



*The Habibie Center*



---

## SECOND JAKARTA FORUM ON ASEAN-CHINA RELATIONS

*ASEAN and the Belt and Road Initiative:  
Prospects for Common Development  
and Shared Prosperity*

---

Tuesday, June 25, 2019  
The Habibie Center,  
Jakarta, Indonesia

# Introduction

The page features a decorative background on the left side consisting of various shades of blue geometric shapes, including triangles and overlapping patterns with fine horizontal lines. The main content area is white.



On Tuesday June 25, 2019, The Habibie Center together with the Mission of the People’s Republic of China to ASEAN and the Permanent Mission of the Philippines to ASEAN held the **Second Jakarta Forum on ASEAN-China Relations** on the theme of ‘**ASEAN and the Belt and Road Initiative: Prospects for Common Development and Shared Prosperity.**’

The aim of the second Jakarta Forum was to encourage the dialogue and exchanges of different views to discuss the opportunities and challenges of the Belt and Road Initiative (BRI) for ASEAN and its member-states, areas

of synergy between the BRI and the Master Plan on ASEAN Connectivity 2025, as well as possibilities for joint efforts of ASEAN and China to ensure high-quality BRI cooperation. To this end, participants were derived from Members of Committee Permanent Representatives of ASEAN and diplomats from the Permanent Missions of ASEAN Member States and the Chinese Mission to ASEAN as well as experts and officials from ASEAN countries and China including scholars from renowned local think tanks and research institutions.

This discussion report summarizes the key points of each speaker, as well as the question and answer session that followed throughout the event.

# Opening Remarks

The page features a white background with decorative blue geometric patterns on the left side. These patterns consist of overlapping triangles and quadrilaterals, some with fine horizontal lines, creating a modern, abstract design. The text 'Opening Remarks' is centered in a dark blue font and is underlined with a solid dark blue line.



**H.E. Amb. Huang Xilian**  
**Ambassador of the People's**  
**Republic of China to ASEAN**

**Amb. Huang Xilian** began by highlighting that the organisation of the Second Jakarta Forum is timely coming soon after the Second Belt and Road Forum for International Cooperation successfully held in Beijing, which set the BRI cooperation onto a new phase of high-quality development.

He noted that ASEAN has become a critical partner for BRI cooperation and a review of the past a few years shows that ASEAN has become the most highlighted region on BRI cooperation, such as China and ASEAN leaders had issued a joint statement

to further deepen cooperation on infrastructure connectivity, a number of key infrastructure projects on land, in the air, at sea and of cyberspace are generating tangible results.

Looking towards the future, ASEAN has the potentials to make the most out of BRI. The highly synergized development strategy and economic complementarity between ASEAN and China have made strong foundation for further collaboration. In this sense, China and ASEAN are working closely on the outcome document for this year's ASEAN-China Summit to increase synergy.

Amb. Huang Xilian went on to highlight how regional cooperation, free trade, and multilateralism are being challenged by the rise of unilateralism and power politics, amidst the increasingly dynamic global and regional development. ASEAN and China must join hands to uphold multilateralism and stick to East Asian values such as mutual respect, seeking common ground while preserving differences, openness, inclusiveness, and mutual assistance.

Moreover, regional cooperation should be designed as a win-win cooperation and aimed towards development rather

than confrontation, and ASEAN centrality must be respected while having interests of other parties accommodated.

Amb. Huang Xilian then underlined that BRI is about seeking shared development and prosperity that is open, inclusive, based on consultation, joint contribution and share benefits. To end, Amb. Huang Xilian stated that the principles are widely accepted by countries across the region. BRI provides an important platform for China and ASEAN to achieve common prosperity.

# Keynote Speech

The background features a series of overlapping, semi-transparent geometric shapes, primarily triangles and quadrilaterals, in various shades of blue. Some shapes contain fine, parallel lines, creating a textured effect. The overall composition is clean and modern, with a white background.



**Dr. Ruan Zongze**  
**Executive Vice President and**  
**Senior Fellow, China Institute of**  
**International Studies**

In his keynote presentation, **Dr. Ruan** touched upon four major points: overview of BRI, China-US relationship, China economic performance, and future trajectories of China-ASEAN relationship. He went on to state that the essence of BRI is to demonstrate that China is willing to build roads and bridges, not walls. Connectivity is an indispensable part of BRI.

The Second Belt and Road Forum for International Cooperation in April produced a number of important outcomes which include

the joint blueprint for the future collaboration. There has been quite positive development BRI with over a hundred countries and international organizations have signed agreements and documents with the government of China. BRI has turned out to be a very popular global public goods.

However, Dr. Ruan acknowledged that there are a number of skepticisms. Some accuse BRI as China's plot or China's version of Marshall Plan. The accusation goes that through BRI China is trying to export its model. The Second Jakarta Forum is important to address these thoughts.

The Second BRI Forum also promotes the global partnership for connectivity. BRI is an open and inclusive arrangement. That no one has left BRI cooperation proves that BRI provide mutual benefits for all parties. BRI does not focus solely on Asia and Europe. It can reach out to the rest of the world. In order to build the global partnership for connectivity, we need to work on the "soft" connectivity which cover policy coordination, people-to-people exchange, education, and experience sharing.

Equally important is the promotion of the projects in innovative manners.



We need to create high-quality jobs to enable us to move up the ladder of global production chain.

Dr. Ruan then explained that for China, it is fundamentally important to send the right message to the rest of the world by continuing its reforms and opening up. Amidst the rise of protectionism and unilateralism, this is the right time for collaboration.

Regarding the China-US relations, nobody has benefitted from the ongoing tension between the two countries. China, for its part, has committed to peaceful development for the last forty years since it established diplomatic relations with the US.

Indeed, the US is exercising a

maximum pressure on China to make it yield. The US side is absolutely responsible for the breakdown of the negotiation between the two countries. The US is weaponizing trade tariffs to hurt China.

Global growth suffers a great deal from this trade tension between the US and China. When the global financial crisis made in the US happened in 2008, China and the rest of the world took positive approach to save the global growth. Now, US is doing a very unilateral approach to use tariffs on China which undermine global growth. The US policy has also interrupted the global supply and value chain. China and the US occupy very important spots in the global supply chain. Confronting

the mounting pressure from the US, China has no other choice but to take firm counter measures.

Dr. Ruan predicted that the trade tension between China and the US will last longer than initially thought. China, however, is confident with its economic performance. It is because the driving forces of China's economic growth have shifted. In the past China's economic growth was driven by export, consumption, and investment. Today, the main driver is domestic consumption. China has over four hundred million middle-income population. It makes China resilient to external interruption.

This year ASEAN has become the second biggest trading partner of China. The position had been occupied by the US for quite some time. China-ASEAN relationship has entered a new era. This relationship is an indispensable building block of peace and stability in Asia and the rest of the world.

China is the first non-ASEAN country that signed the Treaty of Amity and Cooperation. It is also the first country that signed Free Trade Agreement with ASEAN. ASEAN-China relations is solid and forward-looking.

To end, Dr. Ruan highlighted three

things that need to be done in order to strengthen China-ASEAN relations. First, ASEAN and China need to demonstrate their commitment for multilateralism. Second, they need to move forward with the negotiation on the Regional Comprehensive Economic Partnership. Third, they need to strengthen collaboration on innovative technology.

# Panel Discussion

---



## Mr. Wang Peng

**Associate Researcher, Chongyang  
Institute for Financial Studies,  
Renmin University of China**

In his presentation, **Mr. Wang** addressed three main issues: overview of ASEAN Master Plan 2025 on Connectivity, overview of the China's BRI on land and at sea, and the ASEAN-China synergy.

He went on to note that there are three major components of ASEAN's plan for connectivity: the physical component, institutional component, and people-to-people component. Furthermore, there are five strategic objectives that ASEAN MPAC 2025 seeks to achieve: sustainable infrastructure, digital innovation, seamless logistics, regulatory

excellence, and people mobility.

Meanwhile, BRI seeks to achieve financial integration through the enhancement of monetary policy coordination and bilateral financial cooperation, cultural exchange through the promotion of people-to-people bonds and cooperation, policy coordination through the planning and support for large-scale infrastructural development projects, facilities connectivity through the building of facilities that enable connectivity along the Belt and Road, and trade and investment through the facilitation of cross-border investments and supply chain cooperation. The strategic objectives of ASEAN MPAC 2025 and BRI share a lot of similarities, enabling them to synergize.

Mr. Wang explained that China supports the aspiration of ASEAN countries to upgrade their position in the global value chain. Technology transfer is a paramount importance in this collaboration.

He added that China and ASEAN should work together to address the problem of misinformation. BRI offers opportunities beyond economy for ASEAN. Infrastructure projects within the framework of BRI would increase people mobility, which in turn would

help with the nation-building process of the respective countries. In addition to that, BRI also provides greater foreign investment with lower trade costs. Finally, ASEAN countries can benefit from the positive spillovers of the BRI projects such as mutually beneficial technology transfer.

However, there are a number of challenges that need to be addressed. These include the lack of political and strategic trust. Although the level of trust among China and ASEAN countries is now at the highest level, there is still room for improvement. In addition to that, there is still lack of robust and powerful economic cooperation engine. In this regard, more flagship projects like the Jakarta-Bandung high speed railway is needed. Finally, there are risks from the third parties and opportunism.



**Dr. Fajar Bambang Hirawan**  
Researcher, Department of  
Economics, CSIS

**Dr. Fajar** the findings of the study conducted by the CSIS on the perception and readiness of Indonesia towards the BRI. He elaborated on the importance of ASEAN-China and Indonesia-China relations, opportunities and challenges as well as the way forward.

Common development and shared prosperity are basically the intention of BRI. In the last five to six years China has invested in infrastructure development and connectivity in countries across Asia, Africa, and Europe. China and ASEAN have their own initiatives that can be complementary. However,

there should be a clear vision and objectives as well as the strategy for implementation.

Dr. Fajar added that China and ASEAN, especially Indonesia, have a lot of potentials in their relations. Not only in business and economic sector but also in other fields including technology development, education as well as social and culture.

Indeed, China is one of the major trading partners for ASEAN and Indonesia. During 2015 until 2018, China was among the top investors in ASEAN and Indonesia based on country of origin. Because majority of China's investment goes to secondary sectors, it has benefited ASEAN and Indonesia in their efforts to promote re-industrialization and create jobs.

Even though economic growth of both Indonesia and China has been getting slower in the last three to four years, the percentage of their Gross Domestic Products to world GDP is continuously growing. The combined China and Indonesia's GDP as percentage of the world GDP has gradually increased from only 7% in 2005 to 13% in 2016, almost double within ten years period.

There is also a similarity in terms of the characteristics of ASEAN-China

and Indonesia-China trade. The trend of export and import shares in ASEAN-China and Indonesia-China trade resembles each other. In terms of investment realization in Indonesia, China has reached the to No. three during the period of 2015 until 2018. Secondary sectors are the priority for China's investment in Indonesia which is in line with the goal of the Indonesian government for re-industrialization and jobs creation.

Dr. Fajar then noted that China is one of the major economies in the world. It is necessary for any country in the world to have a good relations with China since China is now the largest trading nation. Majority of non-oil and gas products of Indonesia and other ASEAN countries go to China. Meanwhile, ASEAN, including Indonesia, is accelerating their infrastructure development but there is still a lack of financial resources.

For Indonesian domestic audience, however, relations with China is always a sensitive issue, especially during the election period. CSIS' study finds that among the Indonesia millennials, China is perceived as the country which least probably be benefiting Indonesia. This is a big problem.



As such, there are a number of challenges that need to be addressed. First, in some cases it needs to be made clear whether the projects are implemented bilaterally or multilaterally. Second, the process of land acquisition for infrastructure development tends to be lengthy and costly. Third, there should be a transparent process of hiring Chinese workers. Fourth, there should be increased efforts for capacity-building for local governments. Fifth, there is still lack of clarity in terms of the mechanism for technology transfer. Finally, ASEAN countries and China should also work on standards that BRI projects need to meet such as environmental impacts or social impacts.

For its part, Dr. Fajar argued that the Indonesian government should also develop a proper one-stop licensing

services (One Single Submission). It also needs to increase transparency in hiring foreign workers, especially amidst the rise of fake news. Capacity-building as well as developing specific standards for the technology transfer and development are also important. Indonesian government should also have a valid and credible data and act as a facilitator, regulator as well as security provider. It also needs to quickly respond any negative issue and disinformation that might endanger its development agenda.

Moving forward, Indonesia and China should work on strengthening cooperation at different levels: people-to-people, business-to-business as well as government-to-government.



**Mr. Yeremia Lalisang**  
Lecturer, Department of  
International Relations, Universitas  
Indonesia

In his presentation, **Mr. Yeremia** shared some of the findings of the research he conducted as part of his dissertation. The research conducted in-depth interview with 51 Indonesian diplomats in Jakarta, Beijing, Guangzhou, and Shanghai. It attempted to measure the cognitive, affective, and evaluative orientation towards BRI.

In terms of cognitive orientation, “How do you understand the BRI?” was asked. Four images of China emerged from the interview. First, many responded that China’s BRI is

an ambitious project to demonstrate China’s position as a great power and that it cannot be excluded from any equation in the international politics. With BRI, China seeks to cultivate support from other countries and it also tries to expand its sphere of influence. In light of this context, BRI should be understood as an instrument to create a geopolitical instrument

Second, some recognized that BRI is an economic initiative. From the perspective of those who hold this image, BRI is an attempt by Chinese government to address its internal economic challenges such as finding new markets for China’s products, securing access to energy resources, making better use of China’s huge financial resources as well as addressing industrial over capacity. In this regard, China is perceived as pursuing its own economic interest. According to this perspective, “win-win solution” is sometimes empty rhetoric.

Third, a few responded BRI as an instrument to dominate the world. Those who hold this image tend to perceive China as pursuing a strategy to create a China-dominated world order. The perceived debt-trap in Sri Lanka and some African countries are

quoted as examples.

Mr. Yerima explained that most of the respondents interviewed for the research hold the image that BRI is a geopolitical response to the current international environment. Some respondents also think that China is pursuing its economic interest. Only less than 10% think that China is trying to dominate the world through BRI. In other words, only less than 10% of the respondents perceive high intensity threat from China. However, more than half of the respondents believe that the real threat is not to be dominated politically but rather to be exploited economically.

In terms of affective orientation, most of the respondents take a very positive attitude towards China's BRI. In other words, although there is still some caution about the motives that drive China's BRI, most of the respondents still believe that Indonesia can be benefitted from China's BRI in one way or another.

In terms of evaluative orientation, China is not singled out as the only great power that pursue such a geopolitical strategy. Other great powers are also perceived of doing the same thing. In short, there is a perceptual sophistication among the

respondents in seeing the BRI.

Concluding his presentation, Mr Yerima said that the prevailing trend among the respondents is the still one that perceive China as a threat. However, only a minority of the respondents perceive the threat as high-intensity one. Majority of the respondents believe that Indonesia can be benefitted from BRI. This is an opportunity for Indonesia, and other ASEAN members, and China to strengthen their cooperation. However, understanding local context and societal engagement are very important.

## Question and Answers

### Questions

During the Q and A session that was moderated by Mr. Wirya Adiwena (Special Assistant to Director for Program and Research, The Habibie Center) four questions were raised by the audience. Namely (1) Could you share some success stories where BRI is able to help the participating countries?; (2) In addition to bilateral arrangements, is it possible to bring BRI projects into the framework of ASEAN MPAC? (3) What does the timeline for BRI look like?; and (4) What are specific crucial elements or components for ASEAN MPAC and BRI cooperation?

### Answers

#### Dr. Ruan Zhongze

BRI is motivated by the wish of China to bear more responsibility in the world order. China realizes that by integrating itself into the world order it has benefitted enormously. Now it wants to share with the world.

BRI is not a charity or aid program. It is a commercial program. China, as much as anyone else, cares about the benefit it can gain from BRI.

China is not going to monopolize and dictate BRI cooperation. It is a multilateral cooperation based on consultation. Everybody has a say.

It is important to move from bilateral agreements to multilateral framework. From China's perspective, more parties involved would mean China's investment safer. China does not wish to take the risks alone. It wants to diversify the risks. It also wants to diversify the benefits and opportunities.

There is huge gap in Asia in terms of the infrastructure financing requirements and the available resources. In order to close that gap, countries need to work on mutually beneficial cooperation.

#### Mr. Wang Peng

How long the BRI could would depend on China's ability to deliver political and strategic continuity, economic sustainability, and poverty reduction. The first two have been accomplished by China.

China is a necessary part for the success of BRI. But it alone is not sufficient. A united front is needed to succeed. Involvement of private sector is also important.

BRI does not have a specific end date. Standards will continue to raise and the implementation will be adjusted to that standards.

**Mr. Yeremia Lalisang**

China could be an important partner for the implementation of ASEAN MPAC 2025 if ASEAN can benefit not only from the massive funding mechanism but also knowledge and technological capacity. The Jakarta-Bandung high speed railway project is expected to contribute to the development of Indonesian railway industry.

**Dr. Fajar Bambang Hirawan**

In order for ASEAN MPAC 2025 and BRI to work together, we need to have mutual understanding of each other's vision and objectives.

---

# Closing Remarks



## Dr. Mohammad Hasan Ansori

Director for Program and Research,  
The Habibie Center

Closing the Jakarta Forum, **Dr. Ansori** noted that the BRI launched in 2013 by President Xi Jinping has the potential to connect this region, promoting greater people-to-people ties and easing cross-border trade and financial transactions. If successfully realized, the peoples of this region stand ready to enjoy the fruits of economic globalization that is more open, inclusive, balanced and beneficial to all. However, it cannot be denied that challenges remain. How to address these challenges and at the same maximize the opportunities of the BRI will be the next priority for leaders of China and ASEAN to move forward. This is the

important question that we face.

Dr. Ansori noted that one of the key takeaways from today is that to ensure the success of BRI, ASEAN and China should continue to coordinate, evaluate, and improve existing projects to better realize all of the promises of opportunities. He added that we are confident and more hopeful that following today's discussion, we may be a step closer to finding alternative solutions to this question to make sure BRI will benefit all. If anything, today's event has demonstrated that there is real willingness from all sides to ensure the success of the BRI that benefits everyone in this region.







*The Habibie Center*

The Habibie Center Building  
Jl. Kemang Selatan No.98, Jakarta 12560  
Tel: 62 21 781 7211 | Fax: 62 21 781 7212 | Email: thc@habibiecenter.or.id

[www.habibiecenter.or.id](http://www.habibiecenter.or.id)

[facebook.com/habibiecenter](https://www.facebook.com/habibiecenter) [@habibiecenter](https://www.instagram.com/habibiecenter)