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Ronnie C. CHAN

Shiv, now I turn to you. You operate in a part of the world where most people do not operate, that is, in the One Terrestrial Belt, China and Eastern Europe. I just came back from Africa, where I go every year, and as far as I can tell, one of the less-developed parts of the world is the old Silk Road, whereas historically it was very advanced, but today through colonialism and other means, Latin America and Africa are rather developed. The only part that is perhaps less developed, and I have been there many times, is between Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan, all the way to Georgia, Armenia and so forth.

You operate there. What do you think of the BRI? It was not started by Russia. It was not started by your adopted country, India, although they are welcome to join. Do you see opportunities? What are the problems? Are you suspicious of Chinese intentions? Tell us, please?

Shiv Vikram KHEMKA

It is a delight to be here, my first time in Morocco, a beautiful country. I would like to give two perspectives, one as someone working in Russia and understanding the Russian mindset and the Central Asian mindset, and the second as an Indian. I lead India's engagement with the Shanghai Cooperation Organisation as the leader of the Indian business delegation there, and so I see two views of the BRI.

The West, from the Russian perspective, in the last 15 years and especially since sanctions in 2014, has really pushed Russia eastwards and to a much more Sino-centric view of the world, and that has meant that Russia today sees BRI as a tremendous opportunity to encourage growth within Russia, to create greater connectivity with Asia, and a viable strategy to engage with the East, rather than its predominant strategy which was always to engage more with the West.

Examples of that are very specific. USD 46 billion has been invested in BRI-related projects. The Amur Bridge is now being completed, although it was stalled for many years. A rail corridor is being completed, the UTLC, a freight land bridge, basically, which starts in Dostyk in Kazakhstan on the border of China and ends in Kaliningrad. It is owned by the Belarus, Kazakhstan and Russian state-owned railway companies, one-third each. They plan to transport one million containers by 2025; right now they are doing about 176 000 containers, so the growth will be very rapid.

The Russia-China Investment Fund has been created between RDIF and CIC, a USD 2 billion fund, and the two big projects the Russians and Chinese are working on now – with Central Asia tagging along as part of the Eurasian Economic Union – are the RMB Fund, which will not use Dollars or Euro and will be effectively between the Renminbi and the Rouble, in order to invest in that region, as well as a polar silk route, as the polar ice cap is melting, transporting LNG from Yamal to China using the Arctic polar silk route, which is another project being studied very deeply and may well become a reality.

That is the Russian perspective. The BRI is something that is encouraging investment, growth, connectivity, and is a wonderful thing to do, and of course geopolitics is inevitably attached, but this is good, because both sides are connected in a positive manner. There is obviously some strategic hesitation between China and Russia for historic reasons, and that is now reducing due to this connectivity and encouragement, as well as the lack of a strong relationship with the West.

India, on the other hand, has a much more cautious view of the BRI. The Chinese have invested USD 62 billion in something called the China-Pakistan Economic Corridor, the largest single BRI project, and it goes through disputed territory, Pakistan-occupied Kashmir. 21 power stations are being built, along with roads, railways, a huge international



airport and a huge international port. Telecom systems, including a GPS system, are being implemented – Beidou, a Chinese GPS system, along with Galileo or GLONASS, have already been installed there and are working. All these are making India nervous. Similarly, China has committed to invest USD 31 billion in infrastructure in Bangladesh. They started a port in Sri Lanka, which, because it was unable to function adequately, has now been taken over by the Chinese due to unsustainable debt load, a USD 1.3 billion project which the Chinese have now taken under a 100-year lease.

This, while BRI has had no appreciable investment in or connectivity with India, makes India feel that this is a strategic encirclement, a containment strategy, for India's growth over the next 20 to 30 years, and this has made India nervous. Malaysia has taken an even more aggressive position – when Prime Minister Mahathir was in China a couple of months ago, he cancelled USD 3 billion of BRI projects, put USD 20 billion of BRI projects on suspension due to a fraud investigation against 1MDB, the big financial institution which collapsed, and accused China very bluntly of a new form of colonialism, which obviously was not received well by the Chinese.

The truth lies between those two extremes, and from my point of view, I welcome the BRI as a chance to bring necessary infrastructure to the planet. It is great to see someone taking leadership on that. The question is: Under what rules will that investment be made? Will it be made on the basis of a multilateral, rules-based system, or will it be a purely Sino-centric system where all disputes are resolved in Shenzhen and Xiang, as they are at the moment?

Ronnie C. CHAN

I would like to ask you a question. You rightly say that China has not put any money into India. I suppose India might be suspicious if China did that. Were China to propose to India that they do a joint project such as the one in Kazakhstan, the rail link, or do something together in India, would India be amenable to that?

Shiv Vikram KHEMKA

I have personally been involved in many discussions between Chinese companies and the Indian Government and Indian partners. Time and again we have seen the Chinese come, study everything, say a lot of interesting things, but when it comes down to actually investing and doing something, nothing happens. This has created the idea that it is more about understanding and studying rather than actually doing anything.

Obviously, there is some hesitation on the Indian side as well in terms of strategic assets, such as ports or other things, but it is extremely important for China and India to really engage, and our Prime Minister's recent visit to meet with the Chinese Premier went extremely well. I would even say there is a thawing and a warming of the relationship, and it is a great opportunity for the two countries with the largest population on the planet to show the world what it means to take leadership on a planet where leadership is sorely lacking, unfortunately.

Ronnie C. CHAN

I await that day; let us hope it happens. I used to serve on the boards of two American companies, both of them with businesses in India, and as a director I was personally sued in every case. I have looked into opportunities in India myself, and my family have not done anything. I hope that Modi, who is doing something good in the economic area, will be able to change the situation so that there will be a lot more incoming investment.