COVID-19, Belt and Road Initiative and the Health Silk Road: Implications for Southeast Asia

Ngeow Chow-Bing
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Abbreviations

AIIB      Asian Infrastructure Investment Bank  
APT      ASEAN Plus Three  
ASEAN    Association of Southeast Asian Nations  
BIMP-EAGA Brunei–Indonesia–Malaysia–Philippines/East ASEAN Growth Area  
BRI      Belt and Road Initiative  
CDC      Centers for Disease Control and Prevention  
HSR      Health Silk Road  
Lao PDR   Lao People's Democratic Republic  
LMC      Lancang–Mekong Cooperation  
NGOs     Non-Governmental Organisations  
OBOR     One Belt One Road  
RCEP     Regional Comprehensive Economic Partnership Agreement  
SCO      Shanghai Cooperation Organization  
SOE      state-owned enterprises  
TCM      Traditional Chinese Medicine  
UN       United Nations  
UNAIDS   Joint United Nations Programme on HIV/AIDS  
US       United States  
USAID    United States Agency for International Development  
WHO      World Health Organization
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Executive Summary

- Similar to the Belt and Road Initiative, the Health Silk Road is not precisely defined, covering a wide scope of activities, including bilateral and multilateral health policy meetings and networks, capacity building and talent training, mechanisms to control and prevent cross-border infectious diseases, health aid, traditional medicine, and healthcare industry.
- The Health Silk Road is tied to the domestic program of Health China 2030 and builds on existing practices of China’s health diplomacy.
- COVID-19 highlights the need for public health infrastructure for many countries, especially developing countries. The Health Silk Road provides the policy frame for China to strengthen and reform its foreign medical aid system, increase its influence in regional and global health governance, direct BRI investment to basic public health investment, and enlarge China’s role in the supplies of medical products and services.
- Southeast Asia will be an important region where China promotes the HSR. Concrete health cooperation projects will be negotiated bilaterally. Multilaterally (ASEAN) and at the sub-regional level (Mekong region and East ASEAN area), China will engage for the purposes of policy consensus and coordination. Economically, different Southeast Asian countries will have different kinds of investment and trade relationship with China, depending on their level of economic development.
1. Introduction: Belt and Road Initiative and Health Silk Road

Since 2013, a main mission of Chinese diplomacy has been to promote and advance the Belt and Road Initiative (BRI), originally formulated as One Belt One Road (OBOR).

The concept of the BRI itself defies precise definition. Geographically speaking, the “Belt” refers to the “Silk Road Economic Belt,” an overland route that connects East Asia and Europe through Central Asia. The “Road” refers to the “21st Century Maritime Silk Road,” which connects East Asia with Southeast Asia, South Asia, Middle East and Eastern Africa. Inspiration of these two routes comes from the ancient “Silk Roads” where trade and cultural exchanges flourished. Despite the central geographical scope of the BRI being Eurasia, the concept is elastic to expand beyond to Africa, Latin America, the polar region and Pacific countries. The Chinese government has never confined the concept within a specific geographical scope.

Similarly, what the concept entails in terms of actual policy measures is elastic as well. While the major foundation is about infrastructure connectivity, officially there are five major components of connectivity that the BRI seeks to advance: policy coordination, facility connectivity, unimpeded trade, financial integration and people-to-people exchanges. Policy coordination and people-to-people exchanges serve to provide the political and social foundation for the investment of hard infrastructure (usually by Chinese enterprises), such as rails, roads, ports and electricity. Infrastructure connectivity, in turn, will promote greater exchanges of goods, people and capital, between and among China and the participating countries in the BRI. Formulation and implementation of concrete infrastructure projects will depend on bilateral negotiations and consultations. As Chinese official document on the BRI (the 2015 Vision and Action document) expounds, the BRI will proceed on the basis of “extensive consultation, joint efforts, and shared benefits.” In actual operation, “extensive consultation” means bilateral negotiation and discussion. There is no fixed or standardised model for each country or each project.

As China is the proposer of this grand project, such a broad conceptualisation of the BRI also gives Beijing a unique definitional flexibility and advantage. Everything that is positive for the enhancement of the BRI narrative can be included. Beijing can also shape and reshape it according to different circumstances and to different countries and audience. Hence, the BRI has from the very beginning been a highly elastic and adaptive venture. Any analyst looking for a detailed “blueprint” of the BRI will be disappointed to find that there is none; there are only general and effusive principles.

Under Xi Jinping, the BRI was written into the Constitution of the Chinese Communist Party. It signals that the BRI will be China’s long-term commitment. Although the BRI elicits highly sceptical views and outright hostile criticism (such as charges of “debt-trap diplomacy”) in Western policy, media and academic circles, China will not be deterred in its pursuit of the BRI vision. Nevertheless, foreign criticisms do prompt Beijing to rethink how to shape the BRI better. The vaguely defined nature of the BRI, in this sense, also allowed the Chinese government to make necessary adjustments and redirect its focus. The clearest example is the so-called “BRI 2.0,” manifested in the Second BRI Forum in Beijing, May 2019. The agenda of the “BRI 2.0,” more explicitly than before, aimed to promote high-
quality, sustainable, “cleaner and greener” BRI projects. Although the practice may not always measure up to the rhetorical commitment, the new agenda of the “BRI 2.0” at least showed that Beijing has been responding to some of the concerns about the way BRI was proceeding.

It is within this context that we examine the relationship between the Health Silk Road (HSR) and the BRI. In as early as 2015, Chinese health authorities had come out with policy proposals to enhance international health cooperation under the “people-to-people exchanges” component of the BRI. The concept of the Health Silk Road was first mentioned in a speech by Xi Jinping in 2016, but the HSR has always stayed on the margin of the BRI, until the unexpected COVID-19 outbreak in 2019–2020. The ongoing COVID-19 pandemic is going to fundamentally transform global politics and the foreign policy priorities of many countries. With the pandemic negatively affecting so many economies, it is unlikely that the BRI could continue its costly and sometimes controversial infrastructure and overcapacity transfer mantle in its early phase. Hence, China is likely to redirect the HSR as a mainstay of the BRI, emphasising the healthcare infrastructure foundation of the BRI countries, together with the already prominent “Digital Silk Road,” in the coming years.
2. What is the Health Silk Road?

Promoting the BRI is a “whole-of-government” effort, in the sense that almost all central government ministries of China have a role to play in the wide range of activities encompassing the activities of the BRI. Table 1 provides a summary of selected cases of roles assigned to the central government entities according to the scheme of the “five areas of connectivity” of the BRI.

Table 1: Chinese Central Government Ministries/Agencies and the BRI (selected cases)

<table>
<thead>
<tr>
<th>Areas of Cooperation</th>
<th>Key Ministries/Agencies</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Planning and Coordination</td>
<td>National Development and Reform Commission</td>
<td>China’s lead agency in the overall planning and coordination of BRI policy measures</td>
</tr>
<tr>
<td>Policy Coordination</td>
<td>Foreign Ministry</td>
<td>Exercises diplomacy to promote cooperation and acceptance of the BRI</td>
</tr>
<tr>
<td></td>
<td>International Department of the CCP Central Committee</td>
<td>Party-to-party diplomacy</td>
</tr>
<tr>
<td>Infrastructure/Facilities Connectivity</td>
<td>Ministry of Transport</td>
<td>Planning of transportation connectivity between China and BRI countries</td>
</tr>
<tr>
<td></td>
<td>National Railway Administration</td>
<td>International railway cooperation and standardisation</td>
</tr>
<tr>
<td></td>
<td>Civil Aviation Administration</td>
<td>Increasing Chinese airports’ connectivity internationally</td>
</tr>
<tr>
<td></td>
<td>China Maritime Safety Administration</td>
<td>International port and shipping lines connectivity</td>
</tr>
<tr>
<td></td>
<td>National Energy Administration</td>
<td>International energy cooperation, pipeline connectivity, regional electricity network</td>
</tr>
<tr>
<td></td>
<td>Ministry of Industry and Information Technology</td>
<td>Digital infrastructure connectivity</td>
</tr>
<tr>
<td></td>
<td>State Administration for Science, Technology and Industry for National Defence</td>
<td>Satellite services</td>
</tr>
</tbody>
</table>
## Areas of Cooperation

<table>
<thead>
<tr>
<th>Areas of Cooperation</th>
<th>Key Ministries/Agencies</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unimpered Trade</td>
<td>Ministry of Commerce</td>
<td>Foreign investment, trade facilitation, bilateral economic agreements</td>
</tr>
<tr>
<td></td>
<td>National Development and Reform Commission</td>
<td>Industrial cooperation</td>
</tr>
<tr>
<td></td>
<td>State-owned Assets Supervision and Administration Commission</td>
<td>Foreign investment of state-owned enterprises (SOEs), planning of industrial zones, risk assessment</td>
</tr>
<tr>
<td></td>
<td>General Administration of Customs</td>
<td>Simplification of customs procedures for BRI countries</td>
</tr>
<tr>
<td>Financial Integration</td>
<td>Ministry of Finance</td>
<td>Overseeing Asian Infrastructure Investment Bank (AIIB), financing of projects</td>
</tr>
<tr>
<td></td>
<td>People’s Bank of China</td>
<td>Promote the use of renminbi</td>
</tr>
<tr>
<td>People-to-People Exchanges</td>
<td>National Health and Population Commission</td>
<td>International health cooperation</td>
</tr>
<tr>
<td></td>
<td>Ministry of Science and Technology</td>
<td>International scientific cooperation</td>
</tr>
<tr>
<td></td>
<td>Ministry of Education</td>
<td>Educational and research cooperation</td>
</tr>
<tr>
<td></td>
<td>State Administration of Press</td>
<td>Promote positive narratives on the BRI</td>
</tr>
<tr>
<td></td>
<td>International Department of the CCP Central Committee</td>
<td>Networking with foreign political parties and non-governmental organisations (NGOs)</td>
</tr>
<tr>
<td></td>
<td>Supreme People’s Court of China</td>
<td>Providing legal services for Chinese and foreign enterprises in BRI countries</td>
</tr>
</tbody>
</table>

*Source: Zou (2017: 80–90)*

International health cooperation was thus conceptualised and deemed an important aspect of the “people-to-people exchange” of the BRI. In 2015, Chinese health authorities unveiled a document titled “A Three Year Implementation Plan for Advancing BRI Health Cooperation (2015–2017).”¹ The document is a comprehensive policy document for international health cooperation, which became the basis of the concept of the HSR that emerged a year later. Hence, it is worth taking a closer look into this document.

The document began by pointing out the importance of health to the BRI. Increasing health infrastructure ensures socio-economic development. And as cross-border flows of people increase with the progress of the BRI, the risk of the spread of infectious diseases also increase. “Strengthening health cooperation between China and the BRI countries, and jointly working to encounter public health crises, will help protect the health security and social stability of China and BRI countries, which also protect the construction of the BRI,” the document claimed.
The document laid out a three-stage strategy to promote the BRI from the healthcare sector. The immediate term of the first three years (2015–2017) would be to consolidate existing health cooperation projects, to initiate some new ones and to mainly build consensus among the BRI countries. The goals of the following medium term in the next three to five years (2017–2020/2022) would be to construct a preliminary network of health cooperation among the BRI countries, to ensure adequate domestic policy support for such endeavours, to launch several key health cooperation projects, and to increase China’s voices and influences in regional and global health governance mechanisms. In the long-term (five to ten years, or 2020–2030), China should be able to reap the benefits of the earlier projects and demonstrate to the world the advantages of health cooperation with China. China by then should also have increased both its capacity and status in regional and global health governance matters. The document did not specifically mention that China would be a global health leader, but the implication was clear.

The document also listed eight priority areas of BRI health cooperation. First, securing political support for health cooperation is the foundation. Hence the document emphasised the need for regular bilateral and regional/multilateral health-related meetings and mechanisms along governmental leaders and officials between China and the BRI countries. This would be crucial for consolidating the support and consensus towards the vision of BRI health cooperation.

Second, the document emphasised the construction of mechanisms to control, tract, exchange information and coordinate regarding cases of infectious diseases, especially along the bordering countries, with particular mentioning of China’s populous cross-border regions with the mainland Southeast Asian countries.

Third, in terms of capacity building and talent training, the document suggested that China should launch short-, medium-and long-term training and educational programmes for medical and health professionals from the BRI countries. Alliances of hospitals, research institutes and medical schools would be encouraged to form to encourage exchange of research and development.

Fourth, the document emphasised the need for constructing a cooperative framework over public health crises among the BRI countries. Joint exercises in public health crises should be held while a coordinating mechanism for handling medical emergencies should be readied.

Fifth, the document called for harnessing the potentials of traditional medicine. While much of the emphasis and focus was on how to help Traditional Chinese Medicine (TCM) to “go out,” the document did point out that traditional medicine in other countries should also be emphasised.

Sixth, it called for cooperation and mutual learning over a wide range of issues related to healthcare system and policies, such as medical insurance coverage, healthcare system reform, laws and regulations, demography and family planning, and senior citizen care. China’s own experiences and lessons in healthcare development are to be shared and exchanged with other countries.

Seventh, the document proposed that China institutionalise medical aid to BRI countries, especially among the poor countries, such as dispatching short-term and long-term medical aid teams, constructing basic medical infrastructure, donating drugs and other health equipment, and providing training projects.
Eighth, it also discussed the potential of healthcare industry collaboration along the BRI countries. It mentioned medical tourism, cross-border health insurance, long-distance medical care, export of China’s medical equipment and pharmaceutical products, foreign investment of China’s health-related enterprises, and so forth.

While these ideas would provide the basic foundation of what constitute the Health Silk Road (HSR), the term itself only emerged in June 2016, in a speech made by Xi Jinping to the legislature of Uzbekistan, in which Xi emphasised health cooperation as an important cooperative agenda of the BRI. A year later, in August 2017, Beijing convened the first “Belt and Road High-Level Meeting for Health Cooperation.” The meeting was subtitled “Towards the Health Silk Road.” A “Beijing Communique” on the HSR was signed by China, the World Health Organization (WHO), the Joint United Nations Programme on HIV/AIDS (UNAIDS) and thirty other countries. The Communique put forward eight cooperative measures, which overlapped mostly with the 2015 document, with the added emphasis on maternal, child and reproductive health projects, and an explicit support for cooperation between the BRI and international organisations such as the WHO and UNAIDS. The Communique also upholds the general BRI’s principles of “extensive consultation, joint efforts, shared benefits,” plus “the rule of law and equal opportunities for all.”

The 2015 document and the 2017 Communique, therefore, together constitute the major authoritative documents on the HSR coming out from Beijing. The areas of cooperation that have been mentioned are wide and extensive. However, just as its parent concept, the BRI, the characteristics of flexibility and elasticity will be similarly applied to the case of the HSR. The documents indicate what are the areas of cooperation that China would like to undertake, but otherwise it is not a fixed blueprint, and the scope of activities of the HSR can expand depending on the circumstances. The concrete projects will also depend on actual consultation and discussion between China and partnering countries.

Health China 2030 and the Health Silk Road

Another Chinese government initiative that is pertaining to the HSR is Health China 2030, unveiled in 2016. Health China 2030 is a comprehensive and ambitious program, aiming to elevate overall health standards of the Chinese citizens. There are more than twenty policy measures covered by the initiative, including health education, publicity campaigns for healthy lifestyle, public healthcare facilities, insurance coverage, supplies of medicine, the environment, food and drug safety, health service industry, traditional Chinese medicine, professional education and training, healthcare system reform, medical informatics, innovation in medical science and technology, laws and regulations, and international health cooperation.

Under the chapter of “international health cooperation” of the 2016 Health China 2030 document, it is stated that China would embark on a “global health strategy, and comprehensively promote international health cooperation. Using bilateral cooperative mechanisms as the basis, China would innovate on models of [health] cooperation and strengthen people-to-people exchanges with countries on the BRI. China also would strengthen South–South Cooperation, strongly implement China–Africa public health cooperation projects, and continue to send out medical aid teams to developing countries, with
particular emphasis on maternal and children healthcare.” Also, China would “fully utilize high-level dialogue mechanisms and include health in the agenda of China’s major country diplomacy. China would proactively participate in global health governance, and exercise its influences in the studies, negotiation, and formulation of international standards, norms, and guides, therefore increasing its international influences and institutional discourse power in the health sector.” In many ways, Health China 2030 complements the HSR.

Health Silk Road and China’s Long-Running Health Diplomacy

Another aspect of the HSR that needs to be understood is that many developments attributed to the HSR actually have been continuation of China’s health diplomacy that predated the conception of the HSR itself. This is, again, similar to the parent concept of the BRI, where many projects that predated the BRI were eventually enveloped into it. This practice has the effects of making the pre-conception projects seemingly more coherent while allowing the new possible projects to be planned and built on a more purposive framework. Before the BRI and the HSR, China’s health assistance to Africa is especially noteworthy (Tambo, et al. 2017). Especially during the 2012–2014 Ebola epidemic in West Africa, China made a notable and unprecedented response, mobilising the largest overseas health emergency assistance, dispatching more than a thousand medical personnel, providing free care, and constructing a biosafety level-3 laboratory (Tang, et al. 2017: 2596–2597). This was on top of the long-standing health assistance rendered by China to Africa in the spirit of South–South cooperation, stretching back to the 1960s.

Chinese data on health aid are difficult to come by. According one study, there are five primary categories of health aid: medical teams, construction of hospitals and other health facilities, donation of drugs and equipment, training of health personnel, and malaria control. Most of the recipient countries are African countries. Annually more than a thousand Chinese medical workers are working in African countries, while from 2002 to 2012, the Chinese government had supported the construction of eighty health facilities in the developing world (Liu, et al. 2014: 795–796).

Apart from health aid, another two components of Chinese international health engagement are health security and health governance (Liu, et al. 2014). The 2003 SARS outbreak (and the ongoing COVID-19 pandemic) demonstrated the human security dimension of public health crisis, especially cross-border infectious diseases. Conscious of the increasing levels of people-to-people interactions between Africa and China, and therefore the increased risks of the spread of infectious diseases, China and the United States (US) cooperated to help build the African Centres for Disease and Control. Closer to home, China (Yunnan and Guangxi Provinces) is a member of the Mekong Basin Disease Surveillance Network, established in 2001, focusing on seven priority areas for “national action and sub-regional cooperation: cross-border (XB) cooperation; strengthening the animal-human health interface and community surveillance; epidemiology capacity building; laboratory capacity building, information and communications capacity building; risk communications and policy research” (Moore and Dausey, 2015: 2).
In terms of health governance, other than being supportive of international health bodies, China advanced several regional health forums as principal platforms to increase China’s influences. These forums include China–ASEAN Health Cooperation Forum, the China–Central and Eastern European Countries Health Ministers Forum and the China–Arab Health Cooperation Forum. These forums are attended by health officials and for China and participating countries to propose and discuss concrete projects of cooperation. In Shanghai Cooperation Organization (SCO), China has also been an active participant to push for stronger health cooperation among the countries (Tayier, 2019).

The HSR essentially builds on these long-existing practices. Sometimes an existing program may be continued and expanded by adding the name of “HSR” on it. For instance, China in 2015 initiated a “China–ASEAN Talent Training in Public Health (2015–2017)” to train 100 public health professionals for the Association of Southeast Asian Nations (ASEAN). The program was continued and expanded into a “China–ASEAN Human Resources Training Program of Health Silk Road,” aiming to train more than 1000 ASEAN healthcare professionals by 2022.

Health Silk Road and Healthcare Industry

In recent years, there was a marked increase of foreign investment by Chinese companies in the healthcare and pharmaceutical sectors. According to a report prepared by PricewaterhouseCoopers China, Chinese foreign investment in health industry reached 4.2 billion US dollars in 2017, compared to 130 million US dollars in 2014 (Xing, 2017). Many of these investments were strategic acquisitions of foreign pharmaceutical companies, medical devices makers and healthcare services corporations by private Chinese companies. Table 2 provides a selection of these acquisition cases. In the meantime, China also welcomed foreign investment into Chinese health sector. According to a report by Deloitte China (2017), from 2012 to 2016, China received a total of 12.35 billion US dollars foreign investment in Chinese healthcare sector, distributed among the pharmaceutical, bio-tech, medical device manufacturing and healthcare services industries. These investments significantly enhanced the upgrading of Chinese capabilities in high-tech medical devices manufacturing and pharmaceutical production.

These investments occurred around the same time of the promotion of the HSR. The fact that the HSR, as illustrated by the 2015 “BRI Health Cooperation” document, also has an economic component, perhaps gives the perception that these were all under a coordinated plan of action under the HSR. However, these investments and acquisitions were likely strategic corporate behaviour which the government would endorse as part of the HSR aftermath. In addition, Made in China 2025, a strategic industrial policy initiative announced in 2015, which lists ten strategic high-tech areas where China aims to be self-sufficient at, includes “biotechnology and high-end medical devices” as one of the ten areas. Made in China 2025 has generated much misgivings and wariness in the West, given that it provides unfair level playing field to Chinese companies and directly undercuts the technological advantages possessed by Western companies, compounded by the ongoing concerns of Chinese violations of the intellectual properties of Western companies. Nevertheless, the overall conceptualisation of the HSR is one of international health cooperation and not strategic manufacturing. The two initiatives have different goals and objectives.
Table 2: Selected cases of Chinese companies’ investments in and acquisitions of foreign healthcare companies (2014–2016)

<table>
<thead>
<tr>
<th>Date</th>
<th>Chinese Companies</th>
<th>Foreign Companies</th>
<th>Sector</th>
<th>Value (USD)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2014</td>
<td>Jiangsu SanPower</td>
<td>Natali (Israel)</td>
<td>Healthcare services</td>
<td>70 million</td>
<td>100% acquisition</td>
</tr>
<tr>
<td>June 2015</td>
<td>Haisco Pharmaceutical</td>
<td>SMI (Israel)</td>
<td>Medical device maker</td>
<td>18 million</td>
<td>Largest shareholder</td>
</tr>
<tr>
<td>August 2015</td>
<td>Tencent</td>
<td>Practo (India)</td>
<td>Internet-based Healthcare</td>
<td>90 million</td>
<td></td>
</tr>
<tr>
<td>September 2015</td>
<td>Haisco Pharmaceutical</td>
<td>MST (Israel)</td>
<td>Medical device maker</td>
<td>11 million</td>
<td>26.7% share</td>
</tr>
<tr>
<td>September 2015</td>
<td>H &amp; H International</td>
<td>Swisse Wellness (Australia)</td>
<td>Pharmaceutical</td>
<td>99 million</td>
<td>83% share</td>
</tr>
<tr>
<td>November 2015</td>
<td>CITIC</td>
<td>Biosensors International (Singapore)</td>
<td>Medical device maker</td>
<td>1 billion</td>
<td></td>
</tr>
<tr>
<td>December 2015</td>
<td>Luye Pharma Group</td>
<td>Healthe Care (Australia)</td>
<td>Healthcare service</td>
<td>686 million</td>
<td></td>
</tr>
<tr>
<td>March 2016</td>
<td>Jiangsu SanPower</td>
<td>A.S. Nursing (Israel)</td>
<td>Healthcare service</td>
<td>35 million</td>
<td></td>
</tr>
<tr>
<td>March 2016</td>
<td>Taho Invest</td>
<td>Alliance HealthCare Services (Untied States)</td>
<td>Healthcare service</td>
<td>642 million</td>
<td>51.51% share</td>
</tr>
<tr>
<td>May 2016</td>
<td>Creat Group</td>
<td>BPL Holdings (United Kingdom)</td>
<td>Bio-tech</td>
<td>1.19 billion</td>
<td></td>
</tr>
<tr>
<td>July 2016</td>
<td>Fosun International</td>
<td>Gland Pharma (India)</td>
<td>Pharmaceutical</td>
<td>1 billion</td>
<td>74% share</td>
</tr>
<tr>
<td>July 2016</td>
<td>Jiangsu SanPower</td>
<td>Cordlife Group (Singapore)</td>
<td>Healthcare service, elderly care</td>
<td>64 million</td>
<td>20% share</td>
</tr>
<tr>
<td>May 2017</td>
<td>Lippo China</td>
<td>Healthway Medical (Singapore)</td>
<td>Healthcare service</td>
<td>64 million</td>
<td>82.5% share</td>
</tr>
</tbody>
</table>

Source: Deloitte China (2017: 30), PricewaterhouseCoopers House China (2017: 8).
3. COVID-19 and the Health Silk Road

The outbreak of the COVID-19 pandemic has exposed the significant weaknesses of public health infrastructure of developed and developing countries alike. Healthcare facilities were overwhelmed with the sudden surge of cases, the information systems were unable to cope, while basic personal protective equipment, including respirators, surgical masks, hospital gloves, protective garments, medical goggles and medical shoe covers were in short supply. As a study by Peterson Institute of International Economics shows, as a manufacturing powerhouse, China supplied almost 50 per cent of these protective equipment products in the world market pre-COVID-19, and the continued ability by China to make and export these supplies will be crucial for countries, especially poor countries, to battle the pandemic and other potential diseases (Bown, 2020a; 2020b).

While China has faced intense international scrutiny for its initial inadequate handling of COVID-19, after containing the spread of the coronavirus in early March 2020, China has been now actively exercising “medical diplomacy,” partly an attempt to redeem its tarnished image. China has shipped out billions of masks and millions of pieces of protective equipment, though mostly actually to developed countries such as the US, Italy and Japan. It also sent health expert teams to friendly countries in the developing world. In the early stage of Chinese medical aid, a pattern of “a province for a country” emerged where a resource-rich province would be responsible for providing both material medical assistance (masks and protective gears) and health experts to a paired country. This evolved from the unique “a province for a city” within China in their own early efforts to contain the virus. Although “a province for a country” is never officially announced as a policy, the capabilities of the central government to utilise provincial resources and expertise are unique. The health teams that China dispatched shared China’s experiences, lessons and suggestions, which are quietly appreciated by the healthcare professionals of those countries that received them. While one can view these activities as part of the HSR, as repeatedly emphasised, the HSR is a much broader, long-term adventure.

China has been careful in raising the idea of the HSR to the outside world amid the ongoing outbreak, but nevertheless has been criticised by a few Western countries for using medical assistance as a trade-off to sell China’s COVID-19 handling narrative to the world. President Xi spoke of the concept with Italian Prime Minister Giuseppe Conte on 16 March 2020. On 24 March, a People’s Daily commentary elevated the HSR as a new platform for BRI cooperation and for contributing to global health governance. On 24 April, the Beijing-based Belt and Road Think Tank Alliance organised the first online forum on the HSR, where more than thirty scholars and retired foreign statesmen participated. Song Tao, the head of the International Department of the Chinese Communist Party, gave the opening speech to the forum. Since then, Chinese media’s mentioning of the concept has increased, but not spectacularly, and surely not at the same level the way Chinese media has promoted the BRI before COVID-19.

This indicates that China is concerned about the way the HSR is interpreted abroad. In China’s view, the BRI has already been seriously distorted by hostile Western press and policy circles, and the HSR will likely receive the same fate. China
is therefore more interested to explore this idea with countries in the developing world, which in general are more receptive of the messages sent out by China.

On 19 June, Beijing held a teleconference with the foreign ministers of 27 countries where a “Joint Statement of the High-level Video Conference on Belt and Road International Cooperation: Combating COVID-19 with Solidarity” was issued. The statement called for the implementation of the Health Silk Road. It states that the countries support mutual efforts in combating the COVID-19 through the sharing of timely information and knowledge, strengthening of public health system, promoting scientific exchanges, and providing assistance. It also took note of the global priority of ensuring “an equitable access to health products” and calls “for investment in building sound and resilient health related infrastructures, including the development of telemedicine.” Among ASEAN countries, only three (Brunei Darussalam, the Philippines and Vietnam) were absent from the video conference.

Hence, in the midst and aftermath of the COVID-19 pandemic, the HSR is likely to feature in China’s diplomacy and foreign economic policy in several ways. First, China’s health diplomacy, such as medical aid and capacity training, will be continued and expanded under the HSR concept, and now with a more urgent sense after COVID-19, partly to repair the damage to its image, but also to demonstrate China is capable of providing public goods and winning hearts and minds. In the process, China also needs to reform its domestic policy system to support foreign medical aid. As Chinese scholars have pointed out, China’s foreign medical aid practices have been different from the existing practices of most donor countries, and often resulted in incomplete data and misunderstanding. The domestic laws and policy structure also need to be reformed. In the past, the Chinese medical aid team was dispatched by health authorities, but material support, hospital construction and capacity building were undertaken by the Ministry of Commerce, leading to lack of coordination (Ao and Sun, 2019: 157). The creation of the new China International Development Cooperation Agency in 2018 was to address the institutional weaknesses of China’s foreign aid.

Second, the concept will continue to be relevant for Chinese leadership to claim leadership in regional and global health governance. China has doubled down its support for international and health bodies under the United Nations (UN) such as the WHO while the Trump administration has decided to withdraw from it. China is likely to package its participation in regional and global health governance as an illustration of how the HSR is contributing to the betterment of humanity. The concept will also be accompanied by other emerging concepts, such as the “Community of Common Health of Humanity,” underscoring Xi Jinping’s narrative of “cooperation and unity,” with an implicit contrast to the protectionist instinct of “Make America Great Again” agenda of Donald Trump presidency.

Third, the HSR will reinforce the BRI, but with a different emphasis before COVID-19—now with critical public health infrastructure. A briefing note prepared by the AIIB notes that COVID-19 highlights several aspects of public infrastructure that continue to be needed for greater investments in developing economies in order to make them less vulnerable to
outbreaks (Asian Infrastructure Investment Bank, 2020). Basic infrastructure such as clean water supply, sanitation and utility remain essential. Moreover, the pandemic (and also the previous Ebola outbreak) also highlights the necessity of integrating public health infrastructure with information and communications infrastructure. Mobile computing devices and reliable internet infrastructure allow delivery of crucial information to the citizens on time, access to far-flung areas by healthcare professionals, and applications of contract tracing and monitoring systems. Information and communication infrastructures are also crucial for the continued sustainability of economic activities and supply chains during and after COVID-19. In this way, the HSR is complementary to the Digital Silk Road.

Fourth, China will continue to enlarge its role in global medical supply chain and investment. As the 19 June Joint Statement above mentions, China and the BRI countries are committed to “the availability, accessibility and affordability of health products of assured quality, particularly vaccines, medicines and medical supplies.” China is already the largest supplier and exporter of basic protective equipment and of certain drugs, and, in the future, it will aim to make inroads into the manufacturing and export of sophisticated medical devices. Given the limited manufacturing capabilities of some of these products in the developing countries, China may also increase its investment in the manufacturing of basic health equipment in these countries, especially within those industrial parks that have already been created under the BRI. This will also ensure that China remain an important factor in the regional and global medical supply chains.
Having delineated the broad parameters of the HSR, this final section will discuss the implications of the HSR for Southeast Asia.

During the pandemic, many Southeast Asian countries are recipients of China’s medical assistance in the form of basic protective equipment and medical advisory team, and they do see such assistance as comprehensive, helpful and timely. However, the HSR will be more than simply episodes of aid. It will be broader, long term and with implications perhaps beyond health.

Political/Regional Dimension

In terms of the mechanisms of HSR engagement between China and Southeast Asia, the HSR will be pursued more on the bilateral basis without making the multilateral platform irrelevant. As in the case of the BRI, each individual country will have their own unique sets of challenges and needs. Almost all projects were negotiated bilaterally. The HSR is likely to be similar, where concrete cooperative projects, be it medical aid, capacity building, public health infrastructure building, training and exchanges, will be bilaterally negotiated, since each Southeast Asian country will have a different set of demands and needs. Governments can choose to leverage on China’s HSR to build up their public health system, increase its resilience and efficiency, and address its weaknesses, while for China, the HSR can help promote its health equipment and medical standards. However, those countries that are less trustful of China will be more circumspect in pursuing this cooperation. For those countries willing to cooperate with China, China will likely pour in more resources, to reward these countries’ friendly attitudes and to demonstrate the concrete benefits of working with China. Hence, different ASEAN countries will behave and act differently, according to their own calculation of risks and benefits. In terms of media coverage, given the prevalent and increasingly negative and hostile narrative against China, China is likely to suggest that ASEAN countries do more to counter such narrative and project a positive image of China, especially through government-controlled media. At the think tank level, China’s official think tanks, including those affiliated with the International Department of the Chinese Communist Party, will be active in engaging with their counterparts in Southeast Asia to forge a positive commitment to the HSR.

At the multilateral level, the purpose of engagement will be mainly to forge policy consensus and provide a certain level of macro-level policy coordination. An institutionalised mechanism already exists in the form of China–ASEAN Health Cooperation Forum, a forum organised under the China–ASEAN Dialogue Partnership. During the pandemic, on 20 February, a special session on health cooperation in facing the pandemic was held in Lao People’s Democratic Republic (Lao PDR) between the Foreign Ministers of China and ASEAN member states. On 15 April, a web-based special ASEAN Plus Three (APT) Summit on COVID-19 was held where Premier Li Keqiang made a series of proposals at the multilateral, APT level for health cooperation, including establishment of a mechanism for coordination among the health, customs, transportation and immigration authorities, sharing of data and information, and coordination or production of medical supplies. More interestingly, Li also proposed a “COVID-19 ASEAN Response Fund” where China would

4. Prospects of the Health Silk Road and ASEAN
support the funding and the creation of a strategic “reserve of essential medical supplies… to make our response faster and emergency supplies more readily available.”

Sub-regionally, after COVID-19, China will likely reprioritise the Lancang–Mekong Cooperation (LMC) mechanism to include health agenda. At present there are six joint working groups of LMC: production capacity, connectivity, cross-border economic cooperation, agriculture, water resources and poverty reduction. A health cooperation joint working group conceivably will be created. Another sub-regional grouping is the Brunei – Indonesia – Malaysia – Philippines/ East ASEAN Growth Area (BIMP-EAGA) where China is a development partner. In 2009, China and BIMP-EAGA signed a Framework of Cooperation document that listed agriculture, forestry, fishery, tourism, natural resources, human resources development, alternative energy and finance as nine priority areas of cooperation. The 2nd China–BIMP-EAGA Ministerial Meeting was just concluded in November 2019. Again, the outbreak of COVID-19 suggests that health cooperation is likely to feature in the future of China–BIMP-EAGA cooperation agenda.

Implemented well, the HSR will considerably increase China’s prestige and leadership in Southeast Asia. However, the deterioration of US–China relations indicates that even in international health cooperation, China’s role will not be left uncontested. On 22 April, the US State Department launched the US–ASEAN Health Futures initiative. The initiative has three pillars. On the research pillar, the US leverages on its excellent scientific research and funding capabilities to enhance and induce medical research cooperation between US and ASEAN scientists and institutes. Here, it is conceivable that the intensification of US–China rivalry may create competitive dynamics between the HSR and US–ASEAN Health Futures. For instance, the US may require that any ASEAN institute or scientist working with the US National Institute of Health to rule out cooperating with China’s institute or scientist. On the pillar of building up health system capacity, the US aims to mobilise both government agencies, such as the United States Agency for International Development (USAID) and the Centers for Disease Control and Prevention (CDC), and US companies to strengthen collaborative capacity building with ASEAN in coping with diseases such as tuberculosis, HIV/AIDS and malaria. USAID is reportedly working with the ASEAN Secretariat to develop a Public Health Emergency Coordination System. On the human capital development pillar, the US launched a US–ASEAN Health Futures Alumni Network, connecting 2,400 US-trained ASEAN medical and public health experts, and continues to support and train such professionals in the coming years.

**Economic Dimension**

With the intensification of US–China rivalry and much wariness of dependence on China for basic protective gear in the West, Southeast Asia is ideal for nearshoring of manufacturing industries of medical equipment from China. This is particularly true in countries such as Vietnam, where a level of production capacity in such equipment already exists and therefore is less costly for the nearshoring enterprises. This is happening independent of the HSR, but ironically the HSR may also justify certain Chinese-owned medical equipment manufacturers and
pharmaceutical companies to relocate or expand out of China, in search of greater market access and lower costs. Poorer and least developed countries in Southeast Asia (Myanmar, Lao PDR and Cambodia) are actually well-positioned to receive this kind of Chinese health-sector investment, as they would also boost the local manufacturing capacity in basic medical equipment.

For middle-income ASEAN countries (Malaysia, Thailand, Indonesia and the Philippines), they are also ideal for receiving nearshoring, relocation or investment of medical production companies from China, given the better logistic networks, well-educated workforce, huge population/market and greater international business linkages of these countries. Certain countries with particular comparative advantage in medical supply, such as glove manufacturing in Malaysia, should be aware that China’s HSR may also bring in market competitive dynamics and should devise appropriate policies as well. In addition, given the rising middle class and the comparable level of per capita income of these countries with China, China may consider investing in the health-service sector (hospital chain, for example) in these countries. These countries can also leverage on their affordable but well-regarded medical care, together with the rhetoric of the HSR, for advertising medical tourism to China, especially targeting the middle-upper consumer group.

Finally, the only high-income country in ASEAN, Singapore, will have a different role. High-tech and the service sector will feature more prominently in Singapore’s engagement with the HSR. And it will be a bidirectional process where not only China’s healthcare companies will come to invest in Singapore, but Singapore’s healthcare companies will also invest in China, and bringing in Singapore’s excellent management expertise to cater to the high-end consumers of healthcare service in China.
4. Conclusion

Health Silk Road is a broad idea with no fixed blueprint—like the entire BRI. Despite this, it will become a mainstay of China’s BRI, public diplomacy and foreign engagement in the coming years. Besides the already important digital component of BRI (Digital Silk Road), the health/biotechnology component will therefore also gain importance. This is especially so in Southeast Asia, where China is very influential economically and enjoys stable and good economic relationships with most countries that profess neutrality in their foreign policies, notwithstanding the ongoing troubling issue of the South China Sea dispute. The troubling relationships that China is experiencing with most Western countries also suggest that China will want to foster even stronger relationship with Southeast Asian countries. This trend will be further encouraged by anticipated ratification of the Regional Comprehensive Economic Partnership Agreement (RCEP) by the end of 2020.

The mixture of poor, middle-income and advanced economies within the region also allows China to comprehensively engage with the region with different aspects of the HSR. Leveraging on the HSR, poorer countries can ask for greater assistance in the construction of basic public health infrastructure and capacity training. Scientific exchange and cooperation can also benefit the health professionals and scientists from both sides. The integration of digital and healthcare allows healthcare systems to be much more efficient and will help China to promote its digital, health and biotechnological standards. While national interests need to be carefully protected, there is no reason why Southeast Asian countries cannot benefit from working with China on the HSR if the terms of cooperation are well negotiated and the projects are well managed.
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Endnotes

1 For the text of this document, see: https://www.cmef.com.cn/g1205/s3604/t3407.aspx

2 For report of this meeting, see: http://www.xinhuanet.com/politics/jksczl/wzsl.htm

3 For the text of this document, see: http://www.gov.cn/zhengce/2016-10/25/content_5124174.htm


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