

CHINA'S BELT AND ROAD INITIATIVE IN
PORTUGUESE SPEAKING COUNTRIES: PORTUGUESE
AND ANGOLAN PERSPECTIVES

Jinming Zhang

Dissertation submitted as partial requirement for the conferral of

Master of Business Administration

Supervisor:

Professor Shaozhuang Ma, ISCTE Business School, Marketing, Operations, and General
Management Department

June 2019

CHINA'S BELT AND ROAD INITIATIVE IN PORTUGUESE SPEAKING COUNTRIES:

PORTUGUESE AND ANGOLAN PERSPECTIVES

Jinming Zhang

-Spine-

Acknowledgements

First, I want to thank my supervisor Shaozhuang Ma for his patience and useful advice and guidance throughout this dissertation. I wasn't able to ask for a better mentor.

Thanks to ISCTE University for providing me with lots of chances to exchange and the double degree, helps me broaden my horizon and enrich my knowledge.

To my friends, Jeffery, Bob, Estela and Angela, thank you for their companionship in my oversea life and the foreign language assistance for this dissertation.

To my girlfriend, Zhuolin, words fail to explain how much I am grateful to your support throughout this period. Without you, I could not have accomplished this.

To my family, mom and dad, thank you for the financial support and always believe in me and my talents.

Lisbon, July 2019

Jinming Zhang

Abstract

The rapid economic growth in China has always been one of the most controversial issues in the world economy, where the role of the Belt and Road Initiative has been highlighted as strategic. This study aims at knowing and analyzing the implementation and motivation of China's Belt and Road Initiative (BRI) strategy in Portuguese speaking countries, with Portuguese and Angolan perspectives. The focus of this research is to understand the mutual motivations and interests between China and Portuguese speaking countries (Comunidade dos Países de Língua Portuguesa, CPLP in short) in the BRI. It is further aimed at examining the BRI impact on China-Portuguese speaking countries relations and exploring whether a win-win cooperation in these countries.

This study used both a second hand data from existing publication and database and first hand data collected through interviews of five Portuguese and five Angolan.

The key findings study suggests the followings. First of all, BRI as a global strategy of China is both market-driven and resource-driven. Second, BRI not only plays a vital role in China's integration into the global economy, but also help boosting both economic and social development between China and Portuguese-speaking countries in the BRI framework. Lastly, although BRI so far leads to win-win results in Portugal and Angola, it's difficult to judge the long-term effects.

Keywords: China, Portuguese speaking countries, Belt and Road Initiative.

Resumo

O rápido crescimento económico na China foi sempre uma das questões mais controversas na economia mundial, onde o papel da Iniciativa do Cinturão e Rota foi destacado como estratégico. Este estudo visa conhecer e analisar a implementação e motivação da estratégia da China Iniciativa do Cinturão e Rota (BRI) nos países lusófonos, com perspetivas portuguesas e angolanas. O foco desta pesquisa é compreender as motivações e interesses mútuos entre a China e os países de língua portuguesa (a Comunidade dos Países de Língua Portuguesa, em resumo, a CPLP) no BRI. Pretende-se ainda examinar o impacto da BRI nas relações entre os países da CPLP e a China e explorar a possibilidade de uma cooperação em que todos saiam ganhando.

Este estudo utilizou dados de segunda mão de publicações e bases de dados existentes e dados em primeira mão recolhidos através das entrevistas a cinco portugueses e cinco angolanos.

O estudo das principais descobertas sugere os seguintes. Em primeiro lugar, a BRI como estratégia global da China é impulsionada pelo mercado e pelos recursos. Em segundo lugar, o BRI não apenas desempenha um papel vital na integração da China à economia global, mas também ajuda a impulsionar o desenvolvimento económico e social entre a China e os países de língua portuguesa na estrutura da BRI. Por último, embora o BRI até agora conduza a resultados ganha-ganha em Portugal e Angola, é difícil avaliar os efeitos a longo prazo.

Palavras-chave: China, países de língua portuguesa, Iniciativa do Cinturão e Rota.

Table of contents

Acknowledgements.....	I
Abstract.....	II
Resumo	III
Table of contents.....	IV
List of Figures	VI
List of Tables	VII
Chapter 1 – Introduction	1
Chapter 2 – Literature Review	4
2.1 An overview of China’s integration into the global economy	4
2.1.1 Chinese economic reform: a new economic strategy	6
2.1.2 Economic transition in China	7
2.2 An overview of Belt and Road Initiative	9
2.2.1 Definition.....	9
2.2.2 Evolution and goals	11
2.2.3 BRI in CPLP: Developments, Skeptics vs Optimists	13
2.2.3.1 CPLP	13
2.2.3.2 BRI in CPLP	15
2.2.3.3 Skeptics vs Optimists opinion of BRI in CPLP	17
2.3 Global strategy as a theoretical lens	20
Chapter 3 – Methodology	23
3.1 Method	23
3.2 Data collection from publications	24
3.3 Data collection from interview.....	24
3.3.1 Sampling.....	24
3.3.2 Interviews	25
3.4 Validity and Reliability	27
Chapter 4 – Results	28
4.1 Data representation and analysis	28
4.1.1 BRI in Portugal.....	28
4.1.1.1 China-Portugal international trade	29
4.1.1.2 China-Portugal Foreign Direct Investment analysis	31

4.1.2 BRI in Angola.....	34
4.1.2.1 China-Angola international trade.....	35
4.1.2.2 China-Angola Crude Petroleum trade and investment model analysis	37
4.2 Interviews results.....	39
4.2.1 Respondent Profile	39
4.2.2 Categorization Matrix.....	39
4.2.3 Final Notes.....	45
Chapter 5 – Conclusions	47
5.1 Findings.....	47
5.2 Implications	51
5.3 Limitations	52
Bibliography	53
A. Non-Electronic documents.....	53
B. Electronic documents.....	55
Appendix I – Interview (English version)	58
Appendix II – Interview (Portuguese version).....	60

List of Figures

Figure 1 – China’s Growth in Trade	5
Figure 2 – Market Share in Major Export Markets.....	5
Figure 3 – China’s GDP growth.....	7
Figure 4 – Value of services sector in 2016	8
Figure 5 – BRI 6 main Economic Corridors	10
Figure 6 – China-Portugal International Trade	30
Figure 7 – China in Portugal International Trade	31
Figure 8 – Chinese FDI in Portugal	32
Figure 9 – Chinese investments in Portugal.....	33
Figure 10 – China-Angola International Trade	36
Figure 11 – China in Angolan International Trade	36
Figure 12 – Angola-China Crude Petroleum Trade	37
Figure 13 – Chinese investment model in Angola	39

List of Tables

Table 1 – BRI & CPLP goals mapping	15
Table 2 – List of interview respondents (Portuguese)	26
Table 3 – List of interview respondents (Angolan)	27
Table 4 – Categorization matrix (self-constructed)	40

Chapter 1 – Introduction

The “Belt and Road Initiative” (BRI) or “One Belt, One Road” (OBOR) is a global project first unveiled in 2013 by Chinese President Xi Jinping. The initiative aims to promote orderly and free flow of economic factors, highly efficient resource allocation and deep market integration by improving connectivity between Asian, European and African continents and their adjacent seas. The plan called for policy coordination, connectivity facilities, unimpeded trade, financial integration, and people-to-people bonds to complement the unique resource benefits of participating countries through multilateral mechanisms and multi-level platforms. The networks include the real infrastructure connecting corridor and invisible economic and financial exchange channel. Because of the labor prices and favorable conditions in giant shopper markets, this is often some way to draw in foreign investment and know technological innovation in developed countries.

China’s economy is transforming from a low-end, export-driven model into a more sustainable and innovative economy. BRI is designed as an economic development strategy to deal with China’s new economic situation. China has already become the biggest trading partner for most countries along the Belt and Road routes. Many countries like the Portuguese speaking countries (CPLP) along the routes have a tremendous demand for infrastructure, and some Chinese industries, such as high-speed railway, nuclear power, and construction engineering, are competitive and have the capacity for exports.

In this context that people are increasingly studying China’s motives and progress toward other countries rather than their own interests. Therefore, we began to study China’s growing curiosity and its relationship in CPLP. China’s role in CPLP has many versions. It is increasingly doubtful that China is using the resources and markets of

CPLP to set up a new kind of “colonialism”. On the other hand, some optimists believe that China is helping the development of CPLP and solving their problems through China’s national power (Feldshuh, 2018).

In this project, our goal is to understand BRI’s motivation and impact in CPLP. The first step is to understand if China is taking advantage in using BRI strategies in CPLP; and then identify the main drivers of Chinese BRI in CPLP; the last one is to understand the motivations of China-CPLP relationship. Therefore, our research questions of this study are as follows:

1. What are China’s motivations or interests in BRI in CPLP?
2. What are CPLP’s motivations or interests in BRI?
3. Is China-CPLP relationship a win-win cooperation?

We believe that this theme is relevant because the role of CPLP in the BRI is an increasingly subject of study since CPLP is a “door” for China to open the European, African and Brazil markets. Portugal is the west port of the Europe and Brazil is the biggest country in South America and the one member of BRICS.¹ Mozambique and Angola are two main SEZs (Special Economic Zone) of China in Africa. Despite the community is growing from a cultural background to a geopolitical and economic community, as the CPLP is the fourth largest producer of oil in the world, there are still many social, political and economic challenges (Club of Mozambique, 2016).

CPLP’s African countries has many imbalances in its sources of economy and growth. It should establish a better economic balance with China by moderately using their advantages in resources and markets. It is against this background that this study introduces China-CPLP relations, which China often provides to other countries with support and investment rather than focusing on the only one country. Throughout China’s inclusion into the worldwide economy, it is essential to consider distinct kinds

¹ Five major emerging national economies: Brazil, Russia, India, China and South Africa.

of assistance and identify whether this is a way to assist other nations grow, or is it a way to gradually take advantage of this financial inclusion to generate some “colonization” that benefits long-term exchanges.

The literature review is a reflection on the models of China’s inclusion into the global economy; the concept of the BRI strategy; and the global strategy as a theoretical lens of China’s BRI policy in CPLP.

After the literature review is outlined and the data is collected, we categorized and justify the study and the sample chosen, we described the data collection and the data analysis. In the Findings chapter we explain the subject of study, the research questions and the methodological options are applied. Finally, the Interview results are presented. The study ends with the presentation of the conclusions.

Chapter 2 - Literature Review

2.1 An overview of China's integration into the global economy

The Chinese economy had been closed to other economies until the end of 1970s, relying almost entirely on the agricultural sector. The country opened its economy in 1980, leaded by Deng Xiaoping, signed a series of regional trade agreements, and sought to attract foreign investment. Subsequently, China attempted to enter the General Agreement on Trade and Tariffs (GATT) and join the World Trade Organization in 2001.²

Prasad (2004) argues that China's international trade has expanded steadily since the opening of the economy in 1979. This process began relatively slowly in the 1980s after the relaxation of pervasive and complex import and export controls, but accelerated in the 1990s with broader trade reforms, including significant tariff reductions. Both imports and exports have increased rapidly, and China's share in world trade has grown steadily since 1979 (Figure 1). China has also increased its penetration into advanced country markets, and has simultaneously become a more important export destination, especially for regional economies (Figure 2).

² The WTO came into operation in 1995, replacing GATT in the management and administration of multilateral agreements on international trade.



Figure 1 - China's Growth in Trade (Index, 2001 = 1) (Source: IMF, Direction of Trade Statistics)

	1970	1980	1990	2000	2010	2015	2016
Japan	1.4	3.1	5.1	14.5	15	9.3	11
United States	0.0	0.5	3.2	8.6	9.2	9.9	10
European Union	0.6	0.7	2.0	6.2	7.3	14.5	16.5

Figure 2 – Market Share in Major Export Markets (Imports from China divided by total imports, in percent) (Source: IMF, Direction of Trade Statistics)

China enjoys one of the highest development rates in the main economies of the world after the global financial crisis of 2008, although slower than past years. For further economic development, it is imperative to launch a new economic development strategy.

Under such context, China is attempting to rebuild the Silk Road with the Belt and Road Initiative. The initiative has a prominent place in China's 13th five-year plan, released in October 2015, and is the country's most ambitious foreign trade and investment project (Sidney, 2016).

2.1.1 Chinese economic reform: a new economic strategy

Smith (2016) argues that before the eighteenth century, China had one of the world's largest and most advanced economies. In the 18th century, Adam Smith claimed China had long been one of the richest, that is, one of the most fertile, best cultivated, most industrious, most prosperous and most urbanized countries in the world. The Chinese economy stagnated, beginning in the 16th century and even declined in absolute terms in the nineteenth and much of the twentieth century.

The Communist Party authorities began to implement economic reforms in 1978, introducing market principles and implementing them in two phases. The first phase was in the late 1970s and early 1980s, involving the de-collectivization of agriculture, the state's openness to foreign investment, and permission for entrepreneurs to start businesses. However, most industries are still state-owned enterprises. The second phase of reforms in the late 1980s and 1990s involved privatization and contracting a large number of state-owned industries and abolishing price controls, protectionist policies and regulations, although state-owned monopolies in industries such as banking and oil still existed. The private sector has grown significantly, accounting for 70% of China's GDP by 2005. From 1978 to 2013, the economy experienced an unprecedented growth, with the economy growing by 9.5% annually.

From the past decades, the economy in China is an export-oriented and foreign direct investment-led model. Chinese economy gradually approached the global economy after 2001, leading in a big amount of foreign direct investment (FDI) and fast export expansion, particularly manufacturing operations. Chen (2009) argues that the flow of foreign direct investment after China's accession to the World Trade Organization has increased substantially, the share of manufacturing has been high, and international trade has developed rapidly. Whalley (2011) argues that high-quality and low-cost labor that can be used to maximize earnings by mixing foreign technology is the primary reason for large foreign direct investment in China.

2.1.2 Economic transition in China

Despite the stimulus following the global financial crisis, annual GDP growth peaked in 2010 (Figure 3). Although it is still positive, it begins a prolonged period of slowing growth.

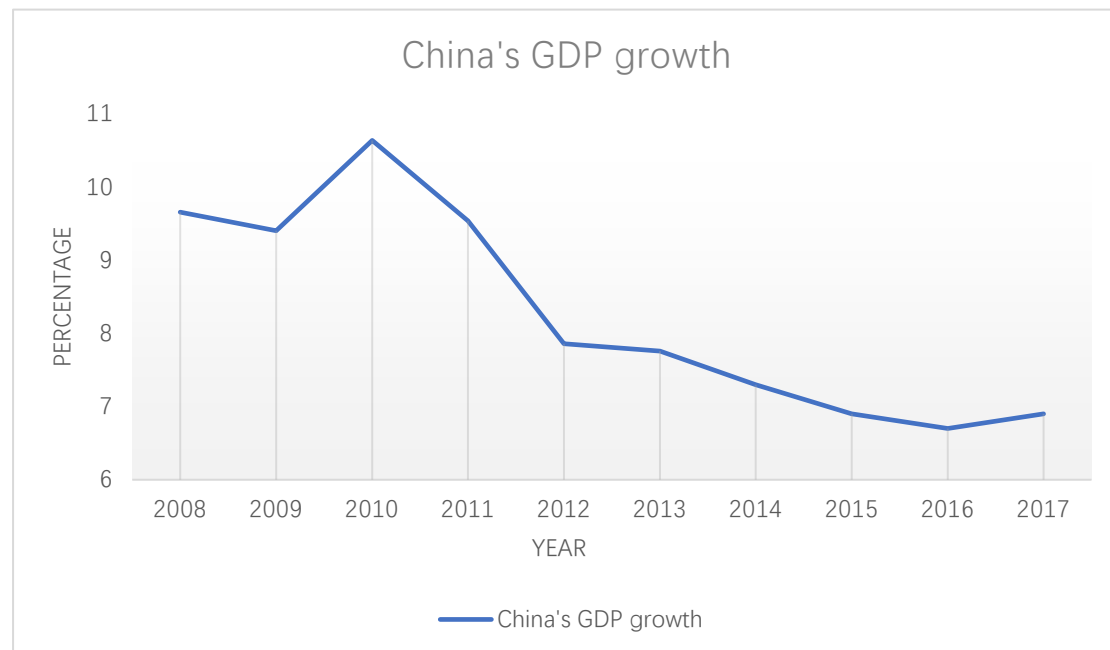


Figure 3– China’s GDP growth (Percentage) (Source: World Bank, IMF)

For decades, China has been focused on actively expanding its manufacturing capabilities and production. The country was later known as the “world factory”, exporting cheaply manufactured goods and components around the world at a lower price than buyers elsewhere. This strategy has basically enabled China to achieve double-digit GDP growth in the past three decades - a feat that is undoubtedly amazing for a large country.

However, from the beginning, this strategy was a double-edged sword and it was simply unsustainable. The world cannot continue to absorb more imports from China at the previous growth rate. So today, one of the biggest problems facing the Chinese economy is overcapacity.

One way to overcome industrial overcapacity is through the Belt and Road initiative, a country-led strategy that promotes economic cooperation and linkages between European and Asian countries. All excess steel, cement, etc. are used to build infrastructure with countries such as Pakistan, Sri Lanka and Russia.

The other transition is focus on the export- and investment-led economy to one more dominated by services and consumption. If China's state-owned enterprises and financial sectors succeed in transitioning to a consumer-led economy, then it must reform China's service industry. At present, due to the consolidation of the country, the development of traditional service sectors such as health care and public education has been slow, budgetary expansion and bureaucratic inefficiency. Instead, focusing on newer, more flexible industries such as e-commerce, technology and private education will create more room for growth.

This transition has seen the results. In 2016, the service industry grew to 38.4 trillion yuan (\$5.6 trillion), equivalent to more than 50% of GDP, up from 42% 12 years ago. Beijing's goal is to raise rates between 70% and 80% of GDP - the average for advanced economies. For example, services in the United States, the United Kingdom, and France account for about 70% of GDP, while Japan and Germany account for around 60% (Figure 4).

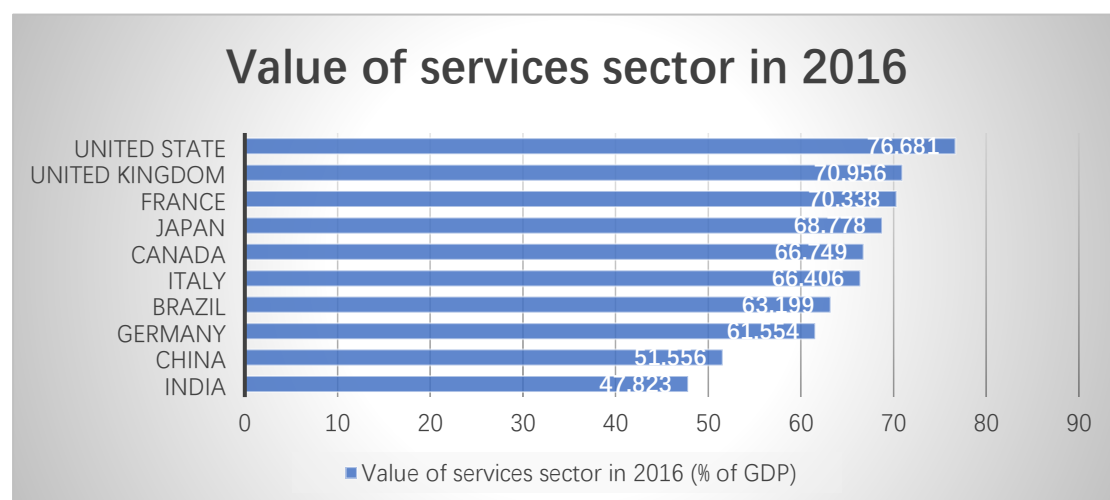


Figure 4 – Value of services sector in 2016 (Percentage of GDP) (Source: World Bank, IMF)

In February 2017, Beijing revealed plans to set up a 30 billion-yuan (\$4.7 billion) fund to encourage high value-added services exports (World Finance, 2018). The state contributed 16.7% of the value of the fund, and non-government investors provided the rest. In addition to increasing internal employment opportunities, this growth is expected to have a huge impact on the industry. Also, there is more room for growth, which is crucial for the population. Crucially, the increased employment rate in the service sector is associated with rising wages, which will not only improve the quality of life, lower the level of poverty, but also lead to higher consumption, which will further support the economy.

2.2 An overview of Belt and Road Initiative

2.2.1 Definition

The Belt and Road Initiative consists of the “21st Century Maritime Silk Road” and the “Silk Road Economic Belt”, BRI will bring together more than 65 nations representing more than 62% of the world’s population, around 35% of world trade and over 31% of world GDP. It will take the form of a sequence of roads, railways, and ports, and energy, telecommunications, health, and education infrastructure.

Escobar (2015) argues that the Belt and Road Initiative is broader in scope than the ancient Silk Road and the “Go Out” policy. Chinese state banks have already invested more than \$250 billion in new initiative-designated projects such as railways and power plants. The major thrust of investment thus far is in transportation infrastructure toward Europe, to connect Asia with Europe via rail, roads, ports, industrial parks, and logistics centers.

According to the World Bank Group (2018), the BRI includes 6 international “corridors”. These include:

- a) The New Eurasian Land Bridge Economic Corridor (NELBEC), which runs from

Western China to Western Russia through Kazakhstan, and includes the Silk Road Railway through China's Xinjiang Autonomous Region, Kazakhstan, Russia, Belarus, Poland and Germany;

- b) The China-Mongolia-Russia Economic Corridor (CMREC), which will run from Northern China to the Russian Far East;
- c) The China-Central Asia-West Asia Economic Corridor (CCWAEC), which will run from Western China to Turkey;
- d) The China-Indochina Peninsular Economic Corridor (CICPEC), which will run from Southern China to Singapore;
- e) The Bangladesh-China-India-Myanmar Economic Corridor (BCIMEC), which runs from southern China to Myanmar;
- f) The China-Pakistan Economic Corridor (CPEC), a US\$62 billion collection of infrastructure projects throughout Pakistan which aims to rapidly modernize Pakistan's transportation networks, energy infrastructure, and economy.

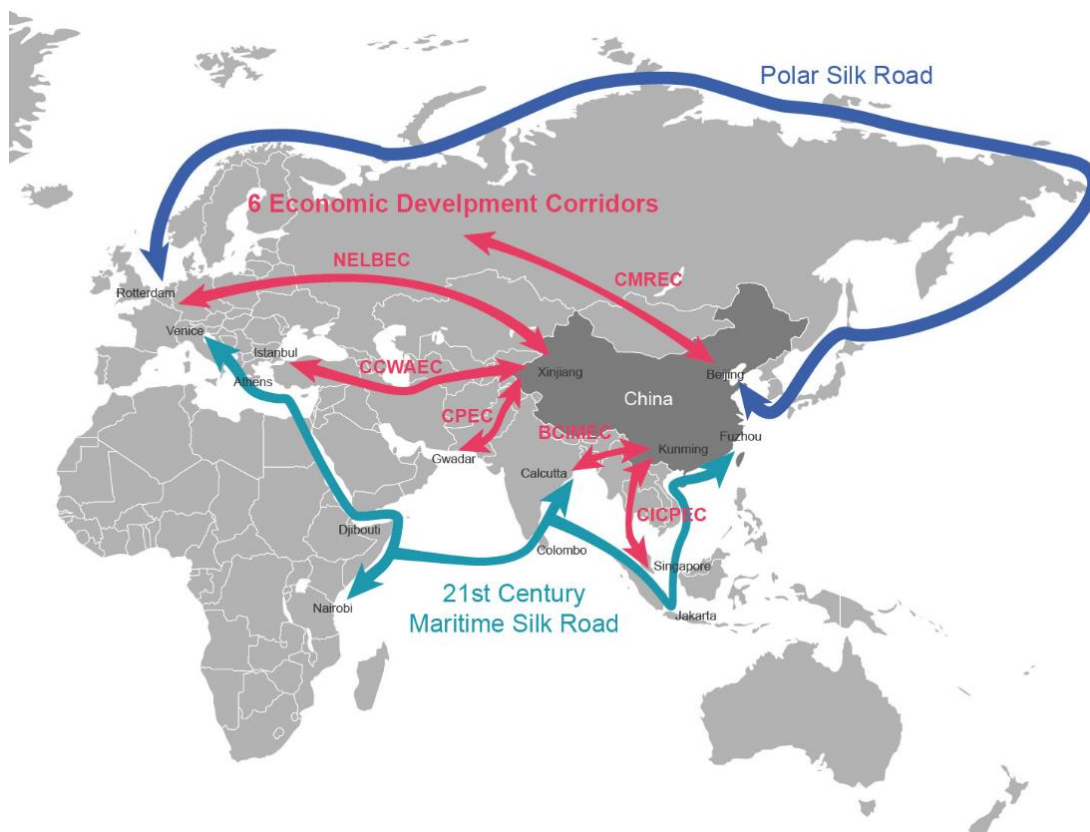


Figure 5 – BRI 6 main Economic Corridors (Source: World Bank, IMF)

BRI is a multi-year program designed to reshape business contacts between China and the world. The initiative will foster China's cross-border champions; build infrastructure in Asia, Africa, Europe and the Middle East; and open up new markets for Chinese and foreign products. This is the next stage in China's "Go Global" to expand business and political influence.

2.2.2 Evolution and goals

The "Belt" also called Silk Road Economic Belt (SRB) is a land corridor that crosses Central Asia before reaching Europe, connecting China and Europe, the two largest economies in the world. The route will be the main logistics corridor and will create new opportunities for Central Asia and Eastern Europe, both as a transit hub and as a commodity supplier.

The maritime "Road" or "21st Century Maritime Silk Road" is a densely populated consumer and industrial opportunity. Like the inland, it also connects China and Europe, but the difference is that the road crosses Southeast Asia, South Asia, the Middle East and East Africa, which has 42% of the world's population and 25% of its GDP, excluding China. Regardless of the success of BRI, multinational companies from all over the world will find important opportunities in the coming decades (SRA, 2017).

According to Silk Road Associates, Chinese government statements indicate that 50 Chinese State-Owned Enterprises (SOEs) have invested or participated in nearly 1,700 projects in countries along the Belt and Road region over the past three years. Major players include: China Communications Construction, China State Construction Engineering, Power China, Sino Mach China Railway Construction Corporation, China Railway Group, CNPC, State Grid.

The evolution also reflects in the major financiers of the BRI. The Chinese policy banks, which called China Development Bank and the Export-Import Bank of China (EXIM

Bank of China) and the Silk Road Fund which established in 2014 with USD 40 billion of initial total capital are the major financiers of the Chinese companies. For the project in BRI countries, there are Asian Infrastructure Development Bank (AIIB) which established in 2015 with USD 100 billion of initial total capital and New Development Bank which established in 2014 by the BRIC countries.

For the strategy, BRI will accelerate the internationalization of Chinese companies and create world-class multinational companies and supply chains. China's exports to BRI countries are growing faster than exports to Europe and the United States (Belt and Road Portal, 2019). BRI seeks to accelerate this growth rate. BRI will force Chinese companies to participate in international competition, adopt best practices, increase transparency and hire foreign labor. BRI strengthens China's economic and political role in the region and Europe. It is also seen as the opposite of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). So far, there is little evidence that BRI has strengthened the role of the renminbi. In fact, capital controls can be said to reverse recent gains. Most of China's industrial products are oversupply. BRI is seen as an opportunity to sell such products to other markets (SRA, 2017).

According to Belt and Road Portal (2019), the BRI focuses on five main goals:

- (i) Policy Coordination; meaning the initiative intends to encourage Countries to jointly work and cooperate with each other to achieve projects.
- (ii) Facilities Connectivity; this is the focus on building facilities to enable greater connectivity between countries on the Belt and Road e.g. rebuilding and developing ports, removing barriers, fixing roads etc. As well as creating better networks through the development of highways, railways and fiber-optic lines between countries along the Belt and Road.
- (iii) Unimpeded Trade; through BRI cross-border investments and trade are aimed at being made easier and more cooperative between countries on the Belt and Road, promoting economic integration.
- (iv) Financial Integration; BRI is designed to enhance monetary and financial

cooperation when monitoring and dealing with risk as well as general financial interactions. In addition, it looks to expand currency exchange and scope.

- (v) People-to-people Bonds; this being the aim to promote cultural exchange and friendly interaction between enterprises as well as deeper cultural understanding so as to further international cooperation.

The Initiative is attempting to adapt to the changes brought about by globalization and is developing a full policy logic system to cover all fields of connectivity. Policy coordination seeks to create and provide a favorable political atmosphere for project execution; priority is given to projects that represent the industrial structure, features and benefits of China.

Facilities connectivity will promote other connectivity areas such as investment, logistics and industrial cooperation. Unimpeded trade flow is the Initiative's main task to take full advantage of the outcomes of other connectivity areas. Financial integration and promotion of investment will provide support for facilities and trade connectivity, while a healthy people-to-people bond is designed to shape public opinion and provide the social basis for a sustainable connection. The bond is also an embodiment of China's "harmonious world" perspective.

2.2.3 BRI in CPLP: Developments, Skeptics vs Optimists

2.2.3.1 CPLP

The Community of Portuguese Language Countries (CPLP) is a multilateral forum aiming to foster cooperation amongst the nine sovereign states in which Portuguese is an official language. The CPLP was established in 1996 by Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique, Portugal, São Tomé and Príncipe, joined by East Timor in 2002 and Equatorial Guinea in 2014 as complete participants.

The trade ministers of the CPLP Member States met for the first time in May 2012 in Luanda. Under the coordination of the Angolan Trade Minister, Maria Idalina Valente, those responsible for this protection in the countries of the CPLP stressed the urgency in articulating actions of public entities to expand, deepen and facilitate economic and business cooperation in the CPLP area, through increased trade, investment and partnerships, ensuring greater inclusion and interaction of economic agents and economies of the member states. The basis for trade and investment cooperation is to stimulate a series of actions aimed at developing intra-CPLP trade and to cooperate to enhance the opportunities arising from the presence of member states in various regional economic communities.

The focus of economic and business cooperation on “Clusters” and Development sectors of common interest to the CPLP Member States, namely: Know-how (Research and Development); New technologies; Agriculture and Rural Development; Infrastructure; Marine and Natural Resources, and; Energy and Tourism. Likewise, it is necessary to implement measures to overcome structural difficulties in the development of Trade and Investment in four fundamental aspects, which will constitute the axes of economic cooperation in the CPLP:

- (i) Improvement of the business environment for the promotion of trade;
- (ii) Improvement of the business environment for investment;
- (iii) Institutional and business building capabilities;
- (iv) Improvement of financing mechanisms.

Compared with the main goals of BRI (Table 1), both of CPLP countries and China intend to create a multitier inter-governmental mechanism for macro-policy dialogues, deepen shared interest, reach new consensus and promote political trust. In addition, CPLP and China also plan to rigorously research solutions for investment and trade facilitation, eliminate trade and investment barriers, and create free trade zone among countries in the region. It will also strengthen bilateral investment treaty, promote integrated process of R&D and regional industrial compatibility, and facilitate

formation of cross-country industry value chains.

Table 1 - BRI & CPLP goals mapping

	BRI	CPLP
Policy	Policy Coordination	-
Trade	Unimpeded Trade	Promotion of Trade
Finance	Financial Integration	Financing Mechanism
Facility	Facilities Connectivity	Institutional building capabilities
Communication	People-to-people Bonds	-

The nine member states of the CPLP occupy a territorial area of more than 10.7 million km², an area larger than the United States, China or India, and almost twice the area of the European Union. The total population of the CPLP in 2013 exceeded 262 million people, about half of the EU population and 80% of the USA population, but with much faster demographic growth, with an annual average population growth of 1.2% per year. By 2050 the population of the current CPLP member states is expected to exceed 360 million people. The CPLP would be 6th largest world economy, worth almost US\$3 trillion (Club of Mozambique, 2016).

2.2.3.2 BRI in CPLP

The Belt and Road Initiative helps to find the common interests between China and countries along the routes, while addressing different needs. The initiative thus better coordinates development strategies between the CPLP economic cooperation and the BRI main goals and will contribute to the building of an inclusive and balanced regional cooperation framework that delivers benefits for all.

As an important hub connecting the Silk Road on the land and in the sea, Portugal has seen pragmatic cooperation with China in the fields of economy, trade, investment,

energy and oceans, bringing tangible benefits to the two peoples, said Chinese Ambassador to Portugal Cai Run on the occasion of the 40th anniversary of the establishment of diplomatic relations between the two countries.

BRI has significantly enhanced the infrastructure of Angola and the living conditions of its people and has laid a strong basis for further financial and social development. For instance, the Caculo-Cabaça Hydropower Station constructed by Chinese companies began building in Dondo City in Cuanza Norte in August 2017. It is the biggest hydropower station to date constructed in Africa by Chinese companies and is known as Africa's "Three Gorges Project". It will significantly decrease the gap in supply and demand for electricity in Angola and encourage local economic and social development. And after the completion of the project, the Chinese companies will also be responsible for the four-year operation and maintenance of the power station and training a number of Angolan professional power station managers and technical staff. Mozambique, another CPLP country, will have President Filipe Nyusi as an important participant in the second Belt and Road Forum for International Cooperation to be held in Beijing. This coastal country in southeastern Africa has a cross-sea bridge built by a Chinese company in its capital Maputo, with a total length of 3km and a main span of 680 meters.

In Brazil, a new 2,500-kilometer-long, 800kV ultra-high-voltage transmission project launched by China's largest power distributor State Grid in 2015 is about to be put into operation. The line stretching from the deep Amazon basin to the southern economic centers will become an electricity super highway across Latin America, and it is a model of bilateral cooperation under the BRI, said Yang Guangliang, a Chinese manager of the project.

"The BRI is a very impressive and audacious initiative of China that makes clear the commitment of the government with the robust development of the country," Paulo Arnaez, an employee with COFCO International Brazil told Xinhua. Working in the

agribusiness sector of the company, Arnaez believes he is in one of the best positions in the market. “The more China increases its growth rates, the more it will need to increase imports of food and other commodities, which will definitely benefit Brazil and other countries in the world,” he said (Xinhua, 2019).

2.2.3.3 Skeptics vs Optimists opinion of BRI in CPLP

There are different views around the new strategy of China in CPLP, most of the research publication is focused on a win - win perspective, showing that CPLP countries are well-developed. But there has been concern over the project being a form of “neocolonialism”. Some Western governments have accused the BRI as neocolonial because they claim that China’s debt trapping diplomatic practices fund the infrastructure projects of the initiative (ISS, 2018).

Some scholars with skeptics’ opinions in BRI like Tufarelli (2017) consider that the BRI as a plot to challenge the liberal world order, a scheme to enslave developing nations, or the China’s Marshall Plan³ for Eurasia. Indeed, the overall characteristics of China’s relations with many nations today bear close similarity to the 19th and 20th century relations of the European colonial powers with African and Middle Eastern nations. People witness, among other things, nations exchanging their main goods for produced Chinese; China dominating the local economy; nations becoming strongly indebted to the PRC; China exerting higher weight on local political, cultural and safety dynamics; and Chinese overseas residing in their own “expatriate enclaves”. (Blanchard, 2018)

However, Blanchard (2018) offer several counterarguments. First, they ridiculed Beijing’s touted connectivity infrastructure, such as pipelines and ports, mainly to provide more resources to China. They added that the Chinese project has little impact

³ Marshall Plan: an American gave economic assistance to help rebuild Western European economies after the end of World War II.

on the local countries, and the debt associated with these projects is exhausting the state's finances. Second, they stressed that the specificity and investment of Chinese projects is often insufficient to use local suppliers and partners. Third, they claim that Chinese firms and projects are not contributing much to job creation, partly because they are using so many Chinese employees. Fourth, they claim China is not sharing significant technologies. Fifth, they think that China's host country's industrialization is doing more damage than good as its inexpensive products are destroying local production. For the critics' righteousness, China's boastful "win-win" slogan basically means that China won twice.

Li Ziguo who is the deputy director of China Institute of International Studies Department for European-Central Asia Studies also concerned with that BRI's challenges are encapsulated by a need for long term strategic planning. Without such forethought, the business risks are equally clear. Chinese firms lack awareness of legal standards in partner countries, ignore environmental risks, and make poor investment decisions based on limited understanding of partner countries' local business conditions.

The China government's overly ambitious framing of the BRI is a "fatal error", writes Zheng Yongnian, the chairman of South China University of Technology Institute of Public Policy. By linking the Belt and Road Initiative to so many regions and projects, Western nations will naturally grow suspicious of China's intentions. Unless the BRI becomes less ideological in its framing, it is unavoidable that China will be accused of seeking global hegemony (Feldshuh, 2018).

The optimist's opinions are focus on whether China's attitude will help accelerate industrial development in Africa and the extent to which it affects the local economy. Scholars often question whether Chinese businesses are harming Africa's local economy and its growth. China offers products that Africans need at a reduced cost than products made in the West that have a positive impact on the living circumstances of Africans. A side effect is that inexpensive Chinese products compete with locally

manufactured goods, and there is no competitive advantage for Africans to face Chinese rivals. Chinese firms move African firms on local markets while generating employment for local populations. (Yin and Vischetto, 2011)

For the African CPLP countries, some Chinese infrastructure projects are about enhancing the PRC's resource security which include the Chinese-constructed airports, port, and special economic zones (SEZs).

Chinese logistics in Africa focuses primarily on providing Africa-wide infrastructure that will enable China to link its industrial output across the continent. Farole (2011) claims that BRI plays a key role in incorporating global trade and structural transformation in African CPLP countries, including industrialization and upgrading by promoting foreign direct investment, export and development in jobs. In Africa and other low-income countries, these can make an important contribution to job creation, diversification and sustainable growth. Deborah, Farole, and Tang (2011) believe that this is a way for China to share its model with friendly nations. These regions are intended to assist China create "mature" sectors such as textiles, leather goods, and construction materials transferred to foreign labor-intensive, less competitive sectors.

Blanchard (2018) says from a business-oriented view that Chinese rivalry has put serious pressure on the financial partners of the PRC both in the home markets of the latter as well as in third-party markets. The difficulties appear to be even more ominous considering China's plans to invest more and construct SEZs and ports that will enable China to export even more products to its partners and associates.

Discussions of the putatively "destructive" Chinese challenge, however, often overlook the fact that "inexpensive" Chinese products also allow local businesses to stay competitive, enhance consumer access to a wider spectrum and amounts of products, and force local businesses to upgrade their competitive skills. In addition, China's financial partners have, in many instances, squandered or not fully utilized the profits

from their huge commodity sales to China to diversify and enhance their industrial competitiveness. In other words, a full image needs us to acknowledge that inexpensive Chinese products also bring advantages and that host countries have not done everything they could have done to mitigate the challenge posed by China (Blanchard, 2018).

Members of the World Pensions Council (WPC)⁴, have argued the Belt and Road initiative constitutes a natural extension of the infrastructure-driven economic development framework that has maintained rapid economic growth since its inception. China's economic reform under the leadership of Deng Xiaoping would eventually reshape the continuum of the Eurasian economy and, more broadly, reshape the international economic order.

According to Boucher (2019), BRI is not that either with the Marshall Plan. The Marshall Plan was financed through and for foreign partners. While U.S. contributions were recognized in most places, the operational side was local - even to the point that the French government, at times, refused to advertise projects as financed by the Americans. The Marshall Plan brought machinery, goods, and food to Europeans who rebuilt their own economies. Contrast that with the Belt and Road which normally involves Chinese firms and workers building projects in foreign lands and often does little to build local capacity and sustain development.

2.3 Global strategy as a theoretical lens

The primary interpretation for the BRI as a global strategy as well as China's new geopolitical and economic strategy. BRI adopted in ensures the continuation of China's trade surplus and new markets to satisfy domestic production overcapacity.

⁴ WPC: World Pensions Council, a non-profit policy research organization

Lasserre (2003) claims that a global strategy is made up of four major components, which are global strategic ambition, global strategic positioning, global business system and global organization.

The global strategic ambition means that the strategy is markets or resources-driven and the other relative importance of region and key countries in corporate portfolio. BRI's main goal is to expand world markets by opening up emerging and developing economies markets to address China's surplus manufacturing ability, insufficient national Chinese demand, and bottleneck in further expanding saturated export markets in advanced countries. In addition, to make direct investment in these countries, thereby securing supply of resources, especially in the natural resource sector; This is a fresh stage of China's "going global" strategy, formally proclaimed in 2002 after Western countries commonly dampened China's outward investment strategy, which created numerous obstacles to takeovers, mergers and acquisitions, and greenfield investment. (Leonard K. 2016)

The global strategic positioning is about the geographical positioning (gateway), competitive positioning and degree of standardization. For Portugal, which continues to recover from the economic crisis of 2011, BRI inclusion promises to make the country more central in global transport and logistics routes, taking advantage of its strategic location in the Atlantic region. And also, it is the gateway to expand the BRI into Brazil and the South American markets.

Geographically, three general routes make up the Silk Road Economic "Belt". The first route is from China to Europe (Baltic Sea) through Central Asia and Russia. The second route leads from China to the Persian Gulf and the Mediterranean via Central Asia and West Asia. And the third route from China to the Indian Ocean is through Southeast Asia and South Asia. And the "Road" of Maritime Silk runs from the coastal ports of China through the South China Sea to the Indian Ocean, extending to Africa and Europe; and from the coastal ports of China to the Pacific Ocean through the South China Sea.

According to Huang (2016), this Initiative reaches at least 60 countries, which account for 64% of the world population (4.4 billion people) and 30% of global GDP (\$21 trillion). Sandwiched between the East Asian economy and the developed economy of Europe, this underdeveloped “Belt & Road” region crossing three continents has massive potential for economic development.

In December 2010, the then State Councilor Di Bingguo published an article⁵ to articulate in more detail China’s long-term policy positions in international affairs. Specifically, he rejected the speculation that China may want to seek hegemony once it becomes developed. He reiterated that China wants to work within the existing framework, and this principle is applicable to both foreign policy and economic cooperation. In this sense, the Belt & Road Initiative, alongside the AIIB, may represent the Chinese contribution to a new international economic system and also as self-defense against its possible eventual exclusion from America (Huang, 2016).

⁵ Stick to the path of peaceful development.

Chapter 3 – Methodology

3.1 Method

In this study, we noticed that China's fast economic growth has had a significant effect on the world economy and the relationship between China and the CPLP that has evolved over the years. We have noticed some difficulties in understanding the nature of this relationship and the real goals of China's BRI in CPLP. It is in this context that different perspectives on China-CPLP relations need to be explored.

In order to achieve the main purpose of this research, we have developed the major research question. What are China's motivations or interests in BRI in CPLP? What are CPLP's motivations or interests in BRI? and is China-CPLP relationship a win-win cooperation?

To achieve the goals of this research, we used a qualitative approach to better understand the different perspectives of China-CPLP cooperation and BRI in CPLP. Qualitative research observes, interviews, records and analyzes its content. A deeper understanding of problems, certain behaviors, attitudes and beliefs is the focus of qualitative research. Basically, investigate the things behind it. In our empirical research, the corresponding elements are qualitative methods based on literature analysis and interviews to analyze the analyzed problem as thoroughly as possible. We acknowledge, however, that the explanations presented here about the study's reality are not the only possible explanations; in other cases, another researcher may obtain other results and perform another analysis.

We see this qualitative study as descriptive because it comes from collected data, observations, and written documents in which researchers analyze notes recorded in field work, collect data, and respect as much as possible how they record or transcribe.

3.2 Data collection from publications

We have collected publications on China's integration into the global economy, China's BRI strategy, China's relationship with CPLP, cooperation and investment. The subject of this project study provides a wide range of bibliographies, including several associations, organizations, journals and research institutes, as well as other useful tools such as books and papers, which can be found in several databases, such as the universities. It is essential to better understand these databases and research level, with regard to the diversity of this information, the selection criteria must be evaluated, based on the relevance of the abstract, the selection and classification of the article and the identification in each article of the findings, positions and ideas of the lead author. Finally, each author's point of view is analyzed by studying the repetition of the choice of controversy in the literature.

3.3 Data collection from interview

Data collection makes it possible to identify the different phases of collecting data that show a point of perspective. We used interviews with literature assessment and collection of information in this research.

In the first phase, we chose literature analysis to gain insight into the issues and their various perspectives. In the second phase, we chose to establish interviews to get the data and information we need for our research.

In order to make a series of information more inspiring and to perceive the subject's consciousness and knowledge in research, we chose to use interviews.

3.3.1 Sampling

The goal chosen for this project was five Portuguese and five Angolans working or having direct contact with the China and perceiving their awareness and knowledge of

the large investment and the BRI strategy. The all responders are divided into two groups, which is in order to make the comparison between the Portuguese and Angolan perspectives more easily.

The sample used in the research project is a sample of convenience, a non-probability sample as it is selected on the basis of deliberate criteria of selection. According to Carmo and Feereira (2008: 215), in a convenient sample, a group of individuals or volunteers can be obtained. This can be an exploratory study, and it is not possible to generalize the results to the group to which the facilitation group belongs, but it can provide valuable information. Indeed, it is a small sample that can prove that Patton (1990) demonstrates that qualitative research focuses on relatively small samples or even individual cases, deliberately selected.

The 5 Portuguese interviewees were introduced by one of my colleagues who had worked with them. We have a face-to-face interview respectively in one week. The other 5 interviewees from Angola were introduced by one of my university professors whose student is working in Angola now. We communicate with each other via email and Skype. All the interviews were recorded through taking note as only two participants agreed to be taped during the conversation.

3.3.2 Interviews

Semi-structured interviews were performed in this project, decreasing the amount of open-ended issues, focusing primarily on respondents' personal experience, leading to subjective answers. At the beginning of the interview, we began to introduce the purpose of the study: China's BRI in the global economy and China's BRI in CPLP. We also clarified that the findings of the interview were subject to information protection and that they would be handled with utmost confidence. They will work on key qualitative analysis of the project. Therefore, all questions are written in a way that does not identify the person responding to the question.

Generally speaking, we try to avoid long-term descriptions and make sure that knowledgeable people respond to and respond to interviews to provide reliable answers. As we have been explaining, the goal of the study is for CPLP's people to work or to engage with China (mainly with BRI). We do not distinguish between workers: gender, age, and job function.

In order to make a series of information more inspiring and to perceive the subject's consciousness and knowledge in research, we chose to use interviews. We sent an interview via email and we contacted the respondent again after getting the interview to develop or clarify some answers. We recognized the responses in Portuguese and English in order to prevent communication obstacles. In Table 2 all Portuguese respondents are listed with their codes from P1 to P5, Angolan respondents from A1 to A5 in Table 3, all the company principals for the purpose to maintain the participants' confidentiality.

Table 2 - List of interview respondents (Portuguese)

Respondents	P1	P2	P3	P4	P5
Interview date and time	24.06-15:00	27.06-16:20	26.06-17:10	27.06-18:25	30.06-13:50
Place	Office	Office	Cafe	Office	Cafe
Age	26	30	32	28	30
Gender	Female	Female	Female	Male	Female
Company/Sector	EDP ⁶	Impo/Expo	EDP	EDP	EDP
Working Year	2	4	6	1	5
Education	Bachelor	Master	Doctor	Master	Bachelor
Interview duration	15min	20min	17min	10min	13min

⁶ Energias de Portugal: a Portuguese electric utilities company

Table 3 - List of interview respondents (Angolan)

Respondents	A1	A2	A3	A4	A5
Interview date and time	26.06-16:00	23.06-17:20	28.06-19:10	29.06-22:25	23.06-19:50
Way	Email	Email & Skype	Skype	Email	Email & Skype
Age	24	35	28	25	33
Gender	Female	Male	Female	Male	Female
Company/Sector	Construction	Energy	Impo/Expo	Energy	Construction
Working Year	3	6	2	2	4
Education	Bachelor	Master	Bachelor	Bachelor	Bachelor
Interview duration	2 days	40min	14min	1.5 days	33min

3.4 Validity and Reliability

The effectiveness and reliability of the research throughout the project. Use some researchers, data sources, different methods, and by examining the data collected to match the participants' perceptions, to ensure internal validity in different ways, and the correspondence between results and reality. A comprehensive description of how the research is conducted ensures reliability, which not only means an explanation of the research's own assumptions and theories, but also explains the process of information collection and how we get the outcomes.

Chapter 4 – Results

The outcomes of analyzing documents and interviews are outlined in this section. This chapter has two primary sections: data representation and analysis; and cross-data analysis through interviews. In the first part, we analyze the information gathered in the document and highlight the main findings. We cross some of the data in the second part with interviews focusing on research questions.

4.1 Data representation and analysis

4.1.1 BRI in Portugal

During Chinese president Xi Jinping's December 5 in 2018 visit to Lisbon, China and Portugal signed a memorandum of understanding (MoU) on cooperation in frame of the BRI. Both countries also agreed to include Portugal's southwest port of Sines in the Chinese investment plans. Portugal joins around ten EU member states that have so far signed a MoU with China on the BRI. It is described as establishing the modalities of the two nations' cooperation on the BRI, on a wide range of sectors, with a particular emphasis on connectivity.

A total of 17 MoUs and protocols were signed, including a MoU to develop the Portugal-China 2030 Science and Technology Partnership, agreements on scientific and technological exchanges, on blue economy and in space, including the creation of a joint STAR Lab (Space Technology Advanced Research Laboratory) in Portugal. Both parties agreed to jointly encourage the strengthening of the Strategic Partnership, and work towards developing "synergies" between the BRI and Portugal connectivity and investment strategies.

In 2019, the president of Portugal, Marcelo Rebelo de Sousa, was invited by Xi Jinping to pay a state visit to China and attend the second Belt and Road Forum for International

Cooperation on 29th of April. President Marcelo believes that relations between Portugal and China have produced great strides in recent years. The Portuguese side promotes and participates actively in the joint building of the BRI and is prepared to deepen exchanges and collaboration with China in the areas of economics, trade, humanities, collectively safeguarding free trade and pushing bilateral relations to a higher level. Moreover, Portugal is willing to take advantage of its role as a member of the EU and as a Portuguese-speaking country to foster the development of relations between the EU and China and the Portuguese-speaking countries.

The two leaders also signed some bilateral cooperation documents. In the document, it is stressed that Portugal and China are committed to the fact that “trade in services will be one of the agenda items for bilateral dialogue in the framework of the Joint Economic Commission, covering areas such as transport, tourism, finance, intellectual property, technology or culture”. (Xinhua, 2019)

4.1.1.1 China-Portugal international trade

In general, Portugal’s trade balance has recovered since 2013 according to the data from The World Bank. As the economy recovers, it sees the entry of new partners such as China. In 2013, China quickly became Portugal’s 10th largest customer, bypassing Brazil’s position since 2011. Imports from China to Portugal have increased from 2014 to 2015, with a total value between 1,600 and 1,700 million of euro. The other ascent was beginning in 2016 and is worth more than 1,800 million of euro. According to the latest data from AICEP (2019), China’s current import value to Portugal is about 2350 million of euro, accounting for 4% of Portugal’s total imports, an increase of 0.9% compared with 2018. Regarding exports to China, there have been no major changes in Portugal, with some peaks in 2014 and 2017, worth more than 840 million of euro. (Figure 6)

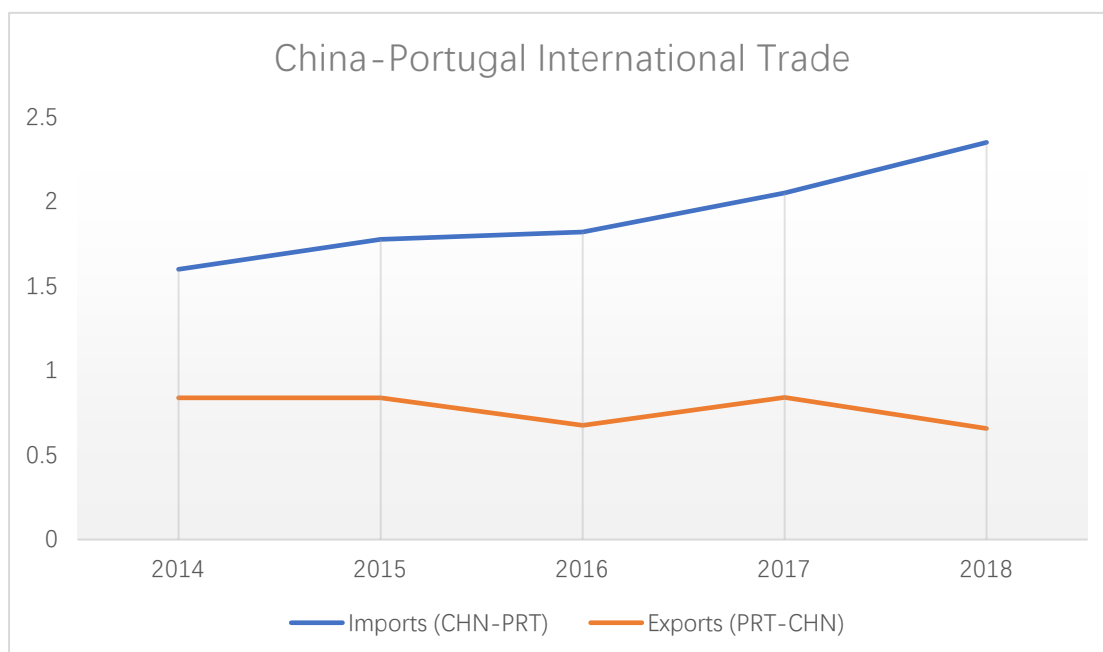


Figure 6 - China-Portugal International Trade (Thousands of millions of Euro) (Source: AICEP⁷)

According to OEC⁸, the primary exports from China to Portugal were generally electrical machinery, which accounted for between 30-40% of all their exports. In 2017, the value of China's exports in terms of transportation and logistics accounted for 5.4% of total exports, a value of more than 129 million US dollar, being two-wheel vehicles, aircraft, helicopters, spacecraft and bike parts of the leading goods. Remarkably, with regard to Chinese exports, this industry also achieved a fresh peak with a value of 41 percent, a percentage that was never seen before in 2016. Continuing the logistics of cruises and vessels stayed a prominent product achieved throughout all Chinese exports (35%).

In addition, AICEP (2019) is presenting China's more appropriate contribution to worldwide Portuguese trade. In 2014, China contributed to 1.75% of Portuguese global exports, then saw a decline to 1.35% in 2016, but reached over 1.53% in 2017. Since 2014, China's take of global Portuguese exports has been stable, with a slight but steady

⁷ Agência para o Investimento e Comércio Externo de Portugal

⁸ The Observatory of Economic Complexity: a data visualization site for international trade data created by the Macro Connections group at the MIT Media Lab

rise. It accounted for over 2.7% in 2014; 2.95% in 2015; 2.96% in 2016; and more than 3.1% in 2017. With regard to China's BRI policy, the take of Portugal's global imports in 2018 saw a sharp increase, with a proportion of around 4%. (Figure 7)

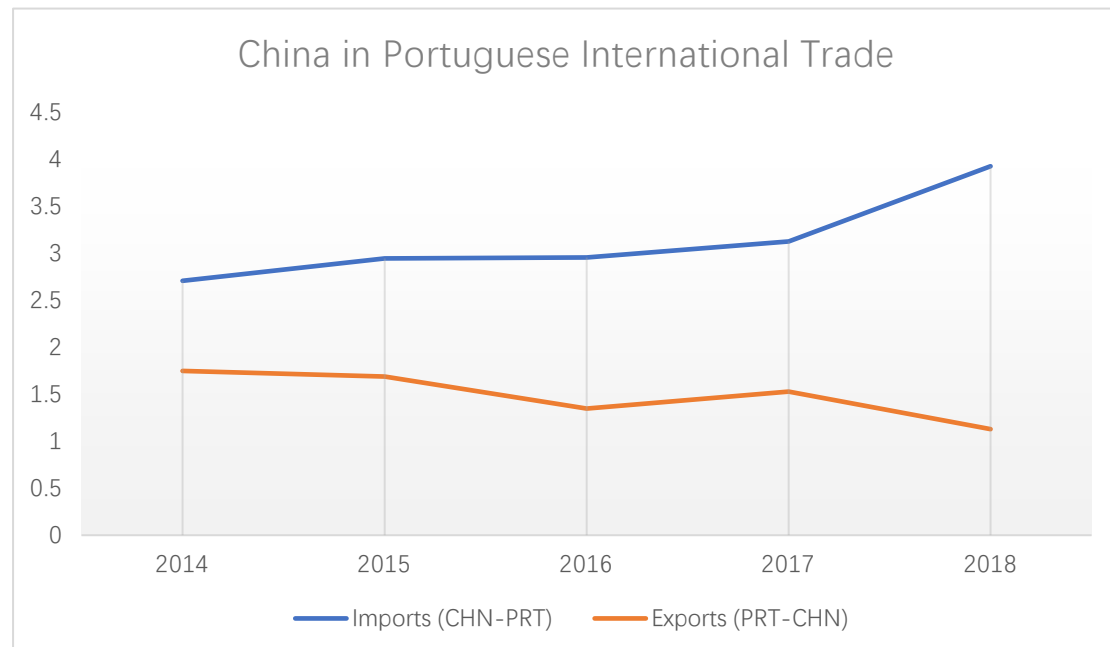


Figure 7 - China in Portugal International Trade (Percentage) (Source: AICEP)

4.1.1.2 China-Portugal Foreign Direct Investment analysis

In recent years, isolationism and unilateralism have been rising, and international trade scores have increased, hindering the globalization process. Since the financial crisis in 2008, global trade growth has slowed down, especially in 2015 and 2016, when global trade volume fell by -13.2% and -3.2%, respectively.

In Europe, populism has emerged, and conservative parties have taken this opportunity to fight the EU, posing a huge threat to the political and economic development of the EU and EU member states. However, the undeniable fact is that due to the impact of the European debt crisis in 2011, Portugal's unemployment rate and debt levels have risen, and economic growth has grown negatively. International investment has fallen sharply due to lack of confidence in the Portuguese economy.

To make matters worse, at the request of international agencies, the Portuguese government must implement a tight fiscal policy. Portugal's domestic economy faces difficulties and difficulties. When Portuguese companies face shortfalls in funding and high financing costs, Chinese companies are coming. Several Chinese companies have invested in Portugal since 2011, including China Three Gorges Corporation and China State Grid.

Chinese companies and citizens have invested more than \$9 billion in Portugal so far, and Portugal has become China's fifth largest destination for investment in Europe. Portuguese Economy Minister Manuel Cabral has said that the Portuguese government sincerely appreciates the strong support of Chinese companies, which will be a powerful driving force for them to get out of trouble.

The Chinese direct investment in Portugal have a trend with a steady and continuous growth from 2014 till now. In 2014, the FDI of China in Portugal reached 0.879 billion of euro. Reach to 2.149 billion euro in 2015; 3.899 billion in 2016; 6.043 billion in 2017. And in 2018, the amount reaches to 8.567 billion almost eight times compare with 2014. (Figure 8)

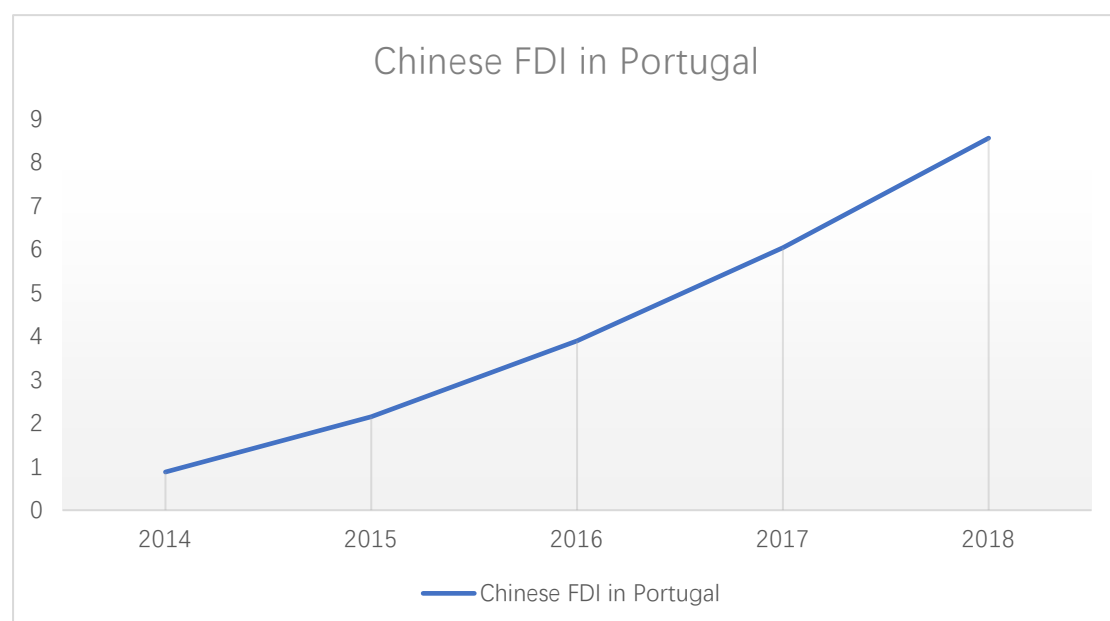


Figure 8 - Chinese FDI in Portugal (Billions of Euro) (Source: AICEP)

Duarte (2017) believe that at a smaller scale, investments were primarily made in small commercial activity and in the real estate sector. These investments have been enhanced by the Gold Visa initiative, launched in 2012, which grants non-EU citizens residency permits if they purchase a property or make an investment over a certain value for different types of investments. The great majority of these permits have gone so far to Chinese citizens. Besides, Portugal's favorable legal environment, with significant bureaucracy reductions in recent years, together with an attractive tax regime, also further encourages outside investment.

The main investment from China is come from the state-owned enterprises (SOEs). In the first phase, Chinese investment was mainly a minority share purchase as a strategy to prevent hostility in the local market. However, the increasing acceptance of China's foreign direct investment is increasingly reflected in the gradual increase in the number of most or even complete acquisitions. In fact, China's foreign direct investment in Portugal shows a large number of large-scale mergers and acquisitions, rather than fewer new projects. (Figure 9)

Year	Target	Buyer	Transaction Value	Stake	Sector
2011	EDP - Energias de Portugal	China Three Gorges	€ 2.7 bn	21%	Energy
2014	Caixa Seguros (Fidelidade, Multicare & Cares)	Fosun International	€ 1 bn	80%	Insurance
2014	Espirito Santo Saúde (Luz Saúde)	Fosun International	€ 460 m	96%	Healthcare
2012	REN - Redes Energéticas Nacionais	State Grid Corp of China	€ 387 m	25%	Energy
2014	BESI - Banco Espírito Santo de Investimento	Haitong Securities	€ 379 m	100%	Financial
2012	EDP Renováveis Portugal	China Three Gorges	€ 368 m	49%	Energy
2017	EDPR (ENEOP wind assets)	China Three Gorges	€ 248 m	49%	Energy
2016	BCP - Banco Comercial Português	Fosun International	€ 175 m	17%	Financial
2013	Compagnie Générale des Eaux (Portugal)	Beijing Enterprises	€ 95 m	100%	Water
2016	TAP - Transportes Aéreos Portugueses	Hainan Airlines	€ 30 m	23%	Airlines

Figure 9 - Chinese investments in Portugal (Source: Duarte, 2018; Bloomberg; Press Releases)

To sum up, Portugal has the advantage with a strong geographic location, which can work as a link between European, American and African and even Asian markets; improved logistic capacity; strong ports; and a stable society and politics. These advantages are exactly corresponding with the aims of the BRI strategy. The stronger

economic prospects, stable government and relatively cheap assets should help continue attract more Chinese investment.

4.1.2 BRI in Angola

China boosts Angola's reconstruction, economic takeoff, with some notable exceptions in the building materials (China Daily Africa, 2014) and automobile industries (Macau Hub, 2010). In 2015, during a state visit by Angola's President Jose Eduardo Dos Santos, China and Angola agreed to "transform the bilateral cooperation from the traditional areas of raw materials development and project contracting to production capacity and investment cooperation" by strengthening cooperation on industrialization in the areas of iron and steel, building materials, textiles and agro-processing (MOFA, 2015). Following this agreement, first loans for the development of industrial zones were made available by China in April 2016 (Macau Hub, 2016).

In April 2016, Lin Songtian, Director General of the Department of African Affairs at China's Ministry of Foreign Affairs, announced that industrial cooperation is the priority of current China-Africa cooperation and that on the basis of comprehensive research, China has listed Angola and Mozambique as the priority partners for production capacity cooperation. For these "demonstration countries and priority partners, China will pool resources to build demonstration zones, and combine the construction of large infrastructure projects such as railway, roads and ports with the building of industrial parks and SEZs, so as to build industrial belts along the routes and achieve sound interaction between large-scale infrastructure projects and industrial development" (FOCAC, 2016).

Angola received the largest share of China's loans between 2000 and 2014, is China's second largest trading partner (NBSC, 2015) and number one oil exporter on the continent (Statista, 2019). Angola has further been selected by China as a China-Africa industrial cooperation priority country, which makes it likely that industrial cooperation

will significantly increase under the Forum on China-Africa Cooperation (FOCAC) Johannesburg Action Plan (2016-2018). With Angola the Belt and Road Initiative will further expand from its ancient route, venturing into the Atlantic Ocean.

In the infrastructure sectors, China has proposed to restore the railway and link it with 1,344 km Benguela railway, connecting Angola's Atlantic port of Lobito to the eastern border town of Luau, which was completed by a Chinese state-owned enterprise in August 2014, at a cost of USD 1.8 billion. This would be the first connection between the Indian and Atlantic Ocean by rail. Chinese companies are also a shareholder or involved in the construction and expansion of ports in Luanda, Angola and Sao Tomé and Príncipe. In a recent report by China Daily Asia, the port assets of China Merchant Group in Angola were considered as "key locations along the Belt and Road Initiative" (China Daily Asia, 2016).

China-Angola partnership has entered a new era of development under the BRI. Today, more and more Chinese companies are actively involved in the development of agriculture and light industry in Angola, helping Angola achieve diversified economic development by engaging in the construction of industrial parks and infrastructures.

4.1.2.1 China-Angola international trade

China was the main destination for Angola's exports in 2018, with a share of 60.28%, according to the Yearbook of External Trade Statistics released by the National Statistics Institute (INE) in Luanda.

The exports from Angola to China international trade reach the peak in 2013 and 2014 with around 28 billion. And then decreased to around 15 billion during 2015 and 2016. In 2017, the amount gets a slight ascent to 18.5 billion. On the other hand, the imports from China to Angola trade is smooth and steady for five years, reach the peak in 2014 with 5.96 billion and around 2 billion between 2015 to 2017 (Figure 10).

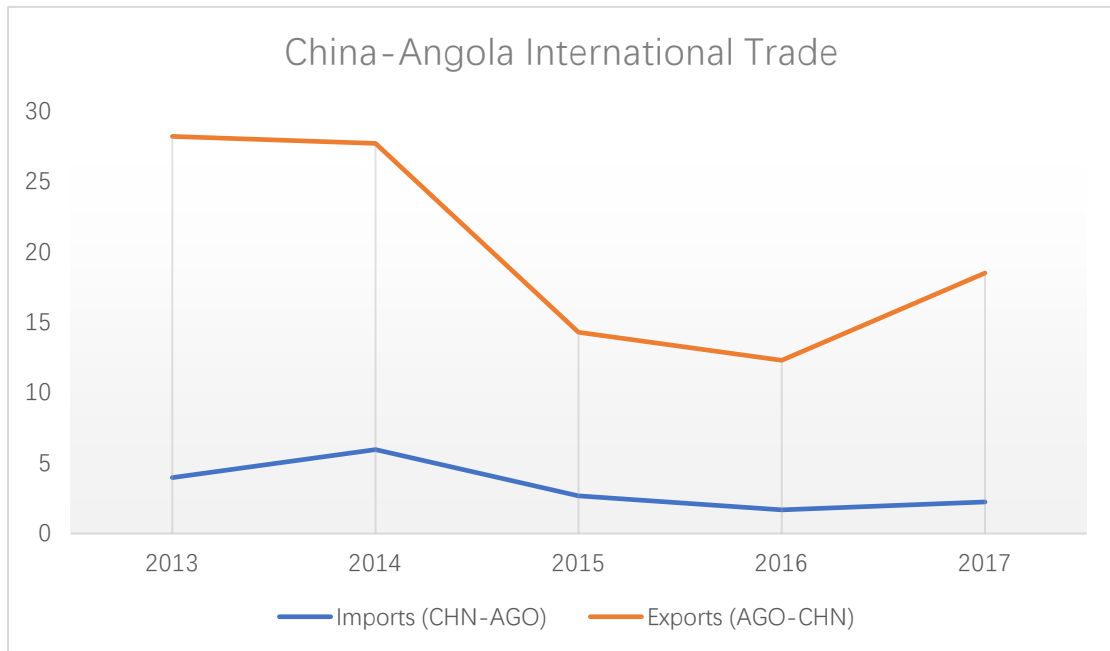


Figure 10 - China-Angola International Trade (Billions of US Dollar) (Source: OEC)

In addition, the OEC (2019) is presenting China's more appropriate contribution to global trade in Angola. China contributed 47 percent of Angolan global exports in 2013, followed by a decrease to 42 percent in 2015, but reached over 61 percent in 2017. Since 2013, China's take of global Angolan exports has been stable, with a slight but steady rise. It accounted for more than 18% in 2013; 16% in 2015; 17% in 2016; and over 21% in 2017 (Figure 11).

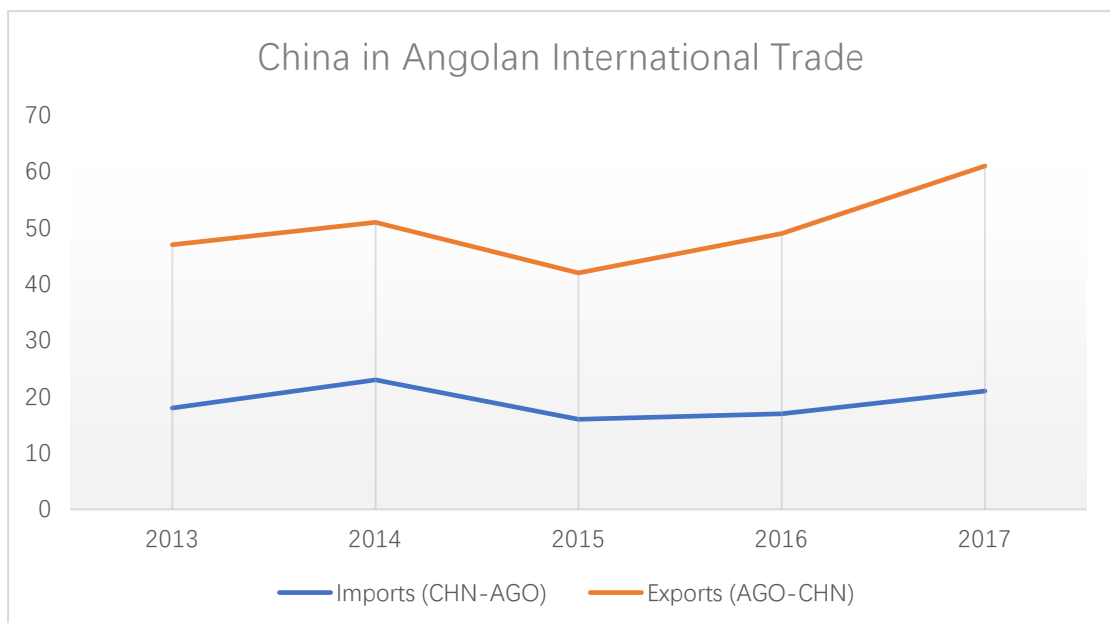


Figure 11 - China in Angolan International Trade (Percentage) (Source: OEC)

4.1.2.2 China-Angola Crude Petroleum trade and investment model analysis

Angola's main exports are oil, diamonds, coffee, timber, and other mineral resources. The country joined the Organization of Petroleum Exporting Countries in 2007 and since 2008 Angola has been the top oil producer in Africa. In 2009, oil comprised 85% of GDP, 95% of exports, and 85% of government revenue. The majority of its revenues come from oil and diamond exports, and the majority of oil production is concentrated in Cabinda Province (Liviu, Maria, Larisa, & Roxana, 2018).

The single most significant commodity for the Sino-Angolan economic relationship's expansion has been crude petroleum. Although the total value of the exports of crude petroleum continue drop in five years, from around 56 billion US dollar in 2013 and 2014 to 27 billion in 2017, the percentage of value export to China increase year by year. In 2013, the value export to China reach to 28.1% in total export value, but in 2017, the number reach to a peak with 67% (Figure 12).

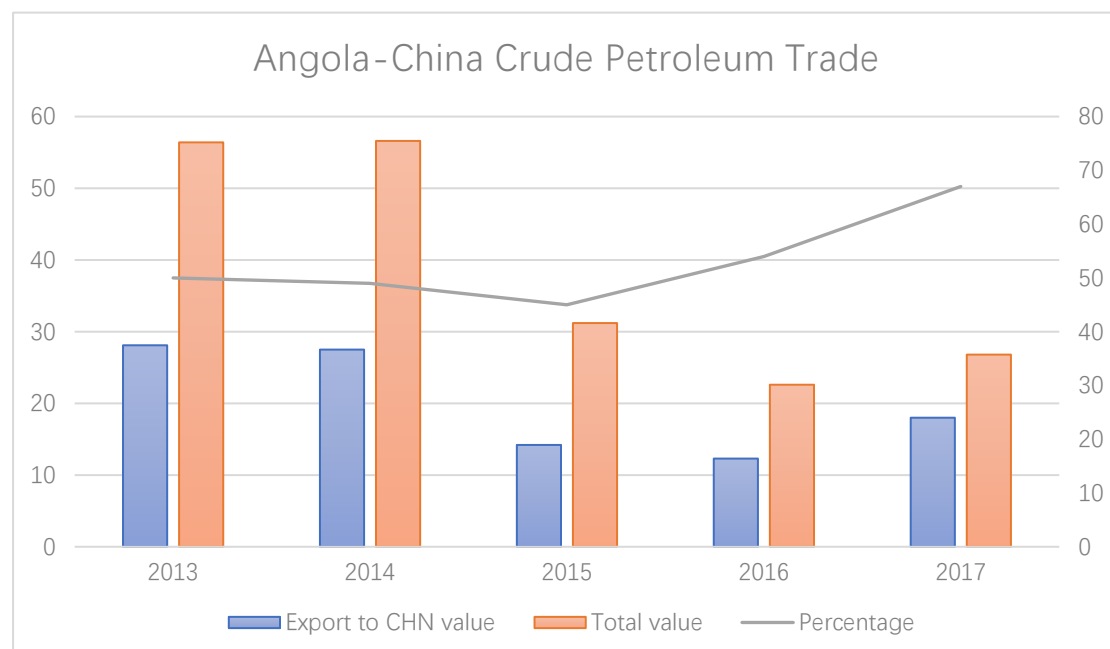


Figure 12 - Angola-China Crude Petroleum Trade (Billions of US Dollar) (Source: OEC)

Zongwe believes that the Chinese investment model in Angola is a win-win situation, with China interested in Angola's oil resources and Angola in the important amount of

money China invested and continues to invest mostly in its infrastructure projects. China has one of the world's largest and most competitive construction industries and few natural resources, while Angola has an infrastructure deficit and a wealth of resources (Zongwe, 2010).

China is interested in importing oil from Angola because the Angolan crude oil is suited to the needs of Chinese refineries which are configured to process internally extracted crude oil. On the other hand, Angola considers China as an advantageous alternative to conventional financing sources because it provides loans without political conditionality and at a much lower interest rate than any international financial institution.

Cain (2017) believes that the Angolan government uses Chinese credit facilities backed by petroleum-based guarantees to finance investments. However, Kiala (2010) argues that these investments do not represent amounts of money delivered directly to the Angolan government, but rather the provision of the necessary funds for Chinese public enterprises to develop infrastructure and industrial projects in exchange for petroleum and minerals. According to figures published by the Finance Ministry of Angola at the end of 2011, the amount invested by China through the Exim Bank, the Development Bank, and the Commercial Bank was estimated to be \$14.5 billion. Chinese investments are recovered from extracted and imported petroleum. The diagram below (Figure 13) describes the investment model applied in Angola and its flow.

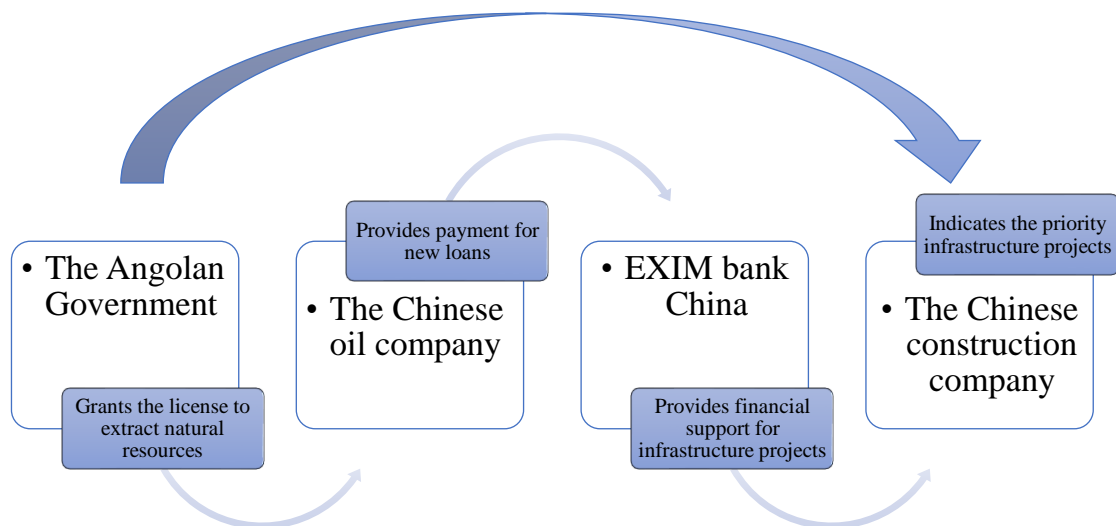


Figure 13 - Chinese investment model in Angola

4.2 Interviews results

In this section, we conducted a content analysis through interviews (primary sources) to complete the literature analysis (secondary sources) and provided the results from the interviews. The collected samples provide insights that enable us to understand foreign perceptions of Chinese BRI strategy, their understanding of China’s BRI in their countries, and China’s growing investment in CPLP.

4.2.1 Respondent Profile

All respondents are Portuguese and Angolan, most of whom are female and between 25 and 35 years of age. The professional functions are mostly officers or business developers, with EDP Group, Sino-hydro Construction Angola, and import and export companies being the most mentioned companies.

4.2.2 Categorization Matrix

We created a categorization matrix in Table 4 to synthesize the categorical assessment and to present some findings from the interviews.

Table 4 - Categorization matrix (self-constructed)

Categories	Subcategories	Respondents	Frequency of occurrence
I – Relationship with China or Chinese business	Very relevant	P1, P3, P4, A1, A2, A3, A4	7
	A few relevant	P5, A5	2
	Non- relevant	P2	1
II – The impact of BRI in the trade, business and your country	Awareness; Shared interests	P4, A1, A3, A4	4
	Awareness; Political cooperation	P1, A1, A2, A3, A4	5
	Awareness; Infrastructure projects development	P1, P3, A2, A3, A4, A5	6
	Awareness; China technical and financial assistance	P1, P3, P4, A1, A2, A3, A4, A5	8
	No awareness	P2, P5	2
III – Motivation and benefits from BRI	Common interest	P2, P4, A3, A5	4
	Low interest loans	P1, P3, A1, A4	4
	Economic development	P1, P3, P4, P5, A1, A3, A5	7
	Infrastructure development	P2, A1, A2, A3, A4	5
IV – Major sectors attract BRI and the benefit to the local community	Energy sector	P2, P3, P4, P5, A1, A2, A3, A4	8
	Construction sector	A3, A4, A5	3

	Medical Insurance sector	P2, P3, P4	3
	Banking sector	P1, P4, P5	3
	Increased opportunities and profits	P1, P2, P3, A1, A2, A3, A4	7
	Technical and financial assistance	P1, P4, A2, A4, A5	5
	Enlarge international market	P2, A3, A5	3
V– Challenges the BRI facing	Debt sustainability	P1, P3, P4, A1, A4, A5	6
	Policy barriers	P1, P4, P5, A2, A3	5
	Risks in major infrastructure projects	P2, P3, P4, A1, A3	5
	Environmental and human issues	P2, A1, A4	3
VI – BRI: a win-win cooperation?	Favorable opinion (shared interests)	P1, P2, P3, P5, A1, A2, A3, A4, A5	9
	Political expansion	P4	1

Category I

Q1: To what extent your work is relevant to China or business in/with China?

Please give an example.

The primary objective of this issue is to understand the rise and understanding of Chinese international impact in CPLP.

70% of the interviewees' work is relevant to China. They mention the following: the cooperation with the Chinese company or the import and export company negotiation with the Chinese clients.

Category 2

Q2: Do you have any knowledge of China's Belt and Road Initiative in your country? If yes, how does the Belt and Road Initiative impact the investment and or trade in the country where you work? How does it affect the business of your company?

As it is presented in categorization matrix, 80% of the interviewees know about the BRI strategy. It shows that the BRI indeed impact the investment and trade in the country where they work and affect the business of their company.

The main impact is focus on the China technical and financial assistance, infrastructure projects development, shared interests and political coordination. Almost all the Angolan interviewees have awareness of the BRI impact in the trade and business, but there are 40% of Portuguese responders without the awareness of the BRI impact in Portugal.

Category 3

Q3: What are the motivations or interests of your country (or your host country) in joining China's Belt and Road Initiative? To what extent, your country (or host country) benefit from the Belt and Road Initiative? Please give example(s).

This question aims to know the different CPLP countries whether they have different motivation or interests in joining China's BRI. 100% the responders believe that the

motivation and benefits are focus on the common interest, low interest loans, economic development and infrastructure development.

For the Portuguese interviewees, mainly of them considered that their country can certainly get more common interests and economic development after joining in the BRI since the Portuguese economic performance is always slow growth in the EU. On the other hand, the Angolans believed that the BRI help their country in the infrastructure development and receive the low interest loan, because Angola needs to be developed urgently.

Category 4

Q4: What is China's interests in BRI in your country (or host country)? What are the major sectors (e.g. energy) that attract Chinese investment? Do Chinese investment promote the local economy and benefit the local community (e.g. creating job)?

In the interviews, the responders who chose the construction sector as major sectors attract BRI are all Angolan and chose the banking sectors are all Portuguese. So, we can conclude that the categorization matrix gives the information that in the developed country like Portugal. The major sectors that attract Chinese investment can be the medical insurance and banking sectors. And the benefit in the local community is focus on the technical and financial assistance and enlarge the international market.

For the developing country like Angola, the major sectors that attract Chinese investment will be the energy and construction sectors. According to Aberg (2010: 64), "oil-for-infrastructure arrangements make Angola avoid the debt-service problem and overcome the creditworthiness problem as credit lines are reimbursed with oil".

In addition, the presence of Chinese companies has strengthened employment creation in Angola and links with other economic sectors. The oil-for-infrastructure agreement redistributes Angola's oil wealth and, under the coordination of Chinese with good management abilities and the capacity to execute projects rapidly, can make efficient use of natural resources.

Category 5

Q5: What are the challenges Chinese companies facing in your country (or host country)?

For the challenges Chinese companies facing in Portugal, 80% of Portuguese interviewees believed that the policy barriers and the risks in major infrastructure projects is the main challenges. On average, delays crossing borders, cumbersome customs procedures, and restrictions on foreign direct investment, tend to be more significant in BRI countries compared to other regions. With any large infrastructure project, there are potential social and corruption risks. These risks will need to be identified and safeguards put in place to minimize their potential negative effects.

In addition, the challenges Chinese company facing in Angola mainly focus on the debt sustainability and environmental and human issues. Some developing country like Angola, the political and economic environment is not transparent enough and the governance is faultiness which will make the debt have higher risks. On the other hand, the environmental issue may become series because of the infrastructure developing and natural resource exploiting.

Category 6

Q6: Does Chinese investment and business in your country (or host country) lead to a win-win relationship for both countries? Please explain

In this research, this is the most critical issue that enables us to have a wider concept of the view of the interviewees concerning the relationship between China and CPLP countries if it is a win - win or win-lose collaboration.

It can be seen that 90% of all the interviewees have a favorable view and all think that there are mutual interests in this relationship. Most of them think that this cooperation brings fresh possibilities and larger revenues for both parties, as well as technical and economic support from China, which they think is essential to the growth of Angola.

China's success in decreasing poverty and attaining economic growth as a developing country is becoming appealing and a reliable partner for business. As the interviewees stated, it is a way for CPLP countries to learn about policies and business procedures from the Chinese experience. This is one of CPLP's most significant reasons for welcoming Chinese investment.

With regard to the long-term viability of the win - win view, as China has both resource ambitions and strategic approach to CPLP countries, it is still not evident. It is early to conclude that China's increasing interest in CPLP countries will generate a unique relationship model, a fair and balanced win - win business partnership.

4.2.3 Final Notes

We conclude with the interviews that the interviewees generally consider the BRI in CPLP countries with shared interest collaboration that improves fresh business possibilities and understanding.

The most important thing is that in the CPLP countries, there is a huge different between some countries like the Portugal and Angola. The difference between the economic level will directly affect the strategy and investment from China.

Inclusion in the BRI promises to make the country more central to global transport and logistics routes for Portugal, which is still recovering from the 2011 economic crisis, taking advantage of its strategic position in the Atlantic region. It also improves the status of the country as an investment target for Chinese businesses, which already have a substantial presence in important industries such as energy, banking, insurance and health.

Cooperation between China and Angola is often seen as a ideal match since China provides chances for growth in exchange for oil. Finally, more aspects of this connection need to be exposed and incorporated into Chinese public knowledge, including the wealthy society and culture of Angola. Improved public knowledge could help in a more balanced way to shape future bilateral relations.

Chapter 5 – Conclusions

5.1 Findings

This research studies a specific reality – The Chinese BRI strategy in CPLP countries. The objective of this research is to comprehend three aspects: whether China benefits from its role in the global economy and uses soft power strategies in the CPLP; what are the main drivers of Chinese BRI strategy in CPLP; if China's relationship is a win - win cooperation, China will only trade with CPLP to exploit resources and if the investment is a “neo-colonization” of the CPLP.

With this approach, we can conclude that China's BRI strategy towards CPLP has more advantages than disadvantages and stronger social and cultural participation is needed to enhance. Research questions will be addressed below in order to draw conclusions from this investigation.

RQ1: What are China's motivations or interests in BRI in CPLP?

China has several motivations to promote its BRI strategy. Following the global strategy framework of Lasserre (2003), this strategy identify motive both market and resource-driven.

On the market-driven side of the BRI initiative, China is attempting to decrease the economy's dependence on domestic infrastructure investment and the associated growth that comes with such investment. This means that Chinese construction companies, equipment makers, and other businesses that have thrived on the country's building boom have to look elsewhere for opportunities. A key motivation for the Belt and Road Initiative is to find outlets for these companies in CPLP countries.

Infrastructure development in CPLP countries along the BRI routes may increase growth in their economies and thus contribute to a growing demand for China's goods and services. In March 2015, China's president Xi Jinping stated that annual trade with the countries along the Belt and Road Initiative would surpass 2.5 trillion US dollar by 2025. Data are not yet sufficient to suggest the extent of this growth effect in other countries, but the initiative clearly represents an interest in finding work for Chinese construction and equipment companies and their engineers.

On the resource-driven side for the BRI is to secure China's energy supply through CPLP countries' deep-water ports. Energy sufficiency has been a consistent worry for Chinese enterprises, and for good reason. China is now the largest consumer of energy in the world and the largest net oil importer. Its reliance on coal for about 40 percent of its heating and electricity has contributed to pollution in its cities. The Chinese government has set ambitious goals for dealing with the pollution problem, including switching from coal to cleaner energy sources.

RQ2: What are CPLP's motivations or interests in BRI?

For CPLP countries, different countries have different motivation and interests in BRI. The developed countries like Portugal, the motivation mainly in the massive investment and the multi-level and comprehensive cooperation. Because of the European debt crisis in 2011, Portugal's domestic economics face troubles and dilemmas. The investment from BRI is almost the best chance for Portugal government to steady the economy and find the opportunity to get another development.

The BRI enshrines the deepening of political dialogue and encourages sustainable transport connectivity between Europe and Asia, in specific by developing direct free and fair strategic trade, greater collaboration and comprehension among peoples in areas of common interest, on a harmonious, balanced and respectful basis of

international commitments. China and Portugal also reaffirmed their interest in fostering cooperation with third countries in regions such as Africa and Latin America.

This point perfectly encapsulates the aspiration of the Portuguese government to bring to Portugal infrastructure projects linked to BRI, while also incorporating scientific initiatives by creating bases for cooperation. The explicit reference to cooperation with Africa and Latin America not only advantages Portugal, but the rest of the Portuguese-speaking world (Macao Magazine, 2019).

Like Angola and Mozambique, the developing countries in CPLP, the main motivation and interests for the BRI is the infrastructure construction and technical and financial assistance. It is obviously that with the complexity in economy and social politics of the CPLP African countries, almost impossible to get the loan in the world society. Thus, the low interest loan from BRI is their urgent need to develop the whole country.

The partnership between China and CPLP African countries has entered a new era of development under the BRI. Today, more and more Chinese companies are actively involved in the development of agriculture and light industry in CPLP African countries, helping them achieve diversified economic development by engaging in the construction of industrial parks and infrastructures.

RQ3: Is China-CPLP relationship a win-win cooperation?

The China and CPLP relationship relations have many backgrounds, changing from political and ideological to economic. This relationship is currently focused on trade and business investment. In CPLP countries, there are many Chinese firms doing business and investing in infrastructure, energy, banking and manufacturing. This relationship's achievement is mainly attributable to the determination of the Chinese government to tackle its trade surplus and the need for investment and support for the growth of CPLP.

The existence and performance of China business activities in Africa is still contentious. CPLP publications on China are often geared towards win-lose results due to China's need for the natural resource of CPLP; China's interest in CPLP African countries is often likened to European exploration and conquest in Africa.

A major reason for CPLP to welcome Chinese investment is the success of China as a developing country. This makes China an appealing and reliable business partner for comparable growth routes in African countries (Ado and Su, 2016). The chance for CPLP to learn from the Chinese experience is often regarded.

This relationship is categorized as a win - win collaboration with mutual interests, a useful partnership for both sides, according to the respondents (section 4.2.2, category VI). China can keep expanding its business and CPLP is receiving investment, new projects, development and know-how. Despite the danger of being called "Chinisation" by Aguilar and Goldstein (2009), there is a Chinese promotion of the concept of a "like-minded ally" describing the perception of African comfort in coping with China that knows its background and needs (Yin and Vaschetto, 2011).

Western media once played up China's "debt diplomacy" in CPLP, believing that industrial parks and infrastructure invested by China have increased the debt of CPLP countries. However, through cooperation with China in the early 21st Century, Angola, the country once heavily indebted under Western colonial rule, achieved a double-digit annual average growth rate.

Finally, any firm findings about China being a "neo-colonization" of the country in the CPLP are difficult to draw. After connecting the BRI in Portugal (section 4.1.1) and the BRI in Angola (section 4.1.2), we can conclude that Chinese BRI and its investment are boosting both economic and social development, thus creating new chances for CPLP. We conclude that BRI is a win - win cooperation in the CPLP relationship, but

we doubt that it will remain in the long term. Chinese direct investments in CPLP are complicated and therefore the long-term impacts are difficult to ascertain.

5.2 Implications

To realize the full potential of the BRI and genuinely help achieve the sustainable development goals, these concerns need to be addressed by China. For instance, as Eder argued, “excessive debt levels of many target (BRI) countries receiving Chinese loans have...sparked concerns about the BRI’s financial sustainability” (Eder, 2018). Such issues point to the need for the BRI to have clear and efficient safeguards in line with established global standards, rules and regulations. There is a chance to achieve this. For example, the implementation of tighter legislation on foreign lending and investment has given priority to mobilizing private investment and business lending, and new partnerships between Chinese and foreign private sector banks to promote the BRI will require commitment and closer alignment with global norms.

China also need to pursue the BRI strategy with that other foreign countries or groups in mind to realize mutually beneficial development and common prosperity. And ready to offer political and policy support for the cooperation across board and work out effective plans to maximize the synergy between China’s BRI and CPLP goals.

For CPLP countries, accountability and transparency will be the key to seize the opportunities and mitigate the risks inherent in the BRI strategy. The opaque nature of many BRI negotiations avoids scrutiny by the government and private sectors. Parliaments, government protectors, and other supervisory bodies need to monitor such negotiations actively, establish safeguards, and maintain the public informed. BRI may benefit CPLP countries positively, but much will rely on whether the China-CPLP relationship can be put on a more equal footing. CPLP's challenge is to identify where its interests converge with those of China, where they diverge, and how regions of convergence can be molded to advance the growth objectives of CPLP.

5.3 Limitations

1. Lack of publication on the subject

There is a difficulty in collecting precise and existing business information. Some CPLP companies are often reluctant to provide their activity-related information. As a result, there are many questions that still need to be addressed about China's involvement in the CPLP. Current understanding makes it difficult to provide some facts about the motivations of China in CPLP.

2. The interviews were limited to amounts and perceptions of CPLP

There may be distinct perceptions of Chinese people in touch with this truth that would make a vital contribution to this research. And the fact that many of the responses acquired are invalid or irrelevant is something we want to emphasize. This may be due to absence of understanding or the absence of data sharing with us.

3. The absence of field contact and observation

To complement the research, it is crucial to be in direct contact with this truth, for instance, to observe and discover trustworthy CPLP individuals operating in companies to have an honest and face-to-face discussion with them. The language, however, may be an barrier.

Bibliography

A. Non-Electronic documents

Aberg, J. 2010. *Chinese Financial Assistance in Angola*. Unpublished dissertation, Lund University.

Ado, A., & Su, Z. 2016. *China in Africa: a critical literature review*. Critical perspectives on international business, 12 (1): 40-60.

Aguilar, R., & Goldstein, A. 2009. *The Chinisation of Africa: the case of Angola*. World Economy, 32: 1543-1562.

Alexander, D., Moritz, W., & Tang, X. 2016. *China's Belt and Road initiative & its implications for Africa*. WWF Kenya.

Blanchard, J. 2018. *Revisiting the Resurrected Debate About Chinese Neocolonialism*. The Diplomat. February 2018.

Cain, A. 2017. *Alternatives to African commodity-backed urbanization: The case of China in Angola*. Oxf. Rev. Econ. Policy. 2017, 33, 478–495.

Chen, C. (Eds.). 2009. *China's integration with the global economy: WTO accession, foreign direct investment and international trade*. Cheltenham: Edward Elgar Publishing Limited.

Chen, W., Dollar, D., & Tang, H. 2016. *Why is China investing in Africa: Evidence from the Firm Level?* The World Bank Economic Review, Vol 32 (3): 610–632.

Duarte, L. 2017. *Chinese investment in Europe and Portugal: The case of EDP*. NOVA School of Business and Economics

Escobar, P. 2015. *Is There a Place for the West Along China's New Silk Road?* The Nation.

Farole, T. 2011. *Special economic zones in Africa. Comparing Performance and Learning from Global Experience*. Washington DC: The World Bank.

Huang, Y. 2016. *Understanding China's Belt & Road Initiative: Motivation, framework and assessment*. China Economic Review

Kiala, C. 2010. *China–Angola aid relations: strategic cooperation for development?*

S. Afr. J. Int. Aff. 2010, 17, 313–331.

Lardy, N. R. 2002. *Integrating China into the Global Economy*. Washington: Brookings Institution Press.

Lasserre, P. 2003. *Global Strategic Management*. Designing a global strategy

Leonard, K. 2016. *Three questions on China's "Belt and Road Initiative"*. China Economic Review

Liviu, S., Maria, D., Larisa, S., & Roxana, C. 2018. *China-Angola Investment Model*. MDPI

Prasad E. 2004. *China's Growth and Integration into the World Economy Prospects and Challenges*. INTERNATIONAL MONETARY FUND

Patton, M. 1990. *Qualitative evaluation and research methods*. Beverly Hills: Sage.

Prasad, E. 2004. *China's Growth and Integration into the World Economy. Prospects and Challenges*. Occasional paper no 232, International Monetary Fund, Washington DC.

Rumbaugh, T., and Blancher, N. 2004. *China: International Trade and WTO Accession*. Working Paper no. 04/36, International Monetary Fund.

Sidney, L. 2015. *How the next five-year plan will change China: blueprint for nation's development explained*. South China Morning Post.

Silk Road Associate. 2017. *Belt & Road: Opportunity & Risk*. Baker McKenzie.

Smith, A. 2016 [1776]. *The Wealth of Nations*

Yin, J., & Vaschetto, s. 2011. *China's business engagement in Africa*. Chinese Economy, 44 (2): 43-57.

Whalley, J. 2011. *China's integration into the world economy*. Singapore: World Scientific.

B. Electronic documents

25 years of cooperation among central banks. Retrieved from: <https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/25%20years%20of%20cooperation%20among%20central%20banks.pdf>. Accessed: 30 November 2018

A Strategists Guide to Chinas Belt and Road Initiative. Retrieved from: <https://www.strategy-business.com/feature/A-Strategists-Guide-to-Chinas-Belt-and-Road-Initiative?gko=a98e0>. Accessed: 18 November 2018

Belt and Road Portal (2019). Retrieved from: <https://eng.yidaiyilu.gov.cn/>. Accessed: May 2019

Belt and Road Portal (2019). *The Belt and Road Initiative Progress, Contributions and Prospects.* Retrieved from: <https://eng.yidaiyilu.gov.cn/zchj/qwfb/86739.htm>. Accessed: 26 November 2018

Boucher. R *China's Belt and Road: A Reality Check.* Retrieved from: <https://thediplomat.com/2019/03/chinas-belt-and-road-a-reality-check/>. Accessed: 01 July 2019.

China Daily Asia (2016): *CMG plans network of ports, terminals.* 2 June 2016. Retrieved from: http://www.chinadailyasia.com/business/2016-06/02/content_15443229.html. Accessed: June 2019.

China Daily Africa (2014): *China boosts Angola's reconstruction, economic takeoff.* 9 May 2014. Retrieved from: http://africa.chinadaily.com.cn/africa/2014-05/09/content_17497000.htm. Accessed: June 2019.

China's transitioning economy. Retrieved from: <https://www.worldfinance.com/markets/chinas-transitioning-economy>. Accessed: 01 July 2019.

Club of Mozambique (2016): *If it were a country, CPLP would be 6th largest world economy, worth almost US\$3 trillion.* Retrieved from: <https://clubofmozambique.com/business-post/country-cplp-6th-largest-world-economy-worth-almost-us3-trillion/>. Accessed: May 2019

Cooperação Comercial. Retrieved from: <https://www.cplp.org/id-4480.aspx>. Accessed: 28 November 2018.

Eder, T. S. (2018). *Mapping the Belt and Road Initiative: this is where we stand.*

Mercator Institute for China Studies. Retrieved from <https://www.merics.org/en/bri-tracker/mapping-the-belt-and-road-initiative>. Accessed: July 2019.

Feldshuh, H. (2018): *China Debates the Belt and Road*. Retrieved from: <https://thediplomat.com/2018/09/china-debates-the-belt-and-road/> Accessed: May 2019

Finance Ministry of Angola (2019). Retrieved from: <https://www.minfin.gov.ao/PortalMinfin/#/> Accessed: July 2019

Forum on China-Africa Cooperation (2016): *Address by Director-General Lin Songtian at the 5th Meeting of China-Africa Think Tanks Forum*. Retrieved from: <http://www.focac.org/eng/zxxx/t1356307.htm>. Accessed: June 2019.

ISS Today (2018): *Lessons from Sri Lanka on China's 'debt-trap diplomacy'*. Retrieved from: <https://www.dailymaverick.co.za/article/2018-02-21-iss-today-lessons-from-sri-lanka-on-chinas-debt-trap-diplomacy/> Accessed: May 2019

Macao Magazine (2019): *Portugal's place in China's Belt and Road Initiative*. Retrieved from: <https://www.macaomagazine.net/politics/portugal%E2%80%99s-place-china%E2%80%99s-belt-and-road-initiative> Accessed: July 2019

Macau Hub (2010): *Chinese vehicles assembled in Angola exhibited at 2nd edition of Angola Motor Show*. 10 November 2010. Retrieved from: <http://www.macauhub.com.mo/en/2010/11/26/chinese-vehicles-assembled-in-angolaexhibited-at-2nd-edition-of-angola-motor-show/>. Accessed: June 2019.

Macau Hub (2016b): *China's credit lines make it possible to build industrial hubs in Angola*. 26 April 2016. Retrieved from: <http://www.macauhub.com.mo/en/2016/04/26/chinas-credit-lines-make-it-possible-to-buildindustrial-hubs-in-angola/> Accessed: June 2019.

Ministry of Foreign Affairs of the People's Republic of China (2015): *Li Keqiang Meets with President José Eduardo dos Santos of Angola*. 10 June 2015. Retrieved from: http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1273408.shtml. Accessed: June 2019.

National Bureau of Statistics of China (2015): *China Statistical Yearbook 2015*. Retrieved from: <http://www.stats.gov.cn/tjsj/nds/2015/indexeh.htm>. Accessed: July 2019.

Statista (2019): *Breakdown of China's crude oil imports, by source country*. Retrieved from: <https://www.statista.com/statistics/221765/chinese-oil-imports-by-country/> Accessed: July 2019

The Belt and Road Initiative: 65 Countries and Beyond. Retrieved from: https://www.fbicgroup.com/sites/default/files/B%26R_Initiative_65_Countries_and_Beyond.pdf. Accessed: 26 November 2018

Tufarelli, F. (2017): *The OBOR initiative – China’s Marshall Plan for Eurasia.* Retrieved from: <http://www.bscapitalmarkets.com/the-obor-initiative-ndash-chinarsquos-marshall-plan-for-eurasia.html#>. Accessed: May 2019

World Bank Group (2018): *Connectivity Along Overland Corridors of the Belt and Road Initiative.* Retrieved from: <http://documents.worldbank.org/curated/en/264651538637972468/pdf/Connectivity-Along-Overland-Corridors-of-the-Belt-and-Road-Initiative.pdf>. Accessed: May 2019

World Finance (2018): *China’s transitioning economy.* Retrieved from: <https://www.worldfinance.com/markets/chinas-transitioning-economy>. Accessed: May 2019

World Trade Organization. The WTO. Retrieved from: https://www.wto.org/english/thewto_e/thewto_e.htm Accessed: 01 December 2018

Xinhua (2019): *China Focus: BRI, golden opportunity for Portuguese-speaking countries.* Retrieved from: http://www.xinhuanet.com/english/2019-04/24/c_138005994.htm. Accessed: June 2019

Zongwe, D. (2010). *On the Road to Post Conflict Reconstruction by Contract: The Angola Model.* Retrieved from: <https://ssrn.com/abstract=1730442> Accessed: June 2019

Appendix I – Interview (English version)



My name is Zhang Jinming and I am a student of the master's degree in Business Administration at ISCTE Business School. For my final project, I am studying China's integration in the global economy and the Chinese Belt and Road Initiative in Portuguese speaking countries. Since you have direct contact with the environment in study, I am inviting you to participate in this research project by answering the following interview that only takes 5 minutes of your time. The interview is anonymous, so all information will remain confidential. If you choose to participate in this project, please answer (in English or Portuguese) all questions as honestly as possible. Thank you for your time and collaboration.

Nationality:

Age:

Gender:

Education:

Job function:

Company/organization:

Industry/Sector:

Country where you are working:

1) To what extent your work is relevant to China or business in/with China? Please give an example.

2) Do you have any knowledge of China's Belt and Road Initiative in your country? If

yes, how does the Belt and Road Initiative impact the investment and or trade in the country where you work? How does it affect the business of your company?

3) What are the motivations or interests of your country (or your host country) in joining China's Belt and Road Initiative? To what extent, your country (or host country) benefit from the Belt and Road Initiative? Please give example(s).

4) What is China's interests in BRI in your country (or host country)? What are the major sectors (e.g. energy) that attract Chinese investment? Do Chinese investment promote the local economy and benefit the local community (e.g. creating job)?

5) What are the challenges Chinese companies facing in your country (or host country)?

6) Does Chinese investment and business in your country (or host country) lead to a win-win relationship for both countries? Please explain

Appendix II – Interview (Portuguese version)



O meu nome é Zhang Jinming e sou estudante do mestrado em Administração de Empresas na ISCTE Business School. Para o meu projeto final, estou a estudar a integração da China na economia global e a Iniciativa do Cinturão e Rota Chinesa nos países de língua portuguesa. Como você tem contacto direto com o ambiente em estudo, estou a convidar você a participar deste projeto de pesquisa respondendo à entrevista a seguir que leva apenas 5 minutos do seu tempo. A entrevista é anónima, portanto todas as informações permanecerão confidenciais. Se optar por participar deste projeto, responda (em inglês ou português) todas as perguntas da forma mais honesta possível. Obrigado pelo seu tempo e colaboração.

Nacionalidade:

Idade:

Gênero:

Educação:

Função de trabalho:

Empresa / organização:

Setor industrial:

País onde você está a trabalhar:

1) Até que ponto o seu trabalho é relevante para a China ou negócios na / com a China?

Por favor, dê um exemplo.

2) Tem algum conhecimento da Iniciativa do Cinturão e Rota da China no seu país? Se

sim, como a Iniciativa do Cinturão e Rota impacta o investimento e / ou comércio no país onde você trabalha? Como isso afeta os negócios da sua empresa?

3) Quais são as motivações ou interesses do seu país (ou do seu país anfitrião) para ingressar na Iniciativa do Cinturão e Rota da China? Até que ponto, o seu país (ou país anfitrião) se beneficia da Iniciativa do Cinturão e Rota? Por favor, dê exemplo (s).

4) Quais são os interesses da China na Iniciativa do Cinturão e Rota no seu país (ou país anfitrião)? Quais são os principais setores (por exemplo, energia) que atraem o investimento chinês? Os investimentos chineses promovem a economia local e beneficiam a comunidade local (por exemplo, criando empregos)?

5) Quais são os desafios que as empresas chinesas enfrentam no seu país (ou país anfitrião)?

6) Os investimentos e negócios chineses no seu país (ou país anfitrião) levam a uma relação win-win para ambos os países? Por favor explique.