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Will more countries join Indo-Japanese 'Asia Africa Growth Corridor'?

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A map of Asia Africa Growth Corridor (AAGC) Collected

US policymakers have also revived the New Silk Road (NSR) proposal to link South Asian countries with Central Asia and beyond. Both former president Barack Obama and former secretary of state Hillary Clinton were keen on the project, but the volatile situation in much of Western Asia from Afghanistan to Turkey stalled the progress of the project.

Japan, the major driving force behind the proposed Asia Africa Growth Corridor (AAGC) with India as its major partner, hopes that eventually the 10-member ASEAN bloc and South Korea may be motivated to join the project as well.

The reason being, the AAGC is set to be a "counter balance" to the ambitious Chinese One Belt One Road initiative (OBOR) project, and it already enjoys broad support from the US and Australia.

As with China's OBOR, the AAGC focuses on improving road connectivity and development of ports. Australian Prime Minister

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Malcolm Turnbull is scheduled to visit the US later this week, where the issue would be discussed, according to Western media reports.

While India and Japan have led efforts to build an alternative to the OBOR in the Asia/Africa region, the US has come on board somewhat late. Indian observers say that the US is more interested in the proposed naval link, the improvement and development of ports in the Indian/Pacific ocean region, as a counter to increasing Chinese activities in the South China Sea area.

However, US policymakers under President Donald Trump have also revived the New Silk Road (NSR) proposal to link South Asian countries with Central Asia and beyond. Both former president Barack Obama and former secretary of state Hillary Clinton were keen on the project, but the volatile situation in much of Western Asia from Afghanistan to Turkey stalled the progress of the project.

As Hillary Clinton had said, the idea was to make sure that Tajik cotton could be used by Indian linen-makers, while fruits and furniture made in Afghanistan could be sold in markets in Mumbai and Astana. India and Pakistan could use gas from Turkmenistan to meet their energy needs, while Afghanistan could earn regular transit fees.

Ironically, the political establishment in India, Japan and other countries have been motivated to formulate their own major intercontinental infrastructure development projects following the energetic performance of China in this field. Not only have the Chinese made good progress with the China Pak Economic Corridor (CPEC) they have also completed much of the work related to the Bangladesh-China-India-Myanmar (BCIM) corridor in the East. But for India's indifference, the project would have been completed by now.

In addition, from Djibouti in Africa to Gwadar in Pakistan, from Hambantota in Sri Lanka to port development projects in Myanmar, China has relentlessly pushed forward with construction.

Its total investment in the OBOR in phases would eventually reach over \$130 billion.

This is not to suggest that the AAGC – also called the Freedom corridor, to stress its differences with the OBOR – and related projects are cash-strapped. Japan has already committed over \$30 billion for the work to start. Once things start rolling, the Japanese dominated Asian Development Bank (ADB) could be counted on to provide further assistance. Already, the Japanese are financing several road building projects in India's Northeast and helping build the Dawei port close to the Myanmar-Thailand border.

In Africa, Japanese industrialists are reportedly considering major investments in the West, close to Europe, in the energy and natural resources sectors. Japanese media quotes sources saying that plans are on to get the Asean nations and South Korea on board on similar schemes in the East. It is a political advantage that some ASEAN members, unlike Myanmar, are extremely wary of China's long term intentions and its naval manoeuvres in the region.

Once the projects get underway, the four "quad" countries – Japan, Australia, the US and India would help set up, develop and upgrade existing manufacturing industries, stepping up bilateral, multilateral trade and business, through banks, local private sector players, and donors.

What could help the progress of the "Freedom corridor" is the negative experience of Pakistan and Sri Lanka vis-à-vis Chinese-aided development projects. Ordinary people, the civil societies, as well as opposition parties in both countries complain of the colonial nature of the Chinese financial/technical expertise and the enormous political price it exacts.

In Pakistan, learning Mandarin has become mandatory in some areas and there have been financial transactions involving the Yuan. In Sri Lanka, it has been made explicit that in case the debt owed to China for the development of ports and airports are not repaid, they would be taken over by Beijing.

Contrast this with the existing 0.5% interest on a big Japanese loan of several billions of dollars to India for the prestigious bullet train from Mumbai to Ahmedabad, with no strings attached, to be repaid over 20 years.

It is not for nothing, say Kolkata-based analysts, that even as they go along with accepting China's "help" in developing their economy, Sri Lankan authorities openly declare their support for India's boycott of the CPEC. As Sri Lankan Minister for Special Assignments Sarath Amanugam said recently: "The CPEC goes through the very heart of India's interests. If it had run through some other non disputed territory, things would have been different. For India too, the issue of Kashmir is too important to be ignored."

And it seems that his line of thinking will prevail in Sri Lanka for some time to come. According to R Hariharan, head of Intelligence of the Indian Peace Keeping Force (1987-90): "Squeezed by China's debt burden, Sri Lanka needs India's helping hand more than ever before. So we can expect Sri Lanka to pursue its current policy on India even if there is a change in its ruling coalition."

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