

TPG PORTUGAL

Commission: Commerce et Économie
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Honorable Commissioners,
Fellow Ministers

China's Belt and Road Initiative (BRI), sometimes referred to as the New Silk Roads, is one of the most ambitious infrastructure projects ever conceived. Launched in 2013 by President Xi Jinping, the vast collection of development and investment initiatives would stretch from East Asia to Europe, significantly expanding China's economic and political influence. Beijing's multibillion dollar BRI has been called the "Chinese Marshall Plan", a state backed campaign for global dominance, a stimulus package for a slowing economy, and a massive marketing campaign for something that was already happening- Chinese investment around the world.

However, the events of the past few months have witnessed even greater change than anticipated, and key aspects of this initiative have been altered in the wake of COVID-19 and ongoing commercial tensions between China and the US. The updated research shows that the quality of BRI activity should continue to improve in the longer-term, owing to greater participation of the private sector and foreign companies, as well as BRI's tighter alignment with global supply chains.

As a kingdom member of the EU, Portugal is concerned by the BRI and is also willing to work with China to expand its third-market cooperation. The leaders of both sides witnessed the signing of bilateral cooperation deals after their talks back in May 2019. Portuguese Prime Minister Antonio Costa subsequently announced his intention of giving the green light to a plan for integrating Portugal's southwestern deepwater port of Sines into the "new silk roads" roadmap.

The Sino-Portuguese cooperation under the BRI framework was lastly built on a natural advantage, as Portugal is a maritime country and an important hub connecting the silk road on the land and in the sea.

If Portugal's accession to the BRI is good news for China, Beijing hopes, however, the establishment of a real partnership with the entire European Union. The different memoranda of understanding signed with Portugal have a relatively limited political and economic impact. Major infrastructure projects and trade agreements can only be decided at the European level between Brussels and Beijing, and these matters will obviously be discussed today.

Conversely, One of the major challenges facing the European Union will be to avoid internal competition between European states. To become a safe partner, in the eyes of China, Europe will have to be united on BRI matters.

In September 2018, Frederica Mogherini, High Representative of the Union for Foreign Affairs and Security Policy, unveiled a Europe-Asia connectivity plan. It is now necessary to work on a possible articulation between the European plan and the BRI. Portugal has a card to play in this possible partnership as the new mediator between China and the European Union. Lisbon's goal is to not only to attract Chinese investors to Europe, but adopt a more ambitious European and foreign policy.

In conclusion, with the support of its President Marcelo Rebelo de Sousa and Prime Minister Antonio Costa, Portugal supports the BRI and is willing to expand pragmatic cooperation with China in various fields under the BRI framework. China and Portugal could work together to further integrate the bilateral cooperation with their respective development strategies, as well as find common ground with the EU so as to better benefit all parties.