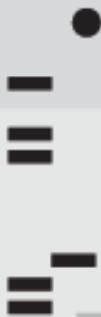


2030 ASIAN INSIGHTS CONFERENCE



# China — BRI, Automation, and the Evolving Supply Chain



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# BRI Tactics

- The rail line originating in Kunming will improve connectivity between China and Southeast Asia.
- High-speed railway will better facilitate mobility of capital and labour.

| Table 1: Selected BRI projects                                   | Status                          | USD bn |
|--|---------------------------------|--------|
| Hungary: Huawei logistic centre                                  | Completed                       | 1.5    |
| Sri Lanka: Hambantota deep sea port Phase I and II               | Completed                       | 1.3    |
| Iran: Rudbar Lorestan hydropower dam                             | Completed                       | 0.6    |
| North Korea: New Yalu Bridge                                     | Completed                       | 0.4    |
| Indonesia: Sumsel-5 power plant                                  | Completed                       | 0.3    |
| Kazakhstan: Khorgos dry port                                     | Completed                       | 0.2    |
| Pakistan: Gwadar Port construction of breakwaters                | Completed                       | 0.1    |
| Cambodia: National Road No. 214, Stung Treng-Mekong River Beidge | Completed                       | 0.1    |
| Laos: China-Laos railway   | Under construction              | 5.8    |
| Bangladesh: Payra power plant                                    | Under construction              | 1.7    |
| Israel: Haifa Bay port   | Started                         | 1.1    |
| Turkey: Third nuclear plant                                      | Announced/<br>under negotiation | 25.0   |
| Mongolia: Travan Tolgoi rail project                             | Announced/<br>under negotiation | 1.0    |
| Ukraine: Kiev metro's forth line                                 | Unknown                         | 1.3    |



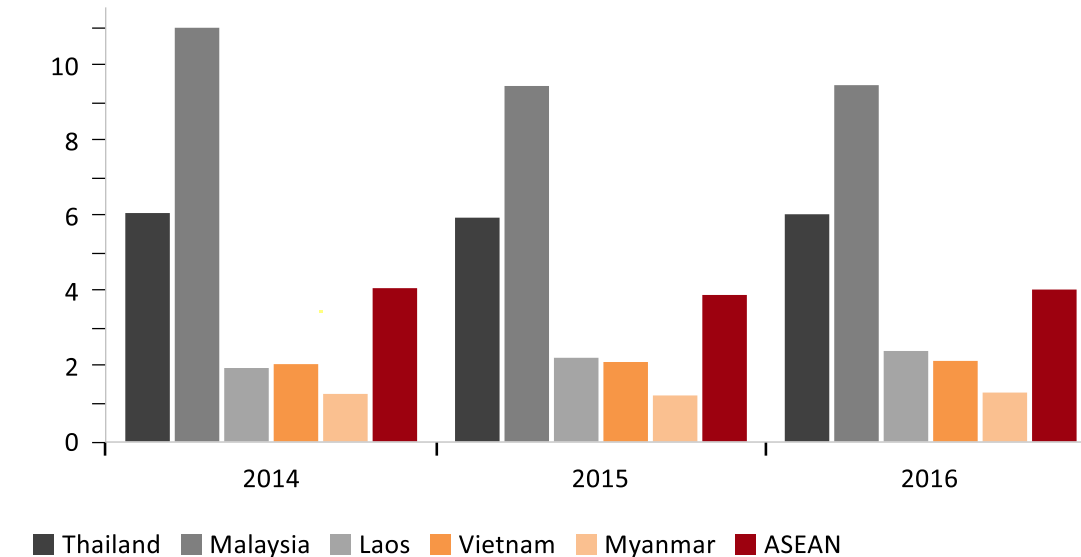
Sources: CSIS Reconnecting Asia Project ([reconnecting.asia.csis.org](http://reconnecting.asia.csis.org)), DBS Group Research

# Southeast Asia – a low-hanging fruit

- The most feasible, and the most important in Southeast Asia, is the central line, which involves the richest ASEAN countries.
- China and Japan competed fiercely to sell high-speed railway to the Thai government.
- China should (i) import more from Thailand; (ii) increase FDI to protect economic ties.

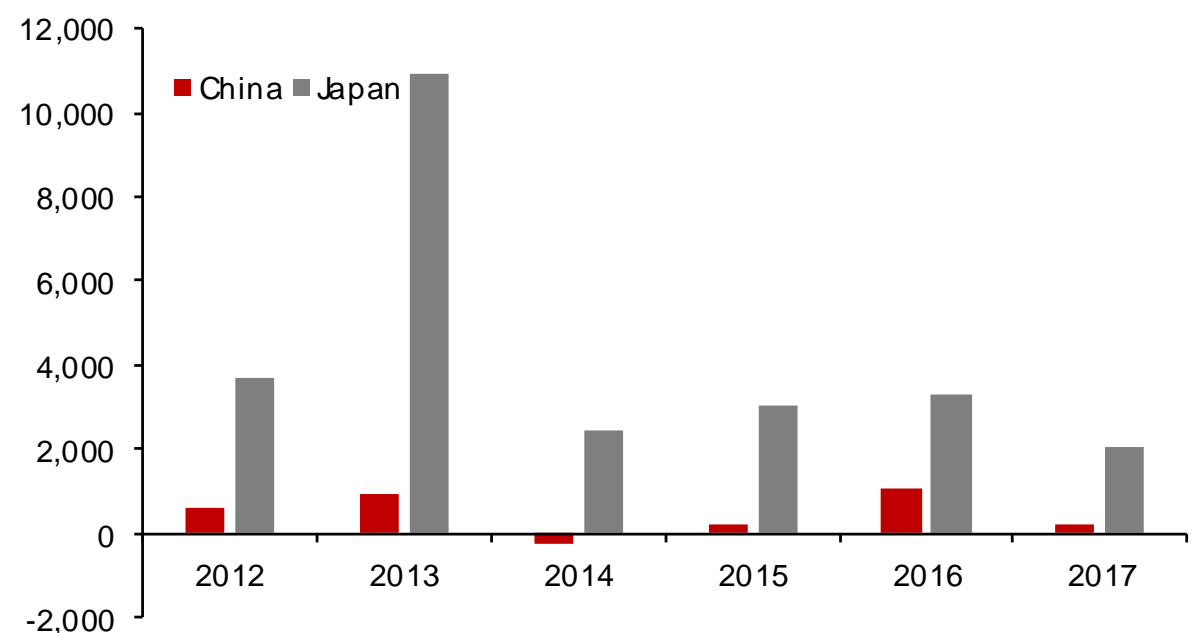
## GDP per capita

USD, thousand



## Foreign direct investment in Thailand

USD mn



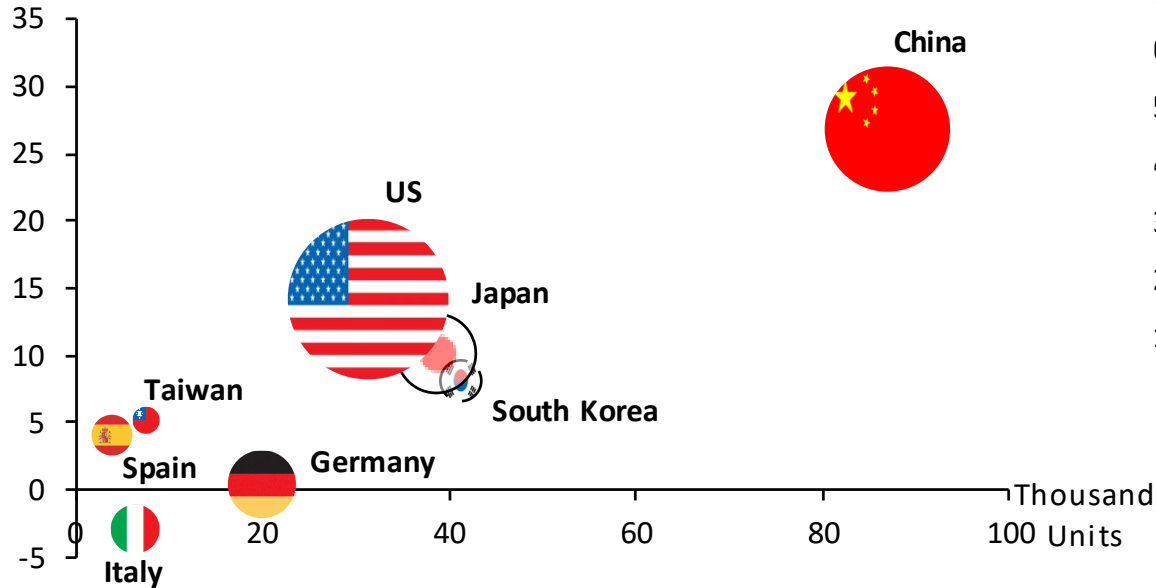
Note: GDP per capita of Singapore, a high-income economy, is not comparable and therefore, not included in the chart.  
Sources: Macrobond, CEIC, DBS Group Research

# Automation drive is essential and welcome

Faced with aging, rising cost, and declining economic growth, China needs automation to boost productivity and maintain competitiveness.

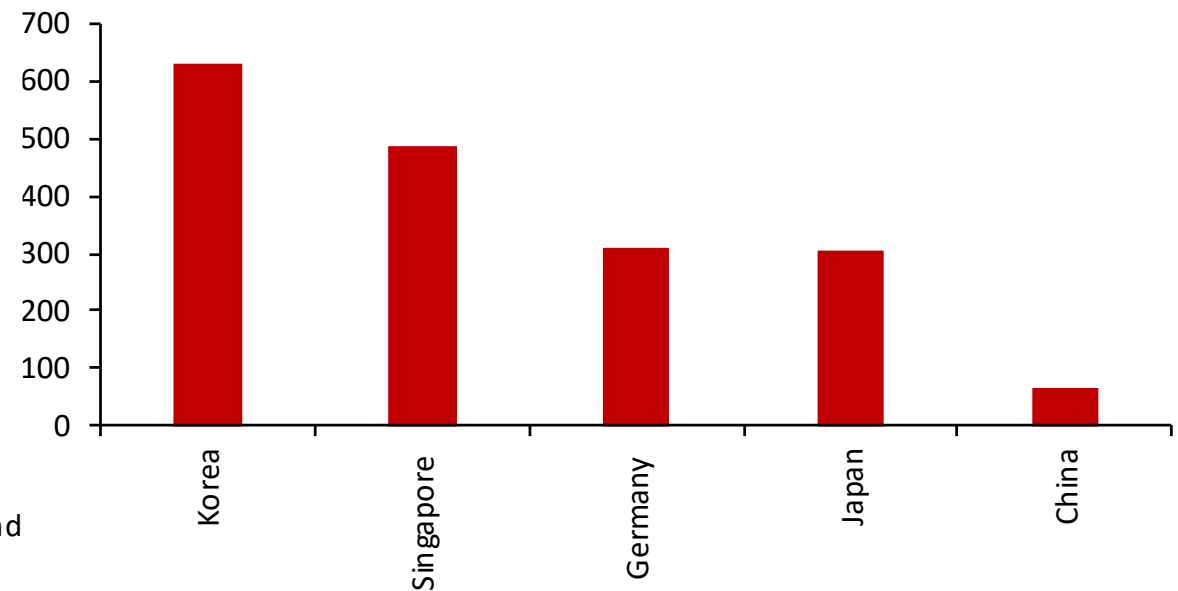
## Robot shipments in 2016

Size of bubble indicates nominal GDP of the economy  
% (YOY)



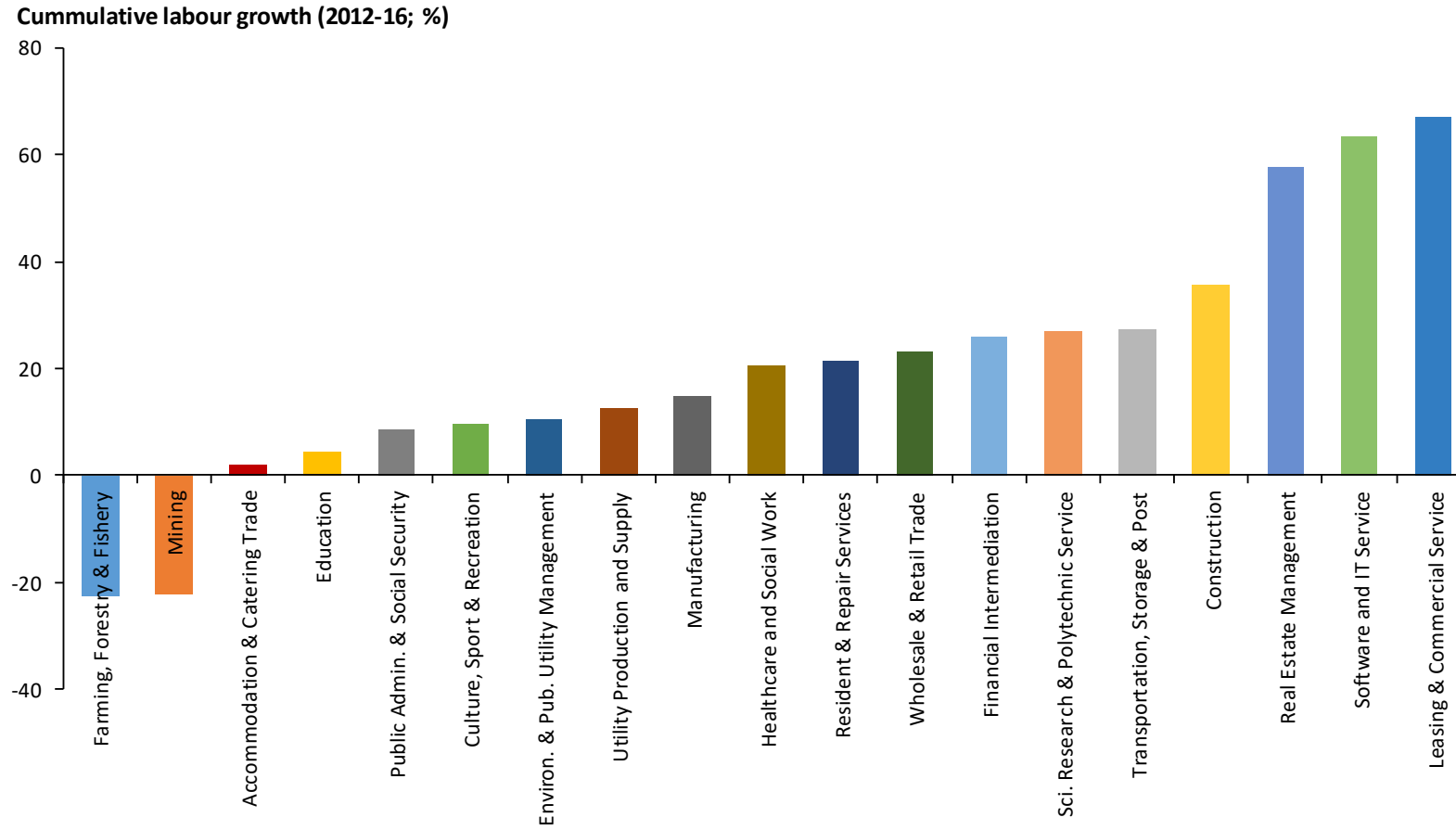
## Robot density of selected countries in 2016

Units per 10,000 workers



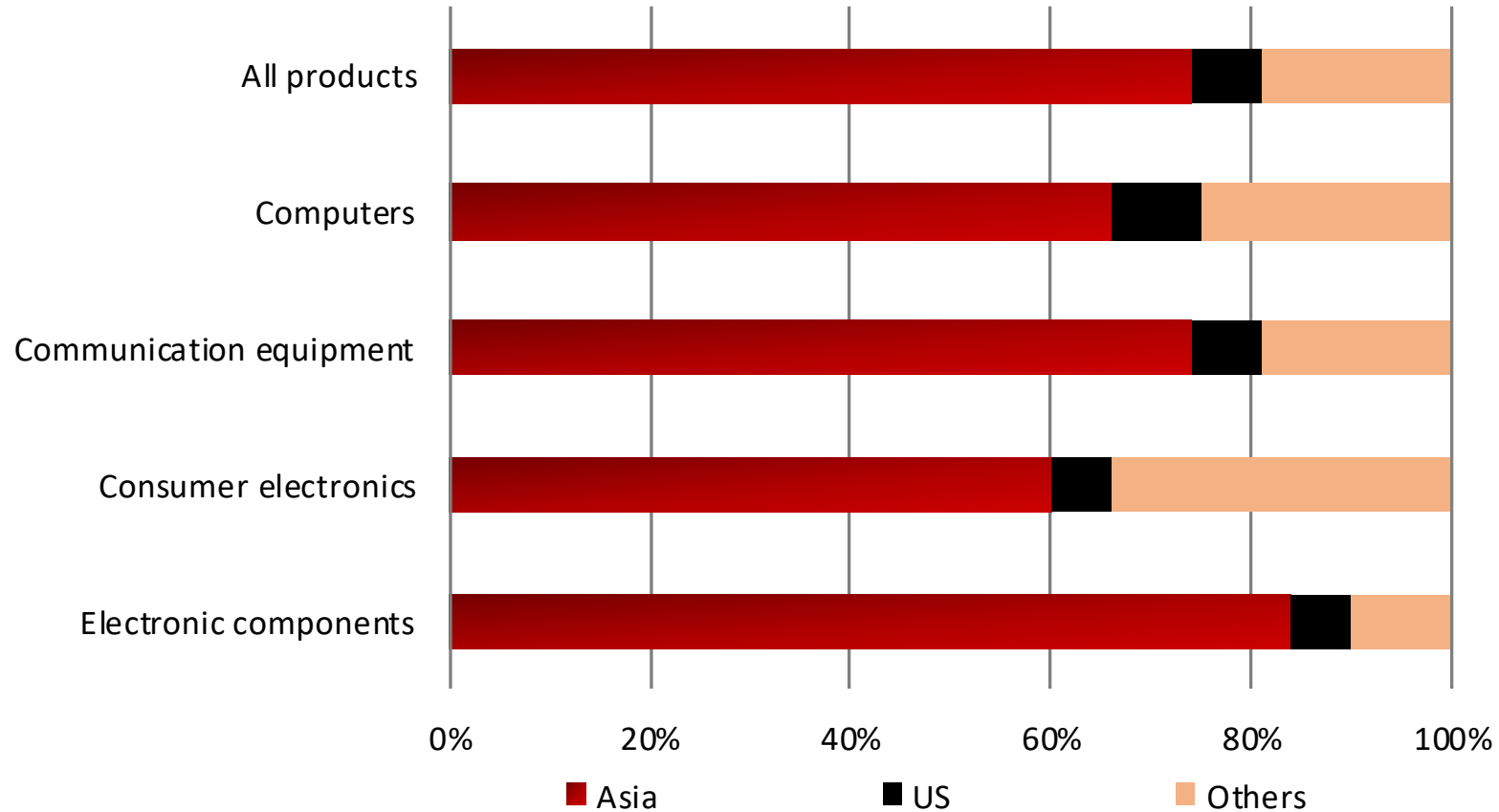
# Automation drive is essential and welcome

Automation enables lower-skilled workers to work on higher value-added jobs.



# Asia's electronics supply chain – scale is large

Asia vs US: share in global ICT goods exports



# Asia's electronics supply chain – interdependence is high

Asia: share of intra-Asia trade in ICT goods exports / imports

