

11th International Infrastructure Investment and Construction Forum
Challenges and Opportunities: Outlook on International Infrastructure
Development in post-COVID-19 era

Excellencies, dear colleagues,

Distinguished guests, ladies and gentleman, Good morning and *ni hao!*

I am extremely delighted to be in Macao and to have this opportunity to speak at today's Forum. I would like to congratulate the Macau Special Administrative Region, the Ministry of Commerce and CHINCA for successfully organizing the 11th International Infrastructure Investment and Construction Forum despite the difficulties being faced due to the COVID-19 pandemic.

Ladies and gentlemen, this forum is indeed important and timely for various reasons. Not least the launch of the Belt and Road National Infrastructure Development Index and Report earlier today, which will surely serve as important touchstones for facilitating investment flows in infrastructure.

Looking ahead, COVID-19 is still running rampant across the world, and the post-pandemic world may have very different modes of life and work than we are used to. The pandemic-induced economic downturn has hit all economies – big or small and developed or developing. Emerging markets though, with their greater need for infrastructure and lower loss tolerances, would be relatively harder hit. Meanwhile, the pandemic appears to have accelerated the ongoing transition in the global structure and brought to the fore fears of a new Cold War. The complex international landscape and risks of destructive great-power confrontation loom large for everyone caught in the middle.

Facing these considerations, infrastructure investment would remain central to post-pandemic recovery. Recent breakthroughs in technology, the clear and growing danger of manmade climate change, and greater appreciation of the SDGs present us with an opportunity to draw up development strategies which are greener; more equitable and more inclusive.

Amidst this global economic depression, China's positive economic growth is remarkable and reflects its effective pandemic control and prudent economic policies. Looking beyond the pandemic, we can expect China to continue to drive global economic growth and recovery, including the Belt and Road.

Ladies and gentlemen, friends,

Any discussion of the Belt and Road would inevitably lead us to the China-Pakistan Economic Corridor (CPEC). CPEC, as the pioneering project of the BRI, remains amongst its most prominent and successful. Despite challenges brought about by COVID-19, work on CPEC projects continues to ensure timely completion. Understandably, this is because of the professionalism and commitment of the

Chinese organizations and enterprises, many of which are at today's event. I'd like to propose a round of applause for the Chinese companies, workers, managers and engineers who have made this possible as Pakistan most reliable friends and partners.

[Pause for applause]

Now nearing completion, CPEC's early-harvest phase focused on upgrading Pakistan's physical infrastructure, which is essential for sustaining economic activity.

Substantial Chinese investment in our power sector has helped overcome our energy shortage.

We also upgraded our national and international highway network to provide more reliable Pakistan-China connectivity across the Karakoram Mountains and smoother inland communications, including the opening of our relatively under-developed Western regions.

Fibre optic line has been laid along the route and major cities, with plans to connect every household in future.

These investments in our transport and communications network would enhance regional connectivity and enhance Pakistan's role as a commercial and transit hub for trade between the Middle East, East Africa, Central and South Asia and beyond.

The once-arid fishing village of Gwadar has been transformed into a fully functional and operational port. With the construction of a new international airport, power and desalination plants, and a Free Trade Zone, Gwadar has become the gleaming crown jewel of CPEC and the Belt and Road.

As part of CPEC 2nd Phase, the work is underway on 9 prioritized Special Economic Zones (SEZs) across the country. Each zone would be developed according to local advantages with world-class infrastructure and incentives to facilitate investors – from Pakistan, China and the entire world. The infrastructure for one of the initial SEZ is being developed by China Road and Bridges Company.

Ladies and gentlemen, friends,

The other important area for CPEC 2.0 include agriculture, science and technology, vocational and technical training. This is in line with Pakistan's government own socioeconomic agenda. In tandem with CPEC's success and expansion, Pakistan has introduced policies in areas such as new energy vehicles, digital commerce and e-payment. The Prime Minister has also launched a nationwide campaign to plant 10 billion trees to restore Pakistan's forest cover and contribute to reduction of greenhouse gas emission.

Earlier this year, the Orange Line Metro Mass Transit was put into operation despite the widespread disruption of supply chains and exchanges of personnel caused by COVID-19. Together with our partners in NORINCO, special flights were arranged to transport people and materials to achieve the project's commissioning in October

this year. The Orange Line is Pakistan's first modern metro mass-transit project. It has brought our urban transport sector into the modern age, providing efficient and affordable transport facilities to our people. We would like to thank NORINCO International, China Railways and the Guangzhou Metro Group for making this possible.

Ladies and gentlemen, friends,

CPEC's gradual evolution and undeniable success are instructive for the future of post-pandemic international infrastructure investment.

The COVID-19 pandemic has also taught us many lessons and opened our eyes to many of our shortcomings. To ensure success in our urgent task of building back better and serving the socioeconomic aspirations of the people of the world, I may venture here to underline four things:

- Firstly, the pandemic may have dampened demand in the short run. The projects that were marginally viable may end up being shelved. This would be catastrophic not only for the industry represented here today, but the markets it serves. I have no doubt that humanity will overcome the COVID-19 pandemic – and all crises yet to come. We must maintain our confidence in our shared dream of a brighter future free from poverty, hunger and affliction, and continue to move ahead.
- Secondly, the Belt and Road has shaken up the global development debate by highlighting just how great the demand for infrastructure is if the SDGs are to be achieved. In this regard, enterprises that have been working on projects as contractors should also play a greater role as co-investors in mobilizing private capital. The task is too large to be shouldered by governments and MDBs alone, and the longer it is neglected, the farther we fall behind.
- Thirdly, new materials and technologies such as 5G would revolutionize the way we approach subjects such as energy efficiency, workplace safety, productivity, disaster preparedness, and the safety of logistics and supply chains. The infrastructure sector should therefore harness the promise of the ongoing industrial transformation to enable connectivity networks that are leaner, more efficient, more sustainable, and robust in the face of shocks. The post-pandemic airline industry is a cautionary tale for how we approach connectivity and infrastructure.
- Fourthly, we must not allow the shared prosperity of our peoples to be held hostage to power politics, narrow-minded political whims and the preachers of hate. Economic globalization is not only irreversible, it is essential. We must continue to lower barriers to trade and people-to-people contacts. We must also uphold multilateralism and the rules-based international order, while rejecting unilateralism, protectionism and ill-intended politicization of real issues.

I look forward to learning from our colleagues here today on how to leverage infrastructure investments to achieve sustainable and high-quality development for all. I am confident that the IIICF Forum will continue to be an effective strategic platform for global infrastructure cooperation, helping to lead the way towards a more prosperous and sustainable future for humanity.

Thank you.