RADIANT SPOTLIGHT

China’s Belt and Road Initiative Advances in Southeast Asia - Exclusive Geospatial Analysis Reveals China’s Investment in the Region

Forest City, Malaysia | August 08, 2018 | WorldView-3
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Strategic Overview of Belt and Road Initiative

China’s Belt and Road Initiative (BRI) is an ambitious global infrastructure investment plan that was announced by Chinese President Xi Jinping in 2013. Formerly known as One Belt One Road, BRI consists of both land-based and maritime lines of communications. The land-based belt corridors radiate out from China to key trading destinations in Europe, Central Asia, the Middle East, South Asia and Southeast Asia. The 21st Century Maritime Silk Road is a parallel effort to secure China’s maritime trade along critical sea lines of communication including Oceania.

Chinese infrastructure investment is rampant across the globe, with projects found in almost every country in the world. Chinese infrastructure efforts have been so significant and have expanded so quickly that the end results cannot be easily predicted. Investments in sea ports and airports easily transform into free trade agreements to take advantage of this new infrastructure, and additional projects are frequently built to support the cities that rise from these Chinese investments. When countries cannot repay overwhelming debts to Chinese companies, long-term leases force host countries to give up their key assets. It is at this point that China reaches its ultimate goal and intent to establish civil-military integrated access and placement throughout these countries’ most strategic locations.

Over the course of 2019, Radiant Solutions will produce a series of BRI Spotlight publications that examine Chinese investments in strategically vital port and infrastructure projects, and analyze the further expansion of Chinese efforts to influence and access countries throughout the globe.
BRI Southeast Asia

China’s BRI expansion in Southeast Asia is a major investment in land-based lines of communication from the mainland Southeast Asian countries to key port facilities along the South China Sea and Indian Ocean littoral. If completed, BRI efforts would generate a seamless network of complementary highways, railways and sea ports extending from Kunming in Yunnan Province, China, through Laos, Cambodia, Thailand, Malaysia and Singapore.

Deep sea port infrastructure projects throughout Southeast Asian coastal cities will generate a strategically important, maritime-based line of communication—including the ability to circumvent the Malacca Straits, through which 80 percent of China’s energy currently travels through. China has also invested in the development of a deep-sea port with energy pipelines in Kyaukpyu, Myanmar, which will also serve as a Special Economic Zone. Viewed as the solution to a key vulnerability, these pipelines will offer safe passage from the Myanmar coast into Yunnan Province.
Malaysia

Malaysia occupies a key strategic position adjacent to the Strait of Malacca. In recognition of this fact, China’s EXIM Bank pledged loans to the government of Malaysia during the tenure of former PM Najib Razak between April 2009 and May 2018 for a wide range of BRI-related infrastructure projects. These include the East Coast Rail Link, which would ultimately connect to the Chinese mainland via Thailand and Laos; Kuantan Port on Malaysia's South China Sea coast; and Melaka Gateway port. China’s single largest investment is the Forest City development, a series of artificial islands between peninsular Malaysia and Singapore. This development cost more than $100 billion USD and was primarily financed by Country Garden Holdings Co Ltd, a property development company based in Guangdong Province, China.

Each of these BRI investments supports China’s broader strategic objective of securing strategic chokepoints in the Indo-Pacific region. Additionally, Kuantan Port, Melaka Gateway and Forest City all provide potential future basing options for the Chinese military. Concerns over the potential loss of Malaysian sovereignty to China helped lead to the return to power of Malaysian nationalist Dr. Mahathir Mohamad, who ousted Najib Razak as Prime Minister in 2018. Dr. Mahathir has pledged to restructure Malaysia’s BRI investments.

**Melaka Gateway Port LULC Study**

Utilizing its LULC platform to analyze and monitor the Chinese-led $2 billion USD expansion of the Melaka Gateway Port, Radiant Solutions captured a temporal understanding of land growth and urban expansion. Between July 13, 2017 and January 09, 2019, the Melaka Gateway Port area expanded nearly 100 percent in new land and nearly 200 percent in built-up urban area.
People's Liberation Army Navy "Open Seas Protection"

China’s 2015 national security white paper formally expanded the mission of the People’s Liberation Army Navy (PLAN) from “offshore defense” to “open seas/far seas protection.” This shift coincides with the expansion of China’s strategic force projection along the sea lines of communication that comprise the 21st Century Maritime Silk Road.

PLAN port visits play a vital role in China’s force projection and military diplomacy. The location and timing of PLAN port visits demonstrate where China is expanding its influence and emphasizing its force projection capabilities. As an example, the January 2019 port visit in Manila, Philippines by three vessels coincides with a recent period of improved China-Philippines relations, as well as heightened tensions in the South China Sea. As seen below, this port visit was captured in DigitalGlobe WorldView-2 high-resolution imagery.

According to Filipino media, the PLAN engaged in various official activities during the visit, including senior navy officer engagements, shipboard receptions and Chinese led-training with its Philippine Navy counterparts.

(Above) January 17, 2019 WorldView-2 imagery of Chinese Navy frigates Wu Hu and Han Dan, as well as the resupply ship Dong Ping Hu at port in Manila, Philippines.
BRI / Maritime Silk Road Oceania

In 2017, President Xi Jinping announced the expansion of the “southern leg” of the 21st Century Maritime Silk Road on a visit to New Zealand. While China has historically had little economic interest in Oceania, Xi’s announcement demonstrates China’s intent to expand the BRI investment model to Oceania and the South Pacific.

Today, we know that the Oceania region occupies the front lines of Beijing’s Second Island Chain strategy. According to current Chinese naval doctrine, the Second Island Chain line of control runs from Russia’s Kamchatka Peninsula to Papua New Guinea and represents the area China considers a vital component of its sphere of influence.

Papua New Guinea

In 2018, Papua New Guinea pledged to join BRI in the run-up to the November 2018 Asia Pacific Economic Forum (APEC) held in Port Moresby. This action capped years of steady growth in Chinese investment in Papua New Guinea, including telecommunications and transportation infrastructure and port development.

Chinese firms have led the expansion of the Port of Lae and have pledged to build a new road to connect Lae to Port Moresby in the south. Chinese companies have also invested heavily on the semi-autonomous island of Bougainville to the east of Papua New Guinea, where a possible independence referendum could lead the establishment of significantly pro-China government.

The U.S. and Australian governments have also expressed concern over Chinese investment on the island of Manus, north of Papua New Guinea, which features a derelict World War II-era naval base. All of these investments provide China with potential basing options for the PLAN in critically strategic locations that could (in the event of armed conflict) flank U.S. and allied forces operating in the western Pacific.
Papua New Guinea GeoHIVE Campaign

Utilizing the Radiant Solutions GeoHIVE platform, the crowd quickly identified 547 unique locations in Port Moresby and Lae, Papua New Guinea associated with construction or construction sites between January 2017 and February 2018. These crowdsourced points were used for further enrichment research and to confirm known Chinese financed infrastructure projects—including the $200 million USD Lae Port project and the $10 million USD Port Moresby Duran Farm housing project.

Port Moresby, PNG GeoHIVE Campaign Results

$10 million USD Duran Farm housing project led by the Shenzhen-based Yinjiang Industry Ltd.

Lae, PNG GeoHIVE Campaign Results

$200 million USD Lae Port project led by the China Harbour Engineering Company Ltd., a Subsidiary of China Communications Construction Company LTD (CCCC).
Conclusion

China’s BRI projects demonstrate a global expansion of the country’s strategic influence, in addition to providing vectors for further development of power projection options for PLA and PLAN.

It is impossible to look at Chinese BRI investment without considering China’s intent in the region. China has ambitions for military bases along multiple BRI routes. Rumors of China’s intention to build bases in Papua New Guinea and Vanuatu makes it clear that Chinese investment can lead to overwhelming debt burden, 99-year leases and majority Chinese ownership of a nation’s most strategic assets.

As Chinese investment grows, a recipient nation’s concern about the sovereignty of its territory also grows. Monitoring these major infrastructure projects across the globe for tell-tale signs of China’s ambition for military basing will be critical moving forward.

Radiant Solutions reveals insights where and when it matters. Through platforms like Land Use Land Cover, GeoHIVE and others that utilize DigitalGlobe’s high-resolution imagery catalog, we are able to easily and quickly capture the growth of new landmasses and the development of built-up urban areas, as well as to capture detailed geospatial datasets in under an hour utilizing our crowdsourcing capabilities.

Radiant Solutions’ tools can capture formerly hidden elements of our ever-changing world, then help our customers enrich and analyze these massive amounts of data to gain decision advantages. The global risk of nations losing their most valuable economic and strategic assets to China is too important to ignore. It is our goal to paint that picture in our BRI series.