

Staying On Track: A Risk-Benefit Assessment of the Belt- and-Road Initiative in Laos

AY2018/2019 GL4102 Taskforce Final Report

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1. Executive Summary

The Belt-and-Road Initiative (BRI) is a political and economic grand strategy by China to fulfil its geopolitical ambitions of securing its rise on the international stage. The BRI aims to achieve this goal by connecting China's economy to those of its neighbours through the construction of export-related infrastructure, so as to strengthen the global influence of Chinese economic power. A crucial segment of the BRI is the Laos-China railway, as this link would connect China with the resources and markets of the rest of Southeast Asia. In return, Laos has been keen on the BRI for the promised economic benefits which the project would bring to its developing economy. The railway is of particular importance, as its construction would finally help Laos overcome its natural geographical constraints of being a landlocked country.

Since Laos has already agreed to join the BRI and commenced construction on the railway, this report's aim is not to make a judgement call on whether Laos should accede to the BRI or not. Instead, the main objective of this report is to make a full analysis of the potential risks and benefits of joining the BRI to the Laotian government; in order to ensure that Laos maximises the opportunities while mitigating the threats which may arise from the project. To this end, this paper also suggests several cross-sectoral policy recommendations which the Laotian authorities can undertake to ensure that the country experiences the economic development it desires while managing any negative ramifications.