

Note. Data collected by author on the 15th of March 2024. Adapted from Nedopil, 2024; European Commission, 2024b; Buhigas Schubert & Costa, 2023; European Commission, 2024a; Kliem, 2021; Park, Tritto & Sekjo, 2020; Christiansen, Kirchner, & Wissenbach, 2019; World Bank; Baker McKenzie, 2019.

Their difference in focus and preferred sectors are linked to their geopolitical and economic interests and goals. On one hand, the BRI will reduce trade costs globally, but especially for China and its neighborhood (De Soyres, Mulabdic, Murray, Rocha, & Ruta, 2018). Furthermore, the energy and transport sectors account for 71% of total BRI costs (World Bank Group, 2019, p.37), which fits with the most needed sectors to stimulate economic growth and trade. Energy, transport, metals and mining, and Real Estate have been the main sectors of investment, in that order, although 2023 has seen a significant spike in metals and mining and in Technology investment (See Appendix F). Not only does the BRI's economic soft power contribute to strengthening China's sphere and diplomacy with countries that share territorial tensions, but China benefits directly from the economic development of its neighbours. Beyond the BRI's positive impacts on trade and international relations, many of these projects, carried out in whole or partly by Chinese companies, are yet another business opportunity. China sees itself as yet another developing country and rejects the donor category, hence it adopts a win-win business strategy in infrastructure development.

Interestingly enough, the main ASEAN recipients of BRI investment do not coincide with the aforementioned 'most eager' ASEAN nations (Myanmar, Laos, and Cambodia), nor with the 'needy but assertive' Vietnam, Thailand, and Singapore, as categorized by Ujvari (2019). As shown in Appendix C, the cautious Malaysia, the Philippines and Indonesia are heavily involved in the BRI project. This caution may be related to the financial tensions to further deepen their partnerships. Together with Singapore, Malaysia, and Indonesia are the countries with China's largest outbound infrastructure investment in terms of scale alone (construction, transportation, energy, and logistics), with the total investment each exceeding US \$20 billion in the 2014-2019 period (Shiyu & Zhenqi, 2023)

As can be seen in Appendix C, the BRI has at least 13 very substantial infrastructure development projects in the Philippines. Together with Thailand, the Philippines has the second-largest share of infrastructure projects, in Railways, Airports, and roads out of the 850 potential projects in ASEAN, irrespective of the source of funding (See Appendix D). This is due to, among other reasons, the particularly acute need for infrastructure and support from the BRI. Similarly, Indonesia leads all three of the rankings for this type of infrastructure in ASEAN.

For the Global Gateway, in contrast, the main ASEAN recipients of investment are Vietnam, Laos, Indonesia, and the Philippines. However, the research could not confirm GG projects on 4 of the 10 ASEAN countries. There is no publicly available, programmatic way to definitively determine the exact number of Global Gateway or BRI projects in each ASEAN country, especially with many potential plans still in early stages of approval.

While monitoring individual projects in all AMS is complicated, this research has found that the BRI has established a significant presence in the region, with at least 60 relevant infrastructure projects (See Appendix C). This difference extends to its financing structures. The BRI mainly uses Chinese state-owned enterprises (SOEs) for project financing, as Park et al. (2020) point out. In contrast, the Global Gateway seeks to tap a wider range of sources, including private capital, even if their capacity to harness it is put into question (Kliem, 2021; Pleeck & Gavas, 2023).

The EU employs a multifaceted financing strategy, as showed in the recent Council of Europe (2024) infographic and in Table 5. This strategy integrates policy dialogue, technical assistance, financial instruments like bank guarantees and loans, research and investment opportunities, alongside capacity-building initiatives through TAIEX and Twinning programs. As Buhigas Schubert & Costa (2023) suggest, this collaborative financing approach strengthens development cooperation and potentially bolsters the EU's influence. As a normative power, the EU has a strong interest in maintaining its relevance in global presence in the soft power area, but also, the aforementioned Elcano Institute measures soft power alongside military and economic power for the final global presence index. Therefore, the EU's capacity to harness private capital could be not only both challenging and practical for ASEAN development, but also a distinctive quality and proof of its global presence.

In essence, BRI and the Global Gateway present contrasting financing models for ASEAN development that go in line with their aforementioned focuses. BRI offers a one-stop shop with Chinese state-owned capital and business opportunities, while the GG promotes diversification through private sector involvement and a wider range of financial tools from the TEI (European Commission, 2024b). While CDB and China EXIM are still China's key players in overseas infrastructure, China's outbound commercial banks have become increasingly important emerging market lenders, whether to

governments, SOEs, or private firms (Mingey & Kratz, 2021). Since 2017, large Chinese banks have been reassessing their lending practices following high-profile stumbles with Venezuela, Pakistan, Sri Lanka, and other large borrowers, as well as an increase in debt renegotiations (Mingey & Kratz, 2021). In the future, while Chinese investment may sour, the majority of development sources of finance will come from public institutions and banks.

Table 5

Financial architecture of the GG

Box: 1: Financial architecture of the GG¹⁴

EUR 135 billion for guaranteed investments through the EFSD+

EUR 50 billion: first call 2022 EFSD+

EUR 26.7 billion guarantee agreement with the EIB approved in 2022

EUR 18 billion grant funding from the EU budget

Committed grants in 2022: EUR 9.4 billion

Own resources from EIB, EBRD and European development finance institutions (DFIs):

EUR 145 billion

Note. From *The Future of the European Financial Architecture for Development*, by Buhigas Schubert and Costa, 2023, data extracted from European Parliament (2020).

These differences create a strategic opportunity for ASEAN countries. They can engage with both initiatives, carefully evaluating the financing terms and project structures to select the options that best align with their specific development goals and risk tolerance. ASEAN countries can leverage the competition between the GG and BRI to attract investments in high-quality infrastructure projects that support sustainable development. They may increase their autonomy and security by diversifying their sources of investment and trade, addressing debt and environmental concerns while increasing their infrastructure capacity.

As a result, AMS not only will have more options and funding to develop projects and meet its infrastructure needs, but also, if these initiatives are implemented and managed efficiently, by supporting digital connectivity and innovation, accelerated growth may cause more limited emissions. The GG's position recognizes that not all sectors that can bring prosperity to ASEAN are equally unsustainable. The development and export of

services and knowledge spillovers from investment in education may have less environmental impact than other projects and developing sectors (European Commission, 2024a). By learning from the strengths of each strategy and especially from their weaknesses, the implementation of a larger sum of projects and investments could influence and reinforce both initiatives. Nonetheless, to perform this task effectively, it is necessary to improve transparency, evaluation processes and the access to data.

Analysing the impact of both initiatives in ASEAN, it is worth noting that, in terms of the rate of increase in FDI, Vietnam stands out with a tripling of greenfield FDI after the start of the BRI, compared to a doubling of FDI in Indonesia and the Philippines, and a 62% increase in Malaysia (Park, Tritto and Sekjo, 2020). BRI initiatives in ASEAN nations are fostering a network of transnational economic corridors, multimodal transport on land and sea routes, oil and gas pipelines, and electricity grids (Park, Tritto and Sejko, 2020). Furthermore, this improves connectivity and reduces reliance on singular trade routes, mitigating potential geopolitical risks for China and participating ASEAN countries (Park, Tritto, & Sejko, 2020).

GG projects also contribute, on a smaller scale, to these opportunities, but with a focus that pays less attention to economic indicators. This allows for the expansion of more qualitative capacities needed for development in the 21st century, such as internet access, digital skills training and higher education programs. Non-rival ideas and knowledge spillovers, which refer to the benefits that accrue from the creation or use of knowledge by other economic agents, are an opportunity more connected to the GG than to the BRI. These are the indirect and positive effects generated by the generation, dissemination and use of knowledge (Acs, Economidou, & Sanders, 2009). The non-rival nature of knowledge was explored and identified as a key ingredient in modern endogenous growth theory (Romer, 1986, cited in Acs, Economidou, & Sanders, 2009). EU, China, and ASEAN believe in the importance of multilateral cooperation on global challenges like climate change and pandemics. To face these challenges, a stronger ASEAN with trained human capital and knowledge can be a more effective partner in addressing these issues, beyond the impact of the GG or BRI projects themselves on addressing them directly.

For ASEAN, this quasi-competitive dynamic poses certain challenges. To begin with, it is clear that the BRI and the GG raise geopolitical tensions. As mentioned above, strategic rivalry is part of the EU-China relationship and is prominent in economic and international arenas such as development cooperation (Politi, 2023). However, this parallel involvement in the ASEAN infrastructure environment need not create tensions and pressure ASEAN countries' foreign policy decisions. None of the actors present seek a more polarized regional environment, but rather pursue their interests in convergence, underlining principles of prosperity and peaceful coexistence, and carefully navigating territorial concerns.

Firstly, ASEAN countries face the challenge of maintaining a delicate balance between the EU and China, avoiding dependence on either power. The EU champions a rules-based international order, and a stronger ASEAN that adheres to international norms and standards aligns with this vision. The EU shares values of democracy, human rights, and the rule of law with many ASEAN member states. Supporting a stronger ASEAN can indirectly promote these values in the region. This soft power attempt to bring their values closer together may explain the differenced interests with China in fields such as education and health development.

Secondly, ASEAN countries might find it difficult to manage their debt levels and avoid the 'debt trap' associated with some BRI projects, especially if they are unable to obtain favorable terms, in bullish financial markets, from both the EU and China. This is especially relevant to the case mentioned by Ujvari (2019), of the three cautious AMS participating in the BRI. Nevertheless, past issues with the BRI 'debt-trap' primarily took place in other regions (Mingey & Kratz, 2021). This could limit their economic and political autonomy. While this has not been the case in the Southeast Asian region, there is evidence of how local communities' resistance to certain BRI projects can halt projects that do not meet adequate regulatory or social and environmental sustainability standards (White&Case, 2021). The Thailand high-speed railway train is one of the most notorious cases in the region, showcasing the importance of public opinion and a broader set of factors that affect development, beyond the positive economic benefits that may arise from the projects.

Thirdly, the differences in EU and Chinese approaches to development cooperation described above, especially in terms of governance and transparency standards, could pose difficulties for ASEAN countries in aligning with both initiatives. To balance the different interests and demands of the EU and China in parallel, may be challenging for AMS. This could lead to difficult trade-offs and compromises in their development cooperation strategies. For instance, navigating the application and approval processes for projects can be difficult and time-consuming. To optimise the benefits and mitigate the dangers associated with these projects, ASEAN will need to rely on smart negotiation, meticulous planning, and a strong emphasis on matching investment to national development objectives.

In sum, ASEAN nations face several opportunities and challenges as a result of this interaction. However, the dual opportunity offered by these initiatives, if truly differentiated, could provide greater balance and scope for pursuing their own interests. For instance, “the pandemic has also raised the demand for social infrastructure such as health, education, and social protection” (ADB, 2023b, p.6). The 2023 Southeast Asia Aid Map shows that official development finance is critical in meeting the region’s all kinds of development needs (Dayant, Stanphone, & Rajah, 2023).

Beyond strengthening cooperation on EU-ASEAN infrastructure projects, improved infrastructure can facilitate greater integration within ASEAN. This can stem from the benefits of access to a larger and more unified market, with positive impacts on the Global Value Chains (GVCs). As ASEAN is a key player in GVCs, a stronger ASEAN allows for smoother integration and collaboration for European companies within these chains (AIIB, 2021). Overall, a united and prosperous ASEAN benefits the EU by creating a more predictable and secure economic environment for trade and investment, fostering a stronger regional economic bloc. Nevertheless, Uvjari (2019) warns “If observers argue that the BRI has created dividing lines between the EU member states, this is even more so among ASEAN countries”. Compared to the EU, ASEAN countries have a wider range of economic development levels, political systems, and strategic priorities. This diversity might complicate an agreed approach to external development strategies, particularly the BRI. The EU has a more established institutional framework for coordinating foreign

policy, which could help them manage the challenges posed by the BRI (European Commission, 2024a; Ferchen & Cheng-Chwee, 2023; Meehan & Wang, 2024).

Furthermore, the main economic and geopolitical implications of the EU's GG initiative lie in balancing power and promoting its strategic interests of sustainability and global relevance, providing a much-needed boost to infrastructure development in ASEAN. It exists not only as an alternative and reaction to China, but to global trends that threaten the European status quo. The GG leads to job creation, improved connectivity within the region and increased trade opportunities (European Commission, 2023). It produces an incentive to cooperate and deepen interdependence. New rising actors with similar values on the international board may act as counterweights and alternatives to the Thucydides Trap. "Just as developing economies can diversify their stock of foreign investment, the EU would gladly reorganise some of its supply chains from China to other more trusted economies", a notion of "ally-shoring" or "friend-shoring" (Meehan & Wang, 2024). This circles back again to European Strategic Autonomy and safe-guarding strategic sectors, without necessarily backsliding on the degree of interdependence and globalization that contributes to stability between regions.

For China, only stability is of paramount concern in the hostile environment, particularly in its immediate neighbourhood, due to US military rebalancing, Japan's militarization and countries' meddling in South China Sea affairs (Christiansen, Kirchner, & Wissenbach, 2019). Security interests in the parts of the world that are most strategically important for China's development include energy supply and sea lanes of communication (The State Council, 2015 cited in Christiansen, Kirchner, & Wissenbach, 2019)

If developing countries are to develop their economies, and in an unsustainable way, the EU can at the very least influence the shape of this development so that it does not harm its strategic interests, in line with the Strategic Autonomy priorities. Moreover, favouring developing countries in the sphere of influence of a power like China seeks to avoid an overdependent relationship with China and possibly the establishment of strong alliance groups. The effects of this interplay remain to be seen, due to the limited impact of the GG so far. Nevertheless, the GG was clearly articulated during its launch, by Ursula von der Leyen, as a reaction to the BRI (Pleek & Gavas, 2023). This marked the intention with which the interplay of the initiatives began, not exactly inclined towards convergence.

The GG offers an alternative source of financing with a focus on transparency and good governance, as a tool of soft power. This power is exercised through conditionality and setting clear targets such as establishing a goal to reach net zero emissions in the power sector by 2050 in Indonesia. According to Politi (2023), the release of the European Commission’s EU-China’s Strategic Outlook in 2019 was a key turning point, defining China in tripartite terms as a “partner” in dealing with transnational threats but also as an economic “competitor” and a “systemic rival”. The lack of mutual understanding in areas such as the Ukraine invasion, normative values and trade, has resulted in a less cooperative model of engagement and in an impasse in the communication process (Politi, 2023). If this tension continues, cooperation between the two initiatives in South East Asia may be even more difficult. As shown in Table 6, there is a handful of implications to be balanced. It is the recipient countries’ responsibility to seek cohesion and compatibility of the opportunities offered by both initiatives. The interoperability of these projects may require additional effort but has sufficient benefits to be considered. An integrated and seamless regional network is easier to achieve with a larger budget, and where both initiatives complement each other in what they bring to the table. The GG's focus on sustainability and broader connectivity complements China's larger budget for often heavier infrastructure. The coexistence of both initiatives addresses more diverse needs and encourages the creation of more competitive infrastructure networks.

Table 6

Possible implications of BRI and GG initiatives for ASEAN cohesion

Feature	Positive Implications	Negative Implications
Increased Investment	Improved infrastructure, trade facilitation	Debt burden for ASEAN countries
Diversification of Options	More competitive bids, potentially better project outcomes	Fragmentation within ASEAN
Standardization and Interoperability	Seamless and integrated regional network	Competing infrastructure networks
Focus on Sustainability	Addresses environmental and social considerations	Lack of transparency in BRI projects

Note. Data collected by author on the 3rd of April 2024.

Nevertheless, tensions remain on many levels, particularly in the South China Sea. Thayer (2011) argues that China aggressively claims sovereignty in the South China Sea by interfering with trade activities in the EEZ of Vietnam and the Philippines; in response,

both countries resisted Chinese actions with measures such as increased defence funding, diplomatic lobbying and strengthened alliances, but states eventually moved to contain tensions and prevent them from negatively impacting broader bilateral relations, although their effectiveness remains uncertain. According to De Soyres et al. (2018), the BRI could “substantially reduce shipment times and trade costs” not only “for BRI economies (up to 3.2 and 2.8 percent, respectively)”, but also for the world (up to 2.5 and 2.2 percent).

Lastly, to answer the last research question on how may AMS take advantage of the competition between the GG and BRI, some of the key points have already been mentioned above. The EU's emphasis on sustainability and good governance in the Global Gateway could help shape the implementation of BRI projects in ASEAN, which could lead to strengthened multilateral cooperation on several levels. The possibility of trilateral cooperation has barely been discussed. The interaction between the two initiatives, with a recipient-centric project focus, could allow for greater multilateral cooperation, project interoperability and compatibility, to benefit the region's overall development. Moreover, Trilateral Cooperation would be a wise step back from the narrative of competition and balance of power. Concepts such as Strategic Autonomy allow safeguarding national interests and vulnerabilities, from a realist perspective, without compromising European values of solidarity, freedom, democracy, equality and the rule of law, promoting long-lasting peace and stability. In this way, Strategic Autonomy can be seen as compatible with peaceful and participatory coexistence in global governance, and not merely as a defensive posture in the face of imminent conflict. By assertively setting limits, the EU is pursuing a policy with many points in common with the principles of peaceful coexistence and Chinese New Assertiveness foreign policy. “The EU’s enhanced infrastructure connectivity strategy is often framed as being in competition with China, unnecessarily making Global Gateway an instrument of geopolitical rivalry” (Kliem, 2021).

10. CONCLUSION

To conclude, the research findings partly support the main proposition, that the Global Gateway has the potential to shape the future of global infrastructure development. As mentioned above, the initiative has set new benchmarks in areas such as transparency and sustainability (European Commission, 2023). Nonetheless, this

research could not find proof that it fostered collaboration with China's BRI. Although its impact is still incipient, the Global Gateway has proven to be a relevant player in the global infrastructure development landscape. The EU seeks to set new standards for infrastructure projects and encourage other nations to adopt sustainable practices. Critics will rightly point out that the Global Gateway is mostly about repackaging existing programmes and also that the sum of investment is still a fraction of what China is mobilising, but the real limitation is in the framing (Kliem, 2021). The European Way to Connectivity should by no means be a rival to the BRI, but rather a reaffirmation of their approach to connectivity projects (Ujvari, 2019). Furthermore, it is necessary to stress that European investment is significant and impactful (Kliem, 2021; See Appendix E and J). The EU launch of new projects frequently attracts criticism and skepticism. However, after a slow start, this new framework has renewed plans for cooperation and partnership with Southeast Asia, following the Covid pandemic, which has underscored the critical importance of sectors like healthcare and the potential for knowledge transfer in the region.

Concerning the second proposition, the research findings could not provide conclusive evidence. The EU's ability to maintain its position as the number one player in ASEAN infrastructure development is contested. In terms of the BRI, and the GG, the difference in scale makes of China the undisputed leader. While the EU's substantial financial contributions and focus on green transitions and connectivity are undeniably valuable, the presence of the BRI cannot be ignored. Even if FDI flows and trade may paint a different picture (See Appendix I and L), the long-term position of the EU will likely weaken, and will depend on its ability to adapt to the changing landscape and potentially find a way to collaborate with the BRI and China for mutually beneficial outcomes.

This study has argued that avoiding a zero-sum competition and pursuing complementary relations with China can be beneficial for all parties involved. By fostering cooperation and leveraging each other's strengths, within the Strategic Autonomy policy, the EU and China can contribute to a more comprehensive and sustainable approach to infrastructure development in ASEAN. This can ultimately lead to better outcomes for ASEAN countries, while also advancing the EU's own interests in the region.

The BRI is not only a much larger but also more established initiative compared to the relatively new GG. The economic focus of the BRI in ASEAN countries has been on facilitating trade with China and securing access to resources, which can raise concerns about dependency on China. As mentioned above, the GG takes a more holistic approach to development in ASEAN, promoting regional integration, innovation, and social well-being alongside infrastructure projects (European Commission, 2023). Both initiatives have the potential to bring economic benefits to ASEAN countries, but the long-term impacts and potential risks associated with each differ, due to the varied factors and focus of each project and initiative. Regarding the GG, these impacts remain to be seen. The Global Gateway Initiative takes into account country ownership and will address holistic issues more effectively and cohesively than before. This may be a step in the right direction, to safeguard European interests and contribute to a more prosper and sustainable environment. AMS participating in the GG could see not only continued growth, but also a greener energy transition, as well as more dialogue and opportunities to study and travel between regions.

For these reasons, the GG's potential lies in its focus on good governance, transparency, sustainability and a broader understanding of connectivity, aspects often lacking in BRI projects. Nonetheless, there has been significant efforts in recent years to align the BRI projects with the Paris Agreement (White&Case, 2021). Therefore, ASEAN may continue to see improvements in several indicators in the following years, not only economic indicators, but also in education, poverty rates, GINI, etc. These impacts, however, may vary greatly between AMS, due to very different infrastructure projects and national dynamics.

Lastly, the blurring North-South divide may create a space for collaboration. There is room for both initiatives in ASEAN, with success hinging on the quality and socio-economic profitability of infrastructure projects. A rules-based international order for development cooperation is crucial in the post-pandemic era. This will require open dialogue and a focus on mutual trust between stakeholders.

Further research comparing Foreign Direct Investment (FDI) patterns beyond the BRI and GG can illuminate long-term competition dynamics for investment in ASEAN. Additionally,

investigating best practices for project information sharing within both initiatives can improve project evaluation.

As this research has found plenty of limitations on data availability and has not reviewed each of the projects separately, many aspects of the two initiatives could not be accurately compared. The difference in scale of each of the projects, resource efficiency, degree of corruption in developmental projects, among other factors, could be considered in future research. Moreover, the terms of conditional agreements are not always disclosed, neither are the developmental indicators such as GINI consistently available to measure progress.

To optimize development outcomes, ASEAN can strengthen its institutions, and insist on project evaluation and transparency, country ownership, and to prioritize internal reflection on past projects. By incorporating effective development models that emphasize greater sensitivity to local needs, and long-term capacity building, ASEAN may navigate this complex landscape and maximize the benefits of foreign initiatives. Strange (2012) outlines some of the following features for a more effective model of development in ASEAN countries; a reduction in overt or covert conditionality in the provision of development assistance; a focus on long-term institution building and capacity development; more sophisticated anti-corruption and governance strategies, and their role in poverty reduction and sustainable development; a more effective role for ODA-private sector partnership; and long-term collaborative institutional partnerships between governments, the private sector, education, policy and research institutions, and civil society organizations in the East Asian region.

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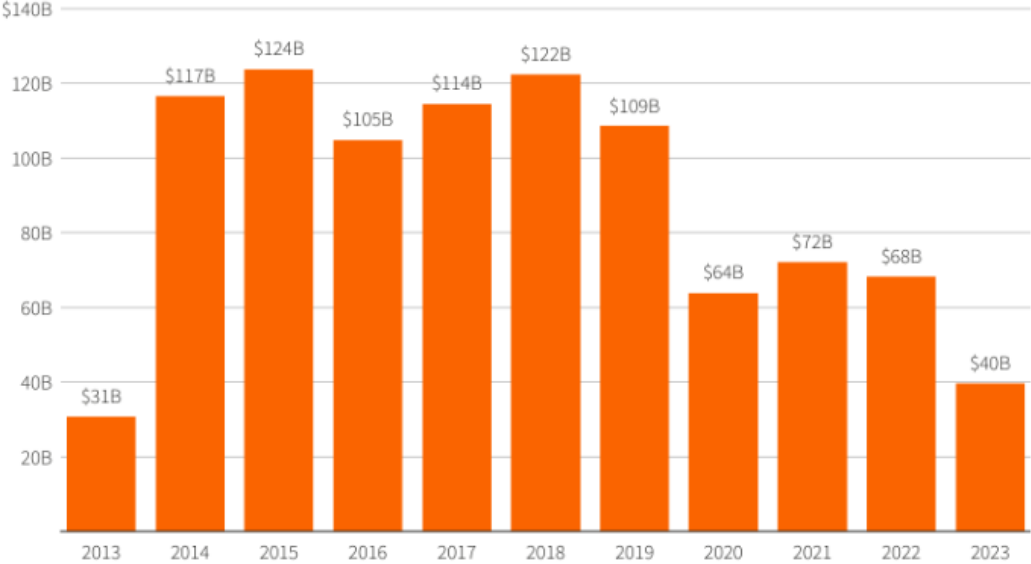
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12. APPENDIX

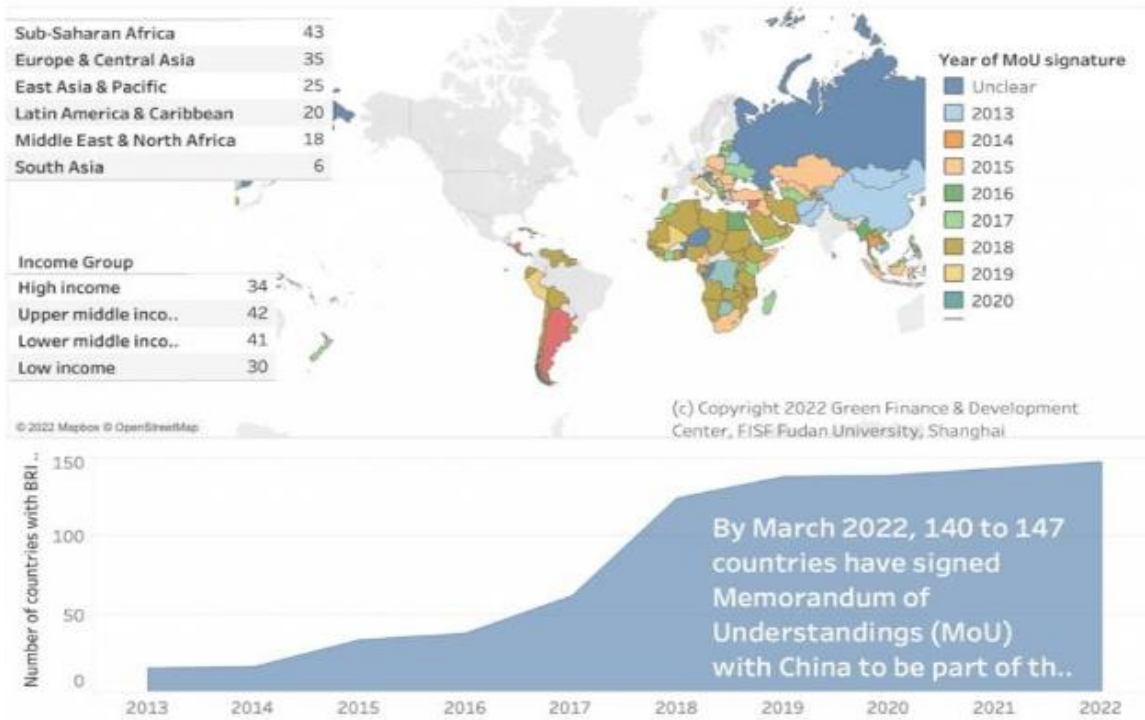
A. China’s BRI boom is fizzling



Note. From Western rival to Belt and Road has much to prove, by Dixon, 2023. <https://www.reuters.com/breakingviews/western-rival-belt-road-has-much-prove-2023-09-25/>

B. Map of countries in the BRI

Countries of the Belt and Road Initiative



Note. From Global Gateway: Strategic governance & implementation, Buhigas Schubert and Costa, 2023. /Green Finance and Development Center, Nedopil, 2024.

C. Table of main BRI Infrastructure investment projects by ASEAN country

Ujvari (2019) divides ASEAN nations into three categories:	
most eager	Myanmar and LDCs: Laos and Cambodia
Needy but assertive	Vietnam, Thailand and Singapore
Cautious	Malaysia, the Philippines and Indonesia
Other	Brunei Darussalam
LDCs	Cambodia, Lao PDR, and Myanmar

	Project	Location	Category
1	Muara Enim Bukit Asam coal-fired pithead power plant	Indonesia	
2	Pangkalan Susu Power Plant phase II unit II	Indonesia	
3	China-Indonesia JuLong Agricultural Industry Cooperation Zone	Indonesia	
4	Kayan River Hydropower Plant	Indonesia	
5	China-Indonesia Morowali Industrial Park	Indonesia	
6	Jakarta – Bandung High-Speed Railway	Indonesia	
7	Manado-Bitung Tollway	Indonesia	
8	Nam Chiane Hydropower Station	Laos	LDC
9	Nam Ngum 3 Hydropower Station	Laos	LDC
10	Nam Tha 1 Hydropower Station	Laos	LDC
11	Vientiane Saysettha Development Zone (SCDZ)	Laos	LDC
12	Savannakhet – Lao Bao Railway	Laos	LDC
13	Vientiane – Boten Railway	Laos	LDC
14	Xiamen University Malaysia Campus	Malaysia	
15	Malaysia – China Kuantan Industrial Parks (MCKIP 1, 2, 3)	Malaysia	
16	Kuantan Port Expansion	Malaysia	
17	Melaka Gateway - Port and Real Estate	Malaysia	
18	East Coast Rail Link	Malaysia	
19	Gemas Johor Bharu Double Tracking	Malaysia	
20	KL – Singapore High-Speed Rail	Malaysia	
21	Chinshwehaw Border Economic Zone	Myanmar	LDC
22	Kanpiketi Border Economic Zone	Myanmar	LDC
23	Kyaukphyu Special Economic Zone	Myanmar	LDC
24	Muse Border Economic Zone	Myanmar	LDC
25	Oil and Gas Pipeline	Myanmar	LDC
26	Myitsone Dam and Hydropower Plant	Myanmar	LDC
27	Kyaukphyu Deep Sea Port	Myanmar	LDC
28	Kyaukphyu – Kunming	Myanmar	LDC
29	Muse – Mandalay	Myanmar	LDC
30	New Yangon City Development	Myanmar	LDC

31	Clark International Airport	Philippines	
32	Sangley Point International Airport	Philippines	
33	Dingin 2x660 MW	Philippines	
34	Kauswagan 4x135 MW	Philippines	
35	Cebu International Container and Bulk Terminal	Philippines	
36	Mindanao Railway	Philippines	
37	Philippine National Railways (PNR Bicol)	Philippines	
38	Subic – Clark	Philippines	
39	Burgo 132 MW Wind-Solar Plant	Philippines	
40	Clark 100 MW Wind-Solar Plant	Philippines	
41	Pasuquin 100 MW Wind-Solar Plant	Philippines	
42	New Clark City	Philippines	
43	New Manila Bay - City of Pearl	Philippines	
44	Thai-Chinese Rayong Industrial Zone	Thailand	
45	Laem Chabang Port Development Project Phase 3	Thailand	
46	Bangkok – Nong Khai High-Speed Rail	Thailand	
47	Binh Thuan Power Plant	Vietnam	
48	Hai Duong Power Plant	Vietnam	
49	Cross Border Economic Zone in Hekou-Lao Kai	Vietnam	
50	Cross Border Economic Zone in Pingxiang - Dong Dang	Vietnam	
51	Cat Linh – Ha Dong Urban Railway	Vietnam	
52	Can Tho Waste-to-Energy Plant	Vietnam	
53	Hau Giang 40MW Wind-Solar Plant	Vietnam	
54	As of June 2021, China had built eight bridges and 3,287 kilometers of roads via more than US \$3 billion in Chinese concessional loans. ¹	Cambodia	LDC
55	China Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity	Singapore	
56	Multi-Modal distribution and Connectivity Centre	Singapore	
57	International Land and Sea Trade Corridor	Singapore	
58	In 2014, the Brunei-Guangxi Economic Corridor was established with the objective of better connecting the Southern Chinese province of Guangxi to the Sultanate and to facilitate Chinese investment in Brunei.	Brunei Darussalam	Not mentioned
59	Joint petrochemical venture project	Brunei Darussalam	Not mentioned
60	Temburong Bridge: jointly built by the China State Construction Engineering Corporation, a Chinese state-owned company, and Daelim, a South Korean company.	Brunei Darussalam	Not mentioned

Note. Adapted from Park, Tritto, & Sejko, 2020; [BRI Monitor](#); Singapore's role in the BRI: STAYIN RELEVANT, [QBOReurope](#); Brunei: The Belt and Road Initiative, [CDR](#).

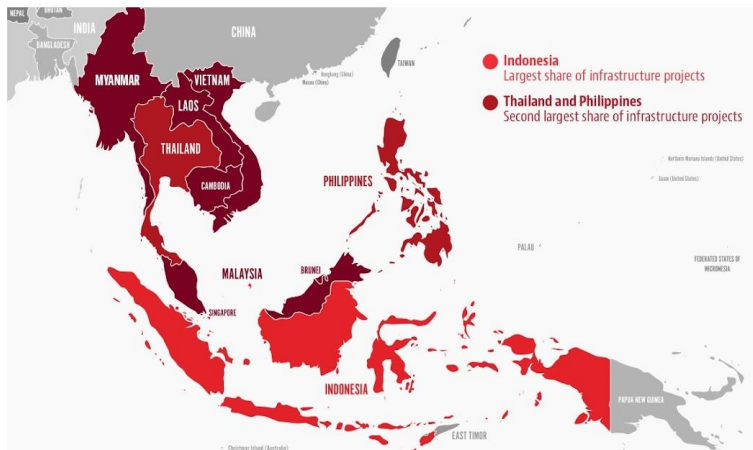
D. 850 roads, rail and airports infrastructure projects in ASEAN

Roads, rail and airports rule in 850 new ASEAN government infrastructure investments

**Baker
McKenzie.**

The 10 countries that make up the Association of Southeast Asian Nations (ASEAN) have some of the greatest infrastructure development needs in the world. This makes Southeast Asia a prime target for BRI developers and for other infrastructure developer nations, such as Japan. Baker McKenzie and Silk Road Associates have mapped more than 850 infrastructure projects across the ASEAN region that are under construction, waiting for approval or proposed. Despite some challenges, developers and foreign investors — through BRI or beyond — are setting their sights on ASEAN and its wealth of opportunities.

850 Potential ASEAN Infrastructure Projects



Source: Research by Silk Road Associates. Examined infrastructure projects across the ASEAN region that are under construction, waiting for approval or proposed. These are categorized via sector and project type.

Note. Infographic and Research by Silk Road Associates. Examined infrastructure projects across the ASEAN region that are under construction, waiting for approval or proposed. These are categorized via sector and project type. From Baker McKenzie, 2019. <https://bit.ly/BakerMcKenzie2019>

ASEAN infrastructure project breakdown

50% Transport



Top countries by project number:

1. Indonesia
2. Cambodia
3. Philippines



Top countries by project number:

1. Indonesia and Thailand
2. Malaysia
3. Myanmar
4. Philippines



Top countries by project number:

1. Indonesia
2. Philippines
3. Myanmar



20% Water Management & Supply



30% Industrial Zones and Other Projects

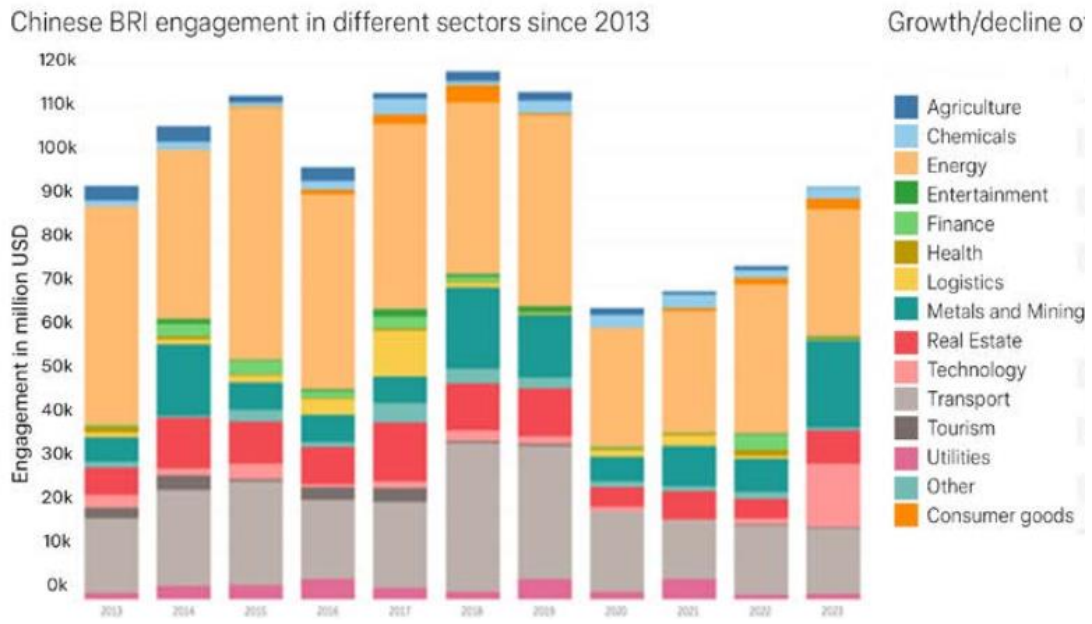


E. Table of Global Gateway flagship projects in 6 ASEAN countries

Global Gateway sectors	Project	Location
Education and Research	Partnership in Education for green and digital jobs	Cambodia
Transport	Development of the port of Lumut	Malaysia
	Double tracked upgrading and electrification of suburban train	Indonesia
Digital	Smart City connectivity in Nusantara capital city	Indonesia
	Digital Economy Package to support digital connectivity, cybersecurity and 5G	Philippines
	Scale up service provision from the Copernicus mirror site for high-speed internet capacity	Philippines
Climate and Energy	Investment plan via the Just Energy Transition Partnership (JETP) to expand renewable energies, phase down on and off-grid coal-fired electricity generation	Indonesia
	Just Energy Transition Partnership (JETP): Construction of Bac Ai hydropower pump storage (1,200 MW)	Vietnam
	Upgrading of Hydropower plant Tri An by 200MW to increase peak capacities	Vietnam
	Construction of the Tra Vinh 48 MW nearshore wind farm	Vietnam
	Construction of water treatment plant in Phnom Penh	Cambodia
	Increasing investment, connectivity and trade in agriculture and forestry	Laos
	Rehabilitation of an ASEAN highway	Laos
Health	One Health for Cambodia	Cambodia

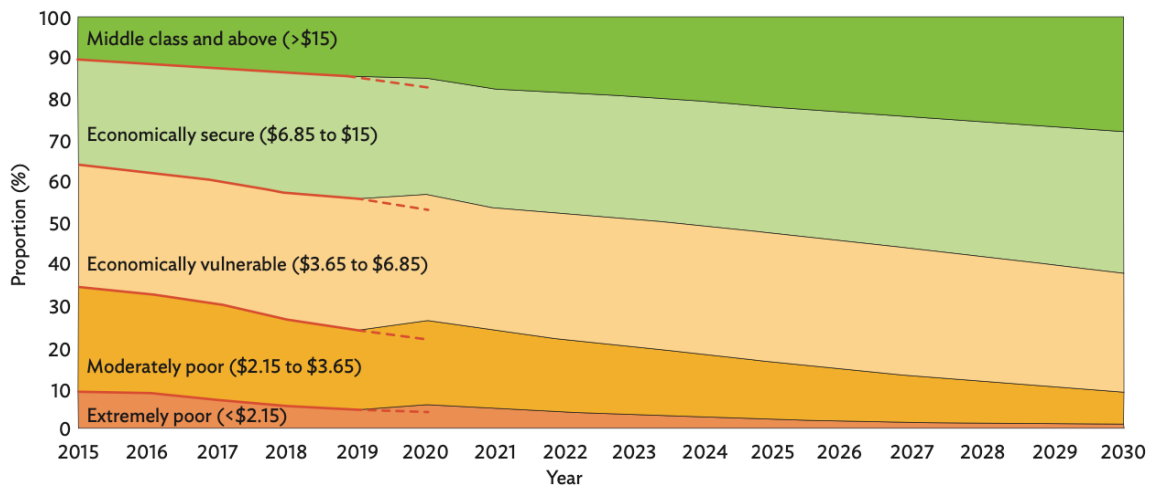
Note. Data collected by author on the 1st of April 2024.

F. Figure: BRI Investments in different sectors 2013-2023



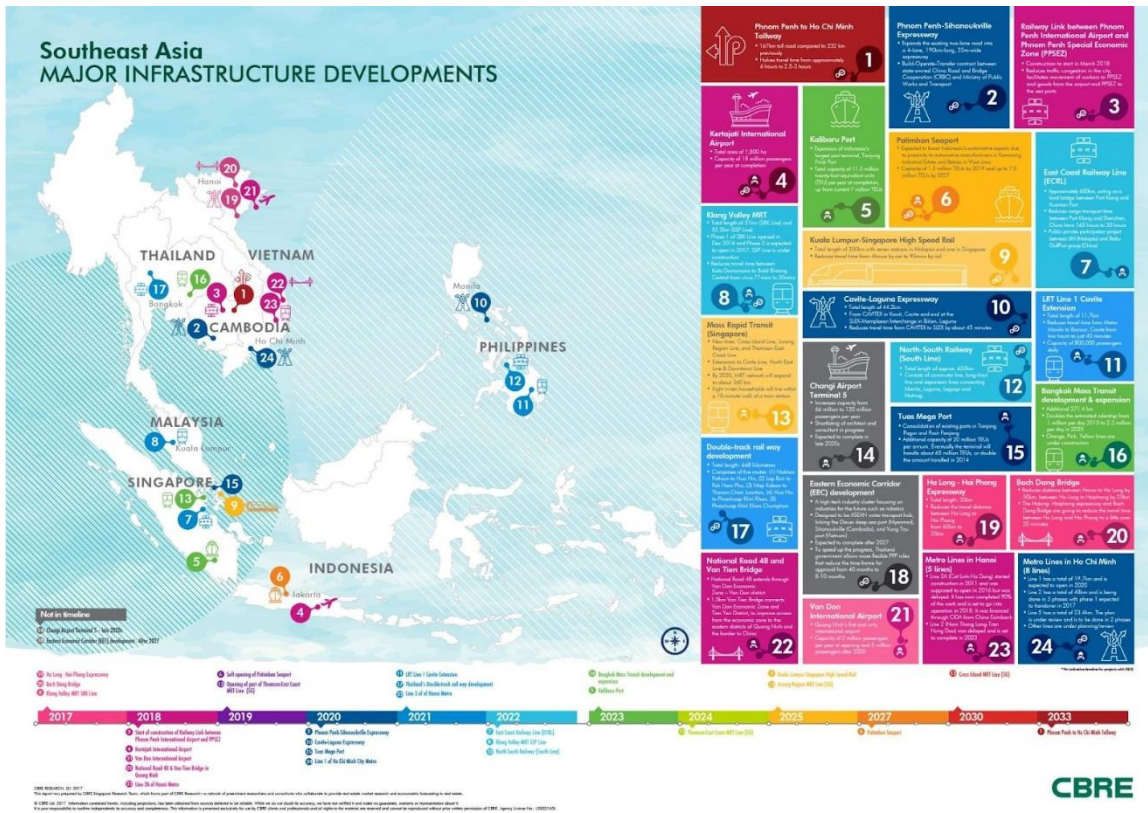
Note. Sector share of BRI engagement since 2013. From China Belt and Road Initiative (BRI) Investment Report 2023, Nedopil, 2024. <https://bit.ly/Nedophil2024>

G. Income Groupings in Developing Asia by 2030



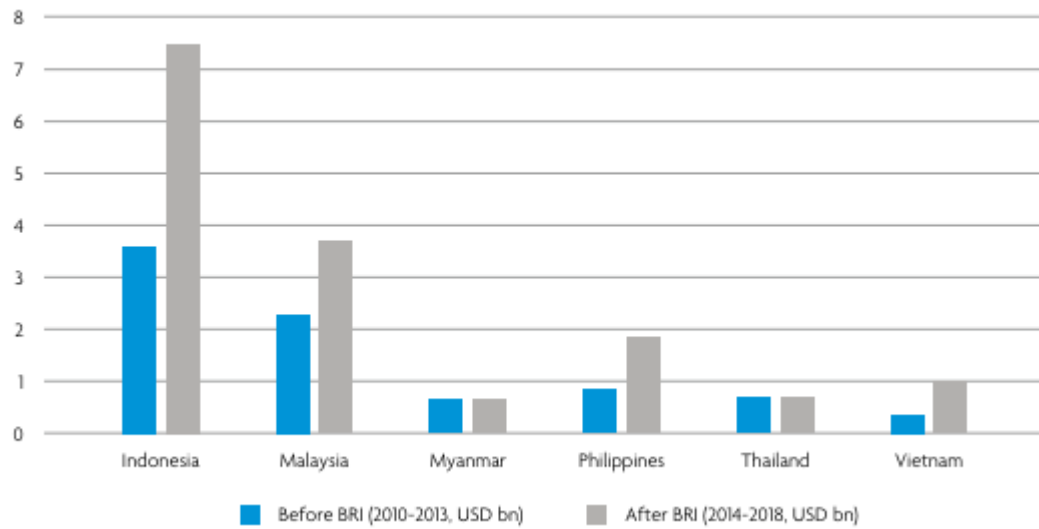
Notes: Each income grouping is calculated as the percentage of people in developing Asia. These are based on 29 developing Asian Development Bank member economies with available data required for calculations. Income thresholds are expressed in 2017 purchasing power parities. The dotted lines represent counterfactual estimates under the scenario that the Coronavirus Disease 2019 (COVID-19) pandemic did not happen. Sources: Asian Development Bank estimates using data presented in Table 1.1.1 of Key Indicators for Asia and the Pacific 2023 and simulated data derived from the World Bank's Poverty and Inequality Platform (accessed 1 June 2023). Reprinted from <https://kidb.adb.org/content/poverty>

H. Map of the main Infrastructure Development projects predicted from 2017 to 2033 in ASEAN countries.



Note. Scale not given. From CBRE, 2017, <https://www.retalkasia.com/sites/default/files/615c032b-46c0-4990-ac81-5372c2008709-original.jpeg> (CBRE Research, 2017).

I. Mainland China FDI before and after FDI



Note. Chinese FDI to 6 AMS, comparing two periods between 2010 and 2018. From *The Belt and Road Initiative in ASEAN*, by Park, Tritto, & Sejko, 2020.

J. EU-ASEAN Cooperation in: Research, Innovation and Education

EU-ASEAN Cooperation on Research, Innovation and Education

Horizon Europe is a transnational research and innovation programme that facilitates collaboration and strengthens the impact of research and innovation in developing, supporting and implementing EU policies while tackling global challenges. It supports the creation and better diffusion of excellent knowledge and technologies. Horizon Europe is open to participation from all ASEAN members.

Erasmus+ is the EU's programme to support education, training, youth and sport in Europe.



Since 2014, **240** ASEAN and EU research cooperation projects were funded. Total EU Contribution: €35 million



Since 2014, **5.500** students and staff from ASEAN received Erasmus scholarships.



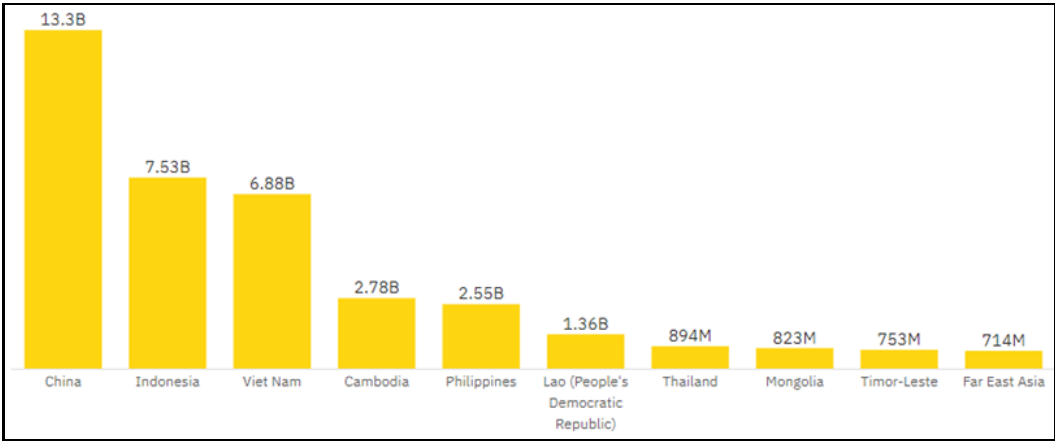
Nearly **3.000** European students and staff have taken up work or studies in ASEAN Member States under the Erasmus+ programme.



€15 MILLION EU Support to Higher Education in ASEAN Region (SHARE) programme (2015-2022)

From EU-ASEAN: Global Gateway, 2024. https://international-partnerships.ec.europa.eu/document/download/4543909d-783c-4b3e-9914-bb14e24c64e8_en?filename=GG%20EU-ASEAN%20Factsheet%20January%202024.pdf

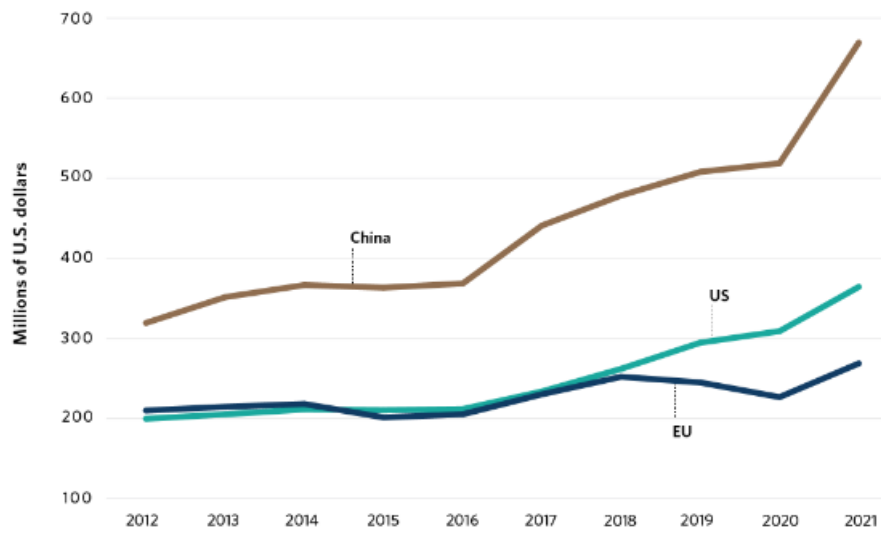
K. Recipients and results of EU Aid



Note. Far East Asia” top recipients of EU aid between 2007 and 2023. Retrieved from European Commission, 2023: <https://bit.ly/EURecipients>

L. Trade in goods with ASEAN

Figure 1. Trade in Goods with ASEAN



Source: "ASEAN Statistical Yearbook 2022," ASEAN Secretariat, December 2022, https://www.aseanstats.org/wp-content/uploads/2023/04/ASYB_2022_423.pdf.

Note, From EU-ASEAN Trade, Investment, and Connectivity Cooperation, Ferchen & Cheng-Chwee, 2023, <https://carnegieeurope.eu/2023/07/04/eu-asean-trade-investment-and-connectivity-cooperation-pub-90083>