

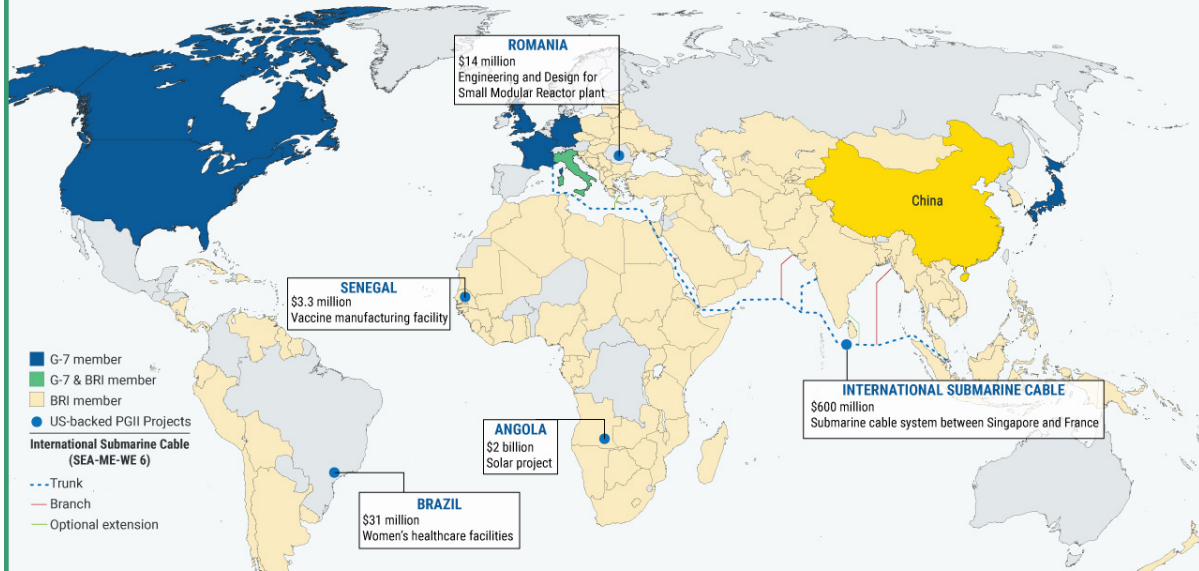
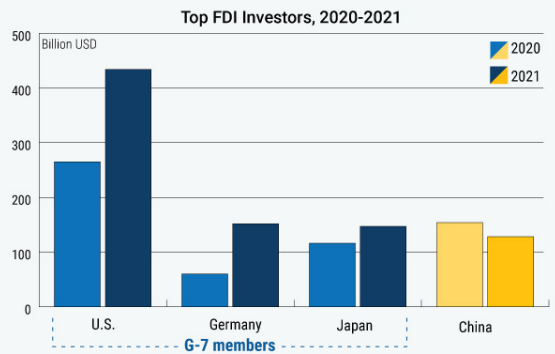
The G-7's Latest Answer to China's BRI

by Geopolitical Futures - July 1, 2022

Developing Competition

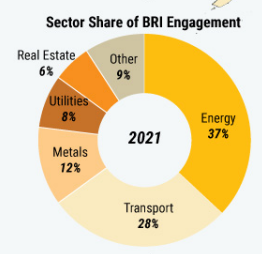
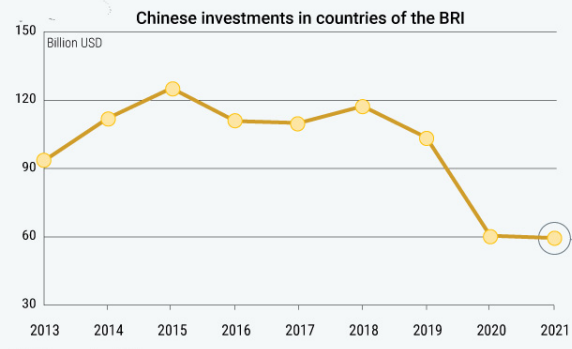
G-7 FRANCE, GERMANY, UNITED KINGDOM, CANADA, UNITED STATES, ITALY, JAPAN Partnership for Global Infrastructure & Investment (PGII)

- Goals**
- Address climate change & energy security
 - Develop and deploy secure information and communication technology
 - Advance gender equality and equity
 - Develop and upgrade health systems infrastructure



China Belt & Road Initiative (BRI)

- Goals**
- Policy coordination
 - Facilities connectivity
 - Unimpeded trade
 - Financial integration
 - People-to-people bonds



Sources: Green Finance & Development Center, Whitehouse.gov, SMWG consortium, OECD © 2022 Geopolitical Futures

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The original strategic impetus for China's Belt and Road Initiative was to secure trade routes not subject to U.S. control in the South China Sea, to build reliable supply chains for natural resources and to ensure Chinese employment. Since then, it has morphed into a nebulous list of unconnected projects across the globe. Many projects have created debt traps, while the funding for others never materialized. BRI took a major hit in 2020 with the pandemic, and it is unlikely to recover anytime soon given China's mounting domestic economic problems.

The G-7's Partnership for Global Infrastructure and Investment is a new initiative intended in large part to serve as the West's counter to BRI. PGII seeks to support infrastructure development in developing countries, strengthen the global economy and improve supply chain security. Over the next five years, G-7 members hope to mobilize \$600 billion in global infrastructure investments, \$200 billion of which would come from the U.S. through federal financing and leveraging private sector investment.

Compared to the BRI, PGII projects are smaller in scope and involve greater reliance on private investment. The G-7 hopes to incorporate capital from additional partners, multilateral development banks, development finance institutions and sovereign wealth funds.

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