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Is the Newly Operational China-Laos Railway a Game-Changer?



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"CORRIDOR-ISING" IMPACT ALONG THE BELT AND ROAD: Is the Newly Operational China-Laos Railway a Game-Changer?

BY XIANGMING CHEN

On 3 December 2021, amid the global surge of the Omicron variant, the China-Laos Railway (CLR), under construction since 2016, launched its maiden run from and toward its two termini at Kunming, capital city of Yunnan province in south-western China, and Vientiane, capital city of Laos. In more ways than one, the CLR is an unprecedented cross-border

rail project in terms of scale, length, connected places, construction type, and potentially massive regional impact. These features exemplify the growing influence of the Belt and Road Initiative (BRI) along its six large-scale economic corridors and their key sub-corridors. In this essay, I explore the connective effects of the CLR using combined evidence on

its late construction and early operation to illustrate the BRI's broader "corridor-ising" impact.

On 3 December 2021, Chinese President Xi Jinping and Lao President Thongloun Sisoulith, both also General Secretaries of the two countries' ruling parties, appeared simultaneously on two giant screens to call the China-Laos Railway (CLR) into its inaugural run from Kunming and Vientiane toward each other (see Figure 1). Xi lauded the CLR as an iconic project under the Belt and Road Initiative (BRI), launched in 2013, that will open up new spaces for trade and development along the train route. He added his hope that a number of Lao students studying rail engineering in Shanghai would apply their learning to driving and maintaining the CLR. Thongloun thanked China for ending the era of "no trains" that turns landlocked Laos (the only such country in Southeast Asia) into "land-linked" as

a result of connecting with the BRI as a docking node. He added that the CLR marks a milestone in the infrastructure development of Laos.¹

The CLR's ceremonial opening aside, this highest official blessing conveyed the historic importance that both China and Laos attach to the CLR for what it is planned and projected to deliver, not only for both countries but also beyond their linked national territories. As the CLR's regional impact is surfacing, the broader force motivating the CLR has become more noticeable along the BRI's six economic corridors extending from China to its neighbouring countries and far beyond (see Figure 2). The China-Indochina Peninsula Corridor (No. 4 in Figure 2) includes the China-Laos Economic Corridor, whose connective spine is the CLR. The BRI corridors have unleashed an era of corridor-ising regionalisation, adding new trans-local dimensions to the geography of economic globalisation, carrying important geo-economic and geopolitical repercussions. Are the BRI corridors really new? As they take shape and exert influence near and far, it is important to look at their intellectual origin, if it exists, to understand their unfolding impact.

CORRIDOR-ISATION, OLD AND NEW

While regional development along an urban-economic corridor is not new, corridor-shaped regionalisation has taken on new and larger scales involving more powerful actors since the BRI. By promoting six cross-border economic corridors stretching from deep inside China to nearby and faraway countries and cities, the Chinese government has activated some latent conditions and forces spread along given and newly built transport corridors to produce previously non-existent opportunities and challenges for local and regional development.

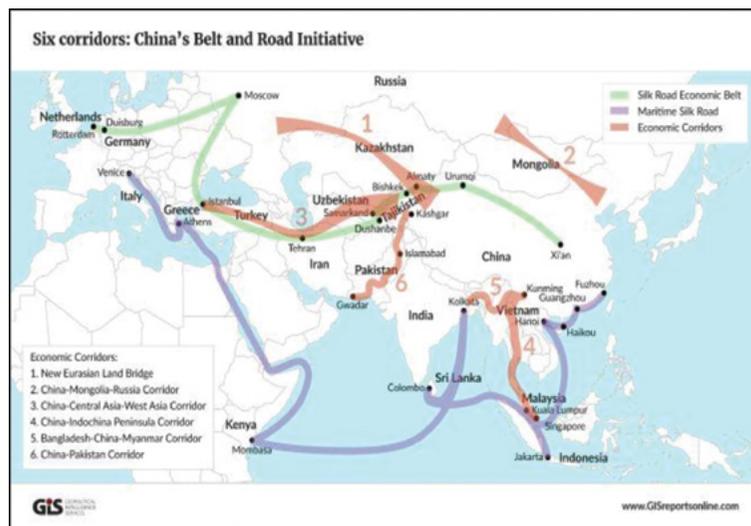
Corridor-ising regionalisation could be traced back to the emergence of urban and metropolitan extensions beyond local administrative boundaries in advanced economies in the early 1960s, if not earlier. Linear pattern and transport infrastructure are two defining features of urban corridors, which often involve two other axes – of economic development and urbanisation – as a tripartite bundling that links two or more city-regions. Besides their generic linear

Figure 1: Presidents Xi And Thonloun Preside Over The Launch Of The China-Laos Railway, December 3, 2021



Source: Xinhua News Agency photo published on the Yunnan Province Website; accessed at <https://mp.weixin.qq.com/s/S5aSoZAq2qLpowdgyB7Srg>.

Figure 2: The Six Belt And Road Regional Economic Corridors

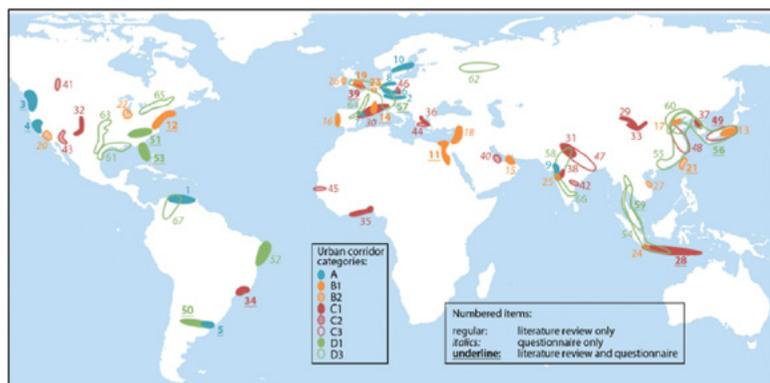


Source: GISreportsonline.com; published with permission in Chen (2020: Figure 1.1) and republished here.

structure, urban corridors exhibit such network attributes as poles at either end, nodes between two poles, and intermediate points serving as secondary hubs. These salient features also reflect the vertical and horizontal relations of some regional and global infrastructure-led economic systems of a corridor shape.

Georg, Blaschke, and Taubenböck (2016) identified 67 urban corridors in the world (see Figure 3). They are typically between 400 km and 1,200 km long and 70 to 200 km wide, with a length-to-width

Figure 3: A Global Inventory Of 67 Urban Corridors



Source: Georg, Blaschke, and Taubenböck (2016: Figure 7).

ratio of between four and ten. They are generally shorter than the six BRI corridors, as the China-Pakistan Economic Corridor (No. 6 in Figure 2) runs over 3,000 km from Gwadar, Pakistan to Kashgar, Xinjiang, although the width of the BRI corridors is numerically vague, due to a lack of clear measuring criteria. About 95 per cent of those 67 urban corridors begin and end within national territories, such as the classic case of the Boston-Washington (BosWash) corridor along the US eastern seaboard (No. 12 in Figure 3), while all six BRI corridors span multiple national borders and remote border cities. In addition, approximately 60 per cent of the 67 urban corridors are anchored to and pass through two or more major national and international centres and their relatively well-integrated immediate hinterlands in advanced economies, like the so-called “Blue Banana” corridor through several Western European countries (No. 57 in Figure 3). However, the six BRI corridors traverse mostly less developed countries and cities with their surrounding regions. Finally, most urban corridors are market-induced with very limited formal national and subnational planning and

Urban and economic corridors cannot develop sustainably without powerful and supportive transport infrastructure as their backbones.

relatively little intercity or trans-local coordination. The BRI corridors, however, are purposely initiated by the Chinese state and its planned and built infrastructure projects across international boundaries.

Rail Development as China's Statecraft

Urban and economic corridors cannot develop sustainably without powerful and supportive transport infrastructure as their backbones. The BRI corridors, for most of their sections, have been shaped by Chinese-built large-scale transport infrastructures, including bridges, ports, roadways, and railways that connect Chinese and international cities and regions across borders. Of these types of transport infrastructures, railway development and construction has taken on the largest-scale and most powerful role in linking cities in China's national urban system and across its diverse regional spaces with increasing cross-border connections. By the same token, China's rail development manifests three components spanning its domestic-international divide that empower the BRI corridors and a number of their sub-corridors.

The first strength of China's rail development “going global” originates from its domestic root of technological learning. In the 1990s, the Chinese government's targeted investment in high-speed train (HST) bundled technology ushered in the first stage of rail development featuring technology accumulation before 2004. It laid a solid foundation for older HST technology, while still trailing international leaders. During the second stage (2004-8), China focused on importing and digesting technologies from European and Japanese rail companies and succeeded in incorporating them into the manufacturing of Chinese trains that could run at over 200 km per hour. The innovation-focused third stage (2008-12) led to the construction of faster trains, culminating in the introduction of the CRH (China Rail High-Speed) 380 train to the Beijing-Shanghai line, which could top 400 km per hour. Since 2012, China has improved HST design and production to its own integrated standard, which resulted in completing a number of long rail lines through varied climatic and topographic

terrains (Xu 2017). China has also begun to “export” train development such as the CLR.

Secondly, China has gained tremendous experience and expertise from having built an extensive national system of freight and passenger train routes, including a massive intercity high-speed train network reaching a total length of around 40,000 km by the end of 2021. In 2016, the Chinese government unveiled a more ambitious goal of completing eight vertical (north-south) and horizontal (east-west) HST trunk routes covering much of the country, except a portion of the western region (Chen 2021a). China reached a peak of HST construction after launching the 2,298-km Beijing-Guangzhou line in 2012, the world’s longest HST route at the time, through complex subtropical terrains, followed by the 2,258-km Shanghai-Kunming line through long tunnels and over elevated bridges in the mountainous south-west in 2016. I made the 11-hour journey on this last route in 2018 and passed over the world’s longest concrete-arch rail bridge over the vast gorge separating Yunnan and Guizhou provinces. This combination of experience and expertise has prepared China well for building the CLR over its own challenging topographic terrains.

The Chinese state’s capacity for financing, designing, and constructing railways as a package, reinforced by the growing domestic overcapacity, provides a third advantage in building an overseas large-scale infrastructure project like the CLR. Financing infrastructure projects in developing countries has been a top priority and strategy for the BRI since 2013. Technological learning and upgrading in China’s HST sector has enabled its rail engineering companies to design rail operating systems to high international standards that can also be adapted to accommodating the siting conditions and challenges in other countries. Extensive HST construction has nourished a large and long domestic supply chain for construction equipment and materials, and thus enhanced the integrated capacity of China’s state companies to build rail projects outside China in a coordinated and efficient manner.



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Those three components together render rail development a competitive statecraft of the Chinese state that enables the generally successful delivery of large-scale transport infrastructure projects like the CLR. This rail development statecraft allows China to anchor and extend rail-driven economic and logistics connections to cities and regions along and adjacent to the BRI corridors. One major example is that China has, since 2013, spun a large number of freight train routes connecting several logistics hubs and, indirectly, many other cities across its coastal and interior regions and a myriad of European cities and regions, as I documented recently in this magazine (Chen 2021b). In another case, China built the 760-km Addis Ababa-Djibouti Railway (ADR) in 2017, linking landlocked Ethiopia and Djibouti and its deep-water port on the Red Sea (Chen 2020). Yet neither is comparable to the CLR in terms of the high stakes associated with its construction cost, connective power, consolidating effect on the economic fortune of Laos, and consequential Southeast Asian regional impact, especially in light of the Regional Comprehensive Economic Partnership (RCEP) of 10 ASEAN countries and five other members, including China, becoming effective on 1 January 2022.

The CLR’s High Stakes, Long Reach, and Strong Connectivity

The idea for the CLR germinated in 2010. Due to domestic politics involving China’s Minister of Transportation, the CLR did not move forward until the end of 2014, when the two governments signed the agreement before the ground was broken for the project in 2016. With an ambitious and complex design, the CLR would carry passengers at 160 km per hour and freight at 120 km per hour on standard-gauge tracks in one electrified system across two national territories, with a future extension to Thailand. The government of Laos has placed the CLR at the heart of its economic development strategy for unlocking its landlocked position through the CLR’s transformational domestic and transnational

connections that can foster trade, tourism, and other economic flows.

Against the Lao government's optimistic view of the CLR's long-term economic benefits, the limited research on the CLR has been more critical of its financing and the negative construction-related effects on labour, livelihood, and the environment. Concerns about the CLR's heavy debt burdens have emerged from Laos's share of the overall cost of \$5.9 billion, relative to \$4.9 billion for building the ADR. Laos is responsible for providing \$1.79 billion of capital, including debt liability of \$1.06 billion and equity investment of \$730 million, \$480 million of which had to be borrowed from the Eximbank of China (Chen and DiCarlo 2021). Related to this huge hanging debt, the Lao state, as the sovereign debtor, failed to put the equity together on time, which led to importing more Chinese workers to replace the Lao workers who had been promised to carry out the work on the project (W. Chen 2020). The CLR also suffered from a lack or lag of monetary compensation for

land acquisition and environmental protection for the affected villages along its route due to: 1) the disconnect between the enforcement of environmental standards of China's international development and that of the Lao government; and 2) discrepancies between the Lao central government's vision for the CLR as a national priority and the provincial and district governments' obscure roles in setting compensation rules and implementing them (DiCarlo 2020; Suhardiman *et al.* 2021).

This critical work is confined to the CLR's pre-operation time, before 3 December 2021, and is thus unable to address its early post-operation situation. Using some combined information about the CLR's late construction and early operation, I explore the CLR's different consequences at the local, regional, national, and transnational levels.

Construction-Related Impact

The CLR stretches a little over 1,000 km, with about 600 km from Kunming to Mohan on the border with Laos,

and around 420 km from Vientiane to the town of Boten, bordering Mohan. It has 24 passenger stations along the China segment and 10 stations for the Lao segment, and 22 of these stations also include freight yards and logistics depots. The CLR passes through 93 tunnels and over 136 elevated bridges within China, and 75 tunnels and 165 bridges inside Laos over its hilly north, with a few of those bridges resembling the long and high bridge on the Shanghai-Kunming Railway noted earlier. The length of all the tunnels and bridges adds up to 712 km, which accounts for 76.5 per cent of the CLR's entire route. These construction challenges suited the rich expertise and experience that the Chinese builders brought over from having built so much HST-driven transport infrastructure at home. For example, rail engineering and hydropower drilling companies used specialised heavy equipment to drive the 17.4-km long Wanhe Tunnel, the CLR's longest, near the city of Yuxi south of Kunming.

To electrify the track, the Chinese builders have completed 937 km of



high-voltage lines linking 2,220 transmission towers snaking through the border, with several hundred inside Laos. Chinese engineers used the high-low combination of legs to erect some transmission towers without felling larger patches of trees.² To run the 1,677-km electrified train operating system, Chinese engineers and workers put in twenty 115-kilovolt power lines over 257 km, through 11 substation intervals, with 10 traction substations into the Laos State Grid,³ while the train's operating power comes from Laos's abundant hydropower sources. The CLR train was designed based on the mature technology of China's older Fuxing bullet train to meet the CLR's requirements of slower speed, larger capacity, and lower maintenance cost. In the meantime, China has recently moved on to the newest, smart Fuxing HST that can run at 350 km/hour on such major routes as Beijing-Shanghai and Beijing-Guangzhou. Jointly manufactured by two subsidiaries of the China Railway Rolling Stock Group Cooperation, which ranked 349th among the Global 500 in 2021, the CLR train was delivered in the red, blue, and white colours of Laos's national flag before its launch (see Figure 4). It symbolises a technological adaptation to national sovereignty and identity.

The CLR is an economically and logistically transformative transport artery that opens up Laos from its landlocked position to a land-linked one, while also allowing landlocked Yunnan province to access the sea through Laos and Thailand. The CLR shortens the train trip between Vientiane and Boten to three hours from two days, while reducing the journey from Mohan to Kunming to 5-6 hours. This means that a traveller can depart either Vientiane or Kunming in the morning and reach the opposite terminus by evening, under normal border-clearing conditions, or accomplish the whole trip overnight. Since goods used to be transported slowly between China and Laos by road, only good for small quantities, or by expensive air shipping, the CLR is now the happy medium carrying larger quantities of goods, especially time-sensitive agricultural

Figure 4: The Newly Delivered China-Made Train For The China-Laos Railway Before Its Launch



Source: A China News Agency photo.

goods, more cost-effectively.⁵

The CLR created over 110,000 jobs in Laos cumulatively, including many Laos among the 6,000 engineers and workers putting up the power transmission system at its peak. The CLR also subcontracted the use of local construction materials worth around \$80 million. Its extended benefits from the construction included 2,000 km of water irrigation along the CLR's feeder roads and around 3.1 million square meters of green space around the train stations and along the train route. In addition, as part of the CLR, the Chinese government has set up the Laos Rail Vocational Skills Academy in Vientiane. Currently under construction, this academy integrates facilities for administration, training, and residence, taking up 33,000 square metres of construction space. It has already begun to train Lao train drivers and engineers, some of whom had already received basic training in China before the CLR began operation.⁶ This marks the short- and longer-term transfer of knowledge and skills from China to Laos to create and sustain localisation of the CLR operation.

Early Post-Operation Impact

As these construction-related benefits have sunk in, the early post-operation impact via the CLR's connective capacity has surfaced



The CLR's cargo content is poised to diversify further and thus enrich trade along the CLR route and beyond.

from a ramping-up of its operating schedules. By 2 January 2022, just one month after its launch, the CLR had run 64 passenger trains with 45,800 passengers from both Kunming and Vientiane to the border, still under the pandemic closure for human crossings. By January 17, 2022, 153 freight runs in both directions carried nearly 59,500 tons of cargo valued at \$175 million and covering around 100 types of products⁷, and many of freight trains crossed the border after clearing rigid custom and pandemic controls.

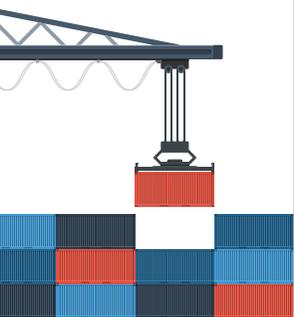
While trains from Kunming to the border town of Mohan were full of passengers, especially those travelling during the 2022 New Year Day holiday, there were long lines of Laos buying tickets at the Vientiane Station, where all boarding signs and train schedules are available in Lao, Chinese, and English. The on-site queuing for tickets raises a need for an online portal for selling tickets. The second- and ordinary-class tickets for the Vientiane-Boten trip cost around \$30 and \$21, respectively, not cheap relative to Laos's average income. The brisk ticket sales thus far bode well for a sustainable demand for the CLR passenger train. Booking orders for freight wagons in both directions have also remained high.⁸ Given this early evidence of the CLR's successful launch, the Lao president gave an optimistic 2022 New Year greeting, proclaiming that Laos had garnered a global spotlight for the CLR, and encouraging the country to use this railway fully to benefit the national economy.⁹

Laos's agricultural sector, with 60 per cent of its work force, stands to benefit much from the CLR. The Chinese government recently agreed to import larger amounts of Laos's main exports, such as rubber, cows, rice, cassava, and tropical fruits, like bananas and oranges, that could be transported efficiently as bulk cargo by the CLR. The paved feeder roads to the CLR stations from nearby villages in northern Laos allow local

farmers to tractor rice, cows, and fruit to the stations for shipping to China. In 2021, Laos's exports to China as its largest trading partner were led by bananas, worth \$225 million, followed by rubber, cassava, sugar cane, and water melons. With a new bilateral agreement, Laos is planning to export 50,000 tons of orange-like fruits, worth \$50 million, to China in 2022. These exports are critical to sustaining Laos's overall exports of \$26.5 billion during 2016-20, with an annual growth of 10.¹⁰ per cent.⁹ As the CLR reduces the Vientiane-Kunming shipping cost by 40-50 per cent, Laos's export of corn to China is projected to grow 20 per cent annually from the base of \$1.7 billion in 2019 (World Bank 2020). The CLR helps sustain the momentum of Laos's exports to China.

The CLR is also facilitating bilateral trade from the Chinese side. Guangzhou-based Asian Potash International Co., which owns the mining rights to a large potash mine in Gammon province, south-east of Vientiane, quickly booked the first freight train from Vientiane to ship locally manufactured potash fertiliser to China, and can use the return train to transport materials and equipment from China to expand local mining and manufacturing in Laos. With growing demand for its potash products in Yunnan and neighbouring Guizhou province, this company is planning to expand production for the regional market in south-western China and will save considerable time-cost over sea shipping between southern China and Laos via Cambodian and Thai ports, principally Sihanoukville and Bangkok.¹¹ A Yunnan-based rubber company has also taken advantage of the early CLR freight train to move its processed rubber from Vientiane to China. Since 2005, this company has invested \$156 million in 21 rubber-producing bases as a substitute for opium, covering 18,150 acres and employing around 6,000 Lao workers. The company shipped around 4,000 tons of rubber to China during the first month of the CLR's operation and planned to ship 50,000 tons annually. This improved mode of transportation will facilitate increased production and employment.¹² The CLR is capable of generating greater connected economic pay-offs to spur production-trade ties across the China-Laos border.

While anchored by both Kunming and



Vientiane, the CLR has been driven by the much bigger and stronger Chinese economy and demand from and via Kunming. Through the first ten days of the CLR's operation, under pandemic-mandated border closure, 253 bidirectional passenger trains ran inside China, and 78 international freight trains from China crossed the border, relative to only 24 bidirectional passenger trains inside Laos and 23 freight trains over the border into China. The daily number of passenger trains between Kunming and Mohan grew from 17.5 to 25.5 and the number of daily passengers rose from an average of 20,000 to 30,000, with a cumulative number of over 300,000 passengers up to 16 December 2021, considerably more than the corresponding number inside Laos.¹³ These lopsided numbers align with the Lao government's rosy projection of around 10 million passengers, mostly from China, taking the CLR annually (Chen 2018). With Laos opening the border to international tourists, including from China, at the beginning of 2022, and China's likely loosening of outbound international travel, the CLR is expected to draw more Chinese tourists over the border to such destinations as the UNESCO-designated cultural and Buddhist heritage sites in Luang Prabang in northern Laos. While demand for the CLR stemming from resumed inbound tourism will help the Lao government pay towards its large construction loan over time, time will tell if the current uneven distribution of passenger flows in China's favour will become more balanced if more Laos and Southeast Asians take the CLR to visit China in the future.

The CLR has also begun to draw trade cargo from strong cross-city and trans-regional economic and transport origins within China to the China-Laos trading dyad, and between China and Southeast Asia as the RCEP became effective on 1 January 2022. Besides upgrading its own cross-border trade and logistics connections with neighbouring Southeast Asia, Kunming has secured high-speed train and expressway links with China's major coastal and interior provinces and cities like Shanghai, Hangzhou, and Chengdu in recent years. These fast transport connections have channelled export cargoes to ride the CLR from Kunming. By 31 December 2021, 380

domestic freight trains had carried 150,000 tons of cargo from Shanghai, Guangzhou, and even Beijing to Kunming bound for Southeast Asia.¹⁴ Thus far, four freight trains destined for Vientiane have run from Shenzhen, Nanjing, Chengdu, and Huaihua, Hunan province to and via Kunming (see a Nanjing-Vientiane train in Figure 5). The CLR's shipping network has reached nine provinces and 15 major cities within China while connecting indirectly to Thailand, Cambodia, Singapore, and other Southeast Asian countries beyond Laos.¹⁵

This growing cargo flow from the rest of China via Kunming and from Kunming to Vientiane and other Southeast Asian markets is also broadening to include more products from more sources with the aid of more sophisticated shipping technology. On 27 December 2021, a freight train of 21 wagons with cold-chain containers left the city of Yuxi near Kunming for Vientiane. It carried various fresh vegetables in 20 containers and fresh flowers in the one other container, the latter a distinctive export from Yunnan, weighing over 300 tons and valued at approximately \$206,000.¹⁶ The CLR's cargo content is poised to diversify further and thus enrich trade along the CLR route and beyond. This will smooth and strengthen the longer and wider movement of goods between China, Laos, and Southeast Asia along the China-Indochina

Figure 5: A Vientiane-Bound Freight Train From Nanjing, Jiangsu Province Via Kunming



Source: The Boten Special Economic Zone WeChat Platform; accessed at <https://mp.weixin.qq.com/s/Z6F3Ub5dKVQ4UFID2EIP8w>.

Peninsula Economic Corridor (see Figure 2).

Even if Kunming and Vientiane work together to link both passenger and freight movements along the CLR, they may still fall short of their combined potential, unless the CLR is seamlessly docked with the planned China-Thailand High-Speed Railway linking Kunming to Bangkok, especially with the RCEP being effective. Currently, the Laos-Thailand train connection is confined to the old metre-gauge track left by the French colonialists between the Thanaleng rail station on the Lao side, away from the Vientiane station, the CLR's terminus south of the city, and the Nong Khai station and land port on the Thai side of the border defined by the Mekong River. On 7 December 2021, the fresh vegetables that arrived on a CLR freight train had to be picked up at Vientiane by 33 Thai trucks from Nong Khai to be forwarded to the rest of Thailand.¹⁷ While this saved a lot of shipping time and cost compared with road-only transport from China to Laos and then to Thailand, it represents an argument for the creation of a direct and smooth Laos-Thailand rail connection.

The Thai government supports the building of a 5.35-km metre-gauge rail line from Thanaleng Station to northern Vientiane, already 70 per cent completed, for improved near-border transport. This solution, however, still misses a direct link to the CLR, even though the Thai government is planning to build a new railway bridge next to the Thai-Lao Friendship Bridge over the Mekong in anticipation of the forthcoming direct train traffic from the CLR to the China-Thailand Railway. This is more urgently needed given the busy Nong Khai border port, which saw \$2 billion worth of exports and \$204 million in imports during 2021, with over 6,000 person exits and 7,000 person entries every day before the pandemic.¹⁸ Given this busy border crossing, the CLR can stimulate more road-based cross-border trade and people movements between northeast Thailand and Vientiane and its surrounding region across the Mekong River, even before a direct Laos-Thailand cross-border train connection.

Designed to run at 180 km/hour over 250 km within Thailand, the high-speed railway will ultimately connect Bangkok to Nong Khai, where it will be seamlessly docked with the CLR. Despite

Figure 6: The China-Laos Railway In A Broader Regional Context



Source: From Yunnan Haicheng Industry Group Co., published with permission in Chen (2020: Figure 3.4) and republished here.

a signed MOU in 2014, the agreed division of labour between China and Laos in building the Thai segment of the railway has been slow, due to a military coup. After some progress in 2018, disputes between China, Thailand, and Laos about the project's financing limited its construction to the first phase and section between Bangkok and Nakhon Ratchasima, with the entire route to be finished and operational by 2028. This sustains the missing link through Thailand for the CLR to connect to Malaysia and Singapore, as envisioned by the Trans-Asian Railway network (see Figure 6), to which 18 Asian countries signed up in 2006. In the meantime, the CLR will not reach its full regional connective and economic potential until a few years from now.

From the CLR to the China-Laos Economic Corridor and Beyond

Through its early period in operation, the CLR has largely lived up to its expected role in stimulating and supporting trade and travel along the emerging China-Laos Economic Corridor (CLEC).

To foster larger and heavier movements of goods and people along the CLEC and beyond, the CLR needs the completion and growing function of the Boten Special Economic Zone (BSEZ) bordering China as a central node that can effectively bridge and facilitate the flow of goods and people between Kunming and Vientiane (see Figure 6). Occupying 16.4 square km and close to completion by a Yunnan-based real estate developer, the BSEZ is a new city with designated and specialised roles in international finance, trade, light manufacturing, logistics, and other economic sectors, where around 300,000 people are projected to work and live locally. With the CLR's launch, the BSEZ has begun to meet the logistics and warehousing needs for through cargo, although its passenger station has yet to open fully, due to China's rigid pandemic border control. In addition, a growing number of Chinese companies have partnered with the Lao government and businesses in light manufacturing, agri-business, and duty-free shopping, while exploring opportunities in financial services and e-commerce in the BSEZ. As the CLR picks up speed and runs more evenly and frequently, the BSEZ is well positioned to both process more freight and passenger flows and play a strong role in extending trade and development benefits along the CLEC. At the CLR's southern terminus, near Vientiane Station, the Saysettha Development Zone (see Figure 6), jointly developed and operated by Chinese and Lao provincial and municipal government and private companies, also uses the CLR to ship assembled or lightly manufactured export products. These two special zones fit the logic of bracketing a train-driven corridor, like the CLEC's Lao segment.

Finally, the CLR also runs a spur line to regional geopolitical dynamics. In conjunction with the BSEZ, the CLR enriches China's rail development statecraft into a broader bundling of infrastructure construction and delivery through the BRI. It offers both connective (the CLR) and sited (the

BSEZ) support to the CLEC and its broader role in strengthening the BRI corridor from China to Southeast Asia. As the converging benefit of zero tariffs under the RCEP takes effect, the CLEC brings China, Laos, and other RCEP members closer together for trade and investment under the world's largest free-trade agreement. This presents a looming challenge to the Biden administration, for which Laos is a foreign policy blind spot after President Obama visited there in 2016 and sent his Secretaries of State, Hilary Clinton in 2012 and John Kerry twice in 2012 and 2016,¹⁹ when the ground was being broken for the CLR. In tightening the China-Laos bond via the CLEC, the CLR has become a winning drive for China in terms of strengthening its hand to compete with the United States in the Indo-Pacific. 

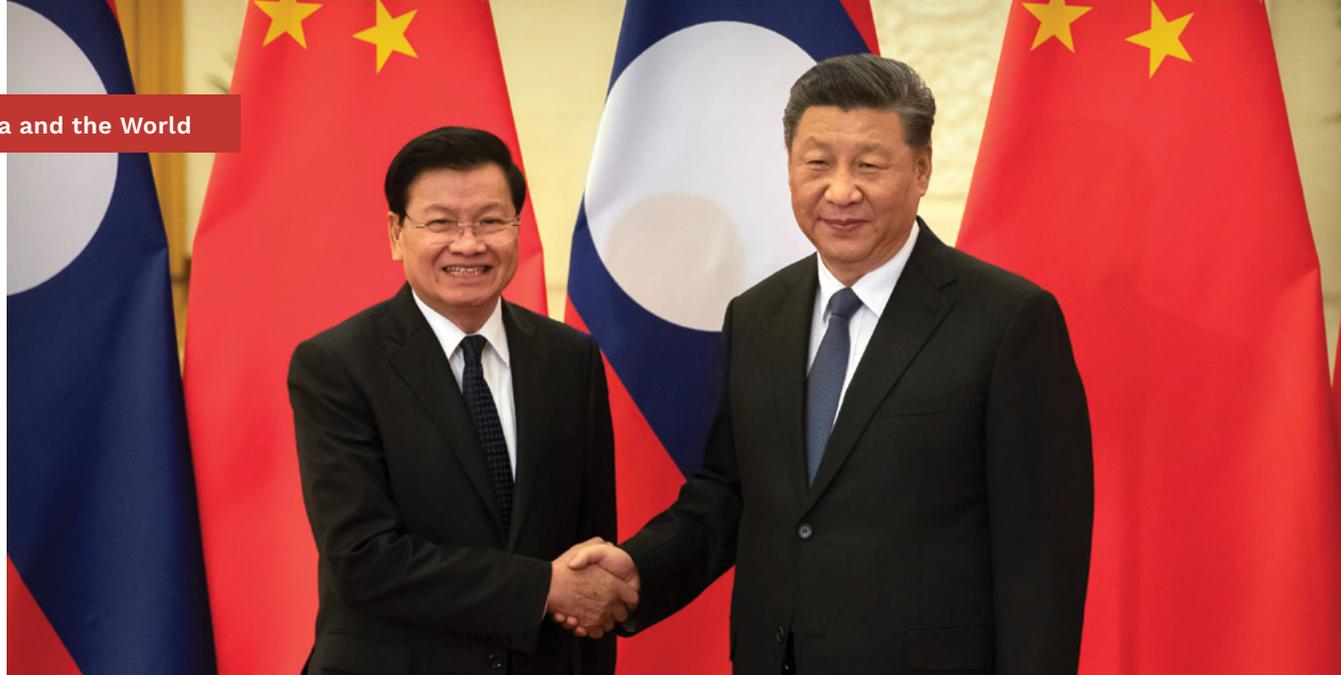


Xiangming Chen served as the founding Dean and Director of the Center for Urban and Global Studies at Trinity College in Connecticut from 2007 to 2019. He is currently Director of the Urban Studies Program and Paul E. Raether Distinguished Professor of Global Urban Studies and Sociology at Trinity College, a guest professor at Fudan University, Shanghai, and an adjunct professor at the Graduate School of the Shanghai Academy of Social Sciences. He has published extensively on urbanisation and globalisation, with a focus on China and Asia, and conducted policy research for the World Bank, the Asian Development Bank, and the OECD.

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Footnotes

1. "President Xi Jinping and President Thongloun attend the opening ceremony for launching the China-Laos Railway," The Yunnan Province Website, 3 December 2021; accessed at <https://mp.weixin.qq.com/s/S5aSoZAq2qLpowdgyB7Srg>.
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