

GEOPOLITICAL AND ECONOMIC IMPLICATIONS OF CHINA'S BRI IN THE LITTORAL REGIONS: A CONSCIOUS COMPETITION FOR THE FUTURE GLOBAL HEGEMONY

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ABSTRACT

This paper explores China's Belt and Road Initiative (BRI), launched in 2013, as a major geopolitical and economic strategy designed to improve global connectivity across Asia, Europe, Africa, and beyond. It focuses on the geopolitical implications of the BRI, particularly how China's growing presence in littoral regions is shifting power dynamics and prompting new security concerns. At the same time, this study looks into the geo-economic effects of the initiative, including changes in global trade routes, challenges related to debt sustainability, and the influence of large-scale infrastructure projects on regional connectivity. The discussion also highlights how the BRI poses challenges to the existing global order, especially in the context of the ongoing U.S.-China rivalry, where concerns over economic dependency and strategic competition are becoming more pronounced. Using case studies of infrastructure investments and their political impacts, the study shows how China is using the BRI as a way to expand its influence and reshape global political and economic systems. While the initiative brings development opportunities for many countries, it also raises serious geopolitical risks and doubts about the long-term viability of such large investments, especially as global skepticism continues to grow.

2.0. Introduction.

China's Belt and Road Initiative (BRI), launched in 2013, is a landmark economic and geopolitical strategy aimed at enhancing connectivity across Asia, Europe, Africa, and beyond. Framed as a modern revival of the ancient Silk Road, the BRI extends far beyond infrastructure development, representing a deliberate effort by China to expand its influence over vital maritime and continental trade routes—particularly in littoral regions. These zones are increasingly becoming strategic arenas for global power competition. The BRI has grown into one of the most ambi-

tious international infrastructure and development programs in modern history, involving over 150 countries and organizations (Yusufzada, Xia, & Noorzad, 2022). While its stated goals include promoting regional connectivity, closing infrastructure gaps, and boosting trade and industrial growth, the initiative also serves broader strategic purposes. It facilitates long-term economic and political relationships, enabling China to secure critical energy corridors, promote its excess industrial capacity, and create alternative trade routes that reduce reliance on U.S.-controlled maritime pathways. Beyond economics, the BRI

holds significant geopolitical weight. It offers China an avenue to assert influence in regions traditionally within the U.S. sphere, such as South Asia, Central Asia, the Middle East, and increasingly, Latin America. In Latin America, for instance, Chinese-funded infrastructure, resource extraction, and trade initiatives reflect a strategic push to reshape regional dynamics historically dominated by the United States (Neto & Malamud, 2015). Moreover, the BRI's expansion into fragile or conflict-prone areas requires China to take on new diplomatic and security roles, further embedding its geopolitical presence. As China positions itself as a leading global investor and trading power, the lines between economics and politics continue to blur—raising concerns over debt dependency, political leverage, and the long-term implications of Chinese influence in partner countries. This multifaceted competition between China and the U.S. has extended into critical sectors like technology. The semiconductor industry has become a central battleground in what many describe as a new Cold War. The U.S. has responded with initiatives like the CHIPS Act to revive domestic chip manufacturing, while China pushes forward with “Made in China 2025,” backing companies such as Huawei and SMIC (Rootmodule, 2025; PatentPC, 2025; CSIS, 2025). These efforts underscore a broader struggle over technological supremacy, economic leadership, and strategic autonomy that will shape the global order in the coming decades.

3.0. Geopolitical Implications.

The Belt and Road Initiative (BRI), launched by China, has broad economic and social implications, but also extends into geopolitics and geoeconomics, providing China chances to grow economically and to gain political leverage regionally and globally. Some view the BRI as China's effort to create economic zones outside of its borders to generate demand for its excess goods and to counter U.S. influence, and convince the world that China's rise is not a threat to world peace. Though portrayed as an investment and development project that is economically beneficial, there are strategic implications that contradict this depiction. The BRI has significantly reshaped

South Asia's geopolitics by increasing China's economic and strategic influence, a development that has generated concern in the global and South Asian context.

3.1. Inclination in Chinese Influence.

China's expanding role in global development has been notably driven by its Belt and Road Initiative (BRI), which emphasizes strategic investments and infrastructure development. By establishing deep-sea ports, industrial corridors, and special economic zones—especially in coastal nations—China has strengthened its influence in both economic and geopolitical arenas. Notable examples like Gwadar Port in Pakistan and Hambantota Port in Sri Lanka highlight how these projects serve dual purposes: enhancing China's trade links and securing access to vital maritime chokepoints and strategic regional footholds (Yusufzada, Xia, & Noorzad, 2022). The BRI's Maritime Silk Road component has particularly strengthened China's presence in coastal regions by establishing critical port infrastructure and shipping routes. While these developments promote economic growth for partner nations, they also raise concerns about sovereignty, debt dependency, and dual-use capabilities of infrastructure. For example, Gwadar Port, situated near the vital Strait of Hormuz, grants China a strategic position close to global energy supply routes. Similarly, China's acquisition of Sri Lanka's Hambantota Port on a 99-year lease—after Colombo struggled to repay its BRI-related loans—has drawn criticism as an example of “debt-trap diplomacy.” This issue of debt diplomacy has become a central critique of China's BRI engagements in littoral countries. Many nations involved in the initiative have encountered financial difficulties due to the scale of infrastructure loans, prompting loan restructuring or the surrender of strategic assets. Besides Sri Lanka, concerns have emerged in countries like Kenya and Djibouti, where the opacity of loan agreements and potential long-term dependencies raise questions about political leverage and economic autonomy. Critics argue that China's lending model often lacks transparency and can lead to disproportionate influence over national deci-

sion-making. China's growing presence through the Belt and Road Initiative (BRI) has amplified strategic rivalries, particularly in the Indian Ocean region. India perceives Chinese infrastructure ventures in Sri Lanka and Pakistan as intrusions into its traditional sphere of influence. The China-Pakistan Economic Corridor (CPEC)—a prominent BRI initiative that runs through the disputed territory of Kashmir—has exacerbated existing tensions, prompting India to seek countermeasures through alternative alliances and infrastructure projects. On a wider scale, the United States and its partners have expressed alarm over the BRI's implications for international trade norms and security. In response, initiatives such as the Blue Dot Network and the Partnership for Global Infrastructure and Investment (PGII) aim to present more accountable and sustainable financing options as strategic counterweights to China's model. Despite these strategic and economic challenges, many littoral states—particularly in Southeast Asia and Africa—continue to engage with the BRI, attracted by the promise of modernized infrastructure and enhanced economic integration. However, the long-term viability of these projects remains in question due to recurring issues related to debt sustainability, environmental impact, and labor practices. The case of Malaysia, which renegotiated multiple BRI agreements under former Prime Minister Mahathir Mohamad, illustrates the complexities of balancing development needs with concerns over national sovereignty. In sum, the BRI has reshaped the geopolitical landscape of littoral regions by intertwining economic opportunity with strategic calculation. Its future trajectory will likely depend on China's ability to respond to the growing scrutiny around its lending practices and geopolitical motives, while sustaining the economic appeal of its global infrastructure vision.

3.2. Shifting Power Dynamics.

China's Belt and Road Initiative (BRI) is a calculated strategy aimed at redefining the post Cold War global order, historically dominated by Western powers. By bringing over 150 countries into a China-oriented economic framework, the

BRI challenges existing Western alliances and institutions, promoting a more multipolar international system where China stands as a strategic counterweight to the United States and its partners. Key corridors such as the China-Pakistan Economic Corridor (CPEC) and the China-Central Asia-West Asia route enhance regional connectivity while realigning trade patterns, diplomatic relations, and security partnerships toward Beijing. The BRI's coastal dimensions have become pivotal arenas in the broader U.S.-China rivalry. As China expands its maritime footprint through port construction and infrastructure investments, the United States has countered with a mix of military deployments, economic partnerships, and diplomatic engagement. This evolving contest mirrors the larger transformation in global power dynamics, compelling littoral states to balance relations with both powers to secure developmental gains without compromising sovereignty. China's dual approach—blending commercial investment with strategic influence—is evident in its approximately \$40 billion commitment to port development across Asia, Africa, and Europe (Chen & Lin, 2022). Such investments often lead to long-term dependencies, exemplified by Sri Lanka's transfer of Hambantota Port to Chinese control following debt related challenges (Brautigam, 2020). Moreover, China has strengthened its global reach through military initiatives, including the establishment of its first overseas base in Djibouti and potential dual-use facilities like Cambodia's Ream Naval Base (Erickson & Kennedy, 2023). These moves enhance China's power projection capabilities and influence over global maritime infrastructure and data governance. The United States has gradually developed a more systematic response to China's Belt and Road Initiative (BRI) expansion. Militarily, the U.S. has increased naval patrols and secured new access agreements with countries like the Philippines and Papua New Guinea (Manyin et al., 2023). Economically, initiatives such as the Blue Dot Network and the Partnership for Global Infrastructure and Investment (PGII) aim to provide transparent alternatives to BRI financing, with the G7 pledging \$600 billion under this framework (White House, 2022).

Diplomatically, strengthened cooperation through the QUAD alliance and recent trilateral agreements with Japan and South Korea demonstrate Washington's efforts to build a coalition based approach to counterbalance China's influence. Littoral states have adopted nuanced strategies to navigate this competition. India, while opposing BRI projects in disputed territories, has simultaneously developed its Security and Growth for All in the Region (SAGAR) doctrine while maintaining selective cooperation with Chinese initiatives (Pant, 2023). Indonesia has accepted Chinese funding for port development but imposed restrictions on military access, illustrating careful hedging (Storey, 2022). Even traditional U.S. allies, such as Turkey, participate in BRI projects while remaining within NATO, reflecting the complex calculations of smaller states in this new era of great power competition. Looking ahead, several scenarios could emerge. If U.S. alternatives fail to materialize on a large scale, Chinese dominance in littoral regions may solidify. Alternatively, the world could see a bifurcated system with competing infrastructure blocs dividing the Global South. A third possibility involves hybrid solutions mediated by neutral parties, such as the UAE or Singapore, creating blended models that incorporate elements from both U.S. and Chinese approaches. The eventual outcome may depend on Washington's willingness to match

Beijing's tolerance for long-term, high-risk investments in politically unstable regions. This competition represents more than just an infrastructure rivalry, it reflects a fundamental renegotiation of how economic connectivity translates into geopolitical influence. As both powers refine their strategies, the most successful littoral states may be those that skillfully extract benefits from both camps while maintaining strategic independence. The coming years will reveal whether these coastal regions become zones of conflict, cooperation, or creative competition in the evolving world order.

3.3. Security Initiatives.

China's presence in strategic maritime zones raises not only economic concerns but also security

implications. Infrastructure projects, such as ports and naval docking stations, enable dual-use facilities that can be leveraged for both military and civilian operations. Although not explicitly presented as military initiatives, the strategic positioning of ports in the Indian Ocean, Southeast Asia, and East Africa signals a growing capacity for power projection. Furthermore, China's call for maritime security cooperation within BRI partner countries adds another layer to its regional assertiveness. The spread of Chinese-funded port developments across Asia, Africa, and Europe through the Belt and Road Initiative has created a complex web of security considerations that governments and analysts continue to grapple with. These massive infrastructure projects, while primarily driven by economic considerations, have implications

that extend across military, cyber, and environmental security domains, creating both opportunities and challenges for host nations and the international community. China's overseas security presence has expanded in tandem with its port investments. The military base in Djibouti, established six years ago near critical shipping lanes, represents just one visible piece of a broader pattern. Recent satellite images tell an interesting story - what appear to be unusual construction activities at Cambodia's Ream Naval Base and heightened security measures at Myanmar's Kyaukpyu port suggest Beijing may be developing additional strategic footholds. These facilities, although officially commercial, could potentially support naval operations if needed, providing China with flexible options along crucial maritime routes. Other regional powers have not stood idle in response. India has been particularly active, securing port access agreements with Oman, bolstering its military capabilities in the Andaman Islands, and forming new maritime security partnerships with Indian Ocean nations. Across the Pacific, American defense officials have been revising military agreements to accommodate the evolving infrastructure landscape, with new provisions specifically addressing security concerns near Chinese-developed ports. The security implications extend far beyond tradition-

al military considerations. Several concerning patterns have emerged:

- Digital vulnerabilities in port management systems, highlighted by the Shanghai cyber incident that exposed sensitive shipping data.
- Questions about embedded surveillance capabilities in Chinese-supplied port technology.
- Environmental damage from rushed construction in delicate coastal ecosystems.

Faced with these challenges, countries hosting BRI ports are crafting new policies. Some now require military review of foreign port investments, while others have established special security forces to protect these sensitive sites. The measures vary widely, reflecting each nation's unique assessment of risks and benefits. Looking ahead, three key issues will shape the development of this situation: the lack of clear international standards for dual-use ports, overlapping maritime claims in the vicinity of these facilities, and the security implications of the technology being installed. How China and other nations address these challenges will determine whether these infrastructure projects become bridges for cooperation or sources of tension in the coming decade. The ultimate impact of these developments may hinge on transparency. If participating countries can establish clear rules and oversight mechanisms, the

economic benefits of these ports could be secured while minimizing security risks. Without such frameworks, the current uncertainty could lead to heightened tensions in already sensitive maritime regions.

4.0. Geo-economic Implications.

The Belt and Road Initiative (BRI) is a broad geo-economic strategy that emphasizes cooperation in policymaking, the development of infrastructure, the promotion of trade and investment, financial connectivity, and cultural exchange. Introduced in 2013, the BRI has expanded into a vast global network of investment and lending activities, effectively merging economic ambitions with political objectives. Through its overseas financing, trade partnerships, and infrastructure ventures, China has been able to broaden its economic and political reach, forming long-term ties with partic-

ipating nations. These growing connections have the potential to place China in a position of considerable influence over the economies of many countries involved in the initiative. China's global profile has risen substantially as it has become a key trading nation and an increasingly important source of foreign direct investment and infrastructure funding. The central aim of the BRI is to stimulate economic development by building integrated systems of transportation, energy, and infrastructure that link regions across Asia, Africa, and Europe.

4.1. Global Trade and Market Realignment.

The BRI's development of six major economic corridors has been instrumental in realigning global trade patterns. These corridors link over 60 countries, enhancing supply chain efficiency, reducing transit costs, and expanding market access (Du, 2016). By improving logistical infrastructure and facilitating smoother trade flows, China not only positions itself at the center of these networks but also creates alternative trade routes that bypass traditional Western dominated pathways. This realignment is particularly significant for littoral states that depend on maritime trade for economic survival. The Belt and Road Initiative (BRI), launched by China in 2013, has rapidly evolved into transformative force reshaping global trade networks and supply chains. By investing heavily in infrastructure, such as railways, ports, roads, and energy facilities, across more than 150 countries, the BRI has significantly lowered trade costs and shortened transit times, thereby enhancing connectivity between Asia, Europe, Africa, and beyond. This expansion and diversification of trade routes, including the development of new land corridors like the China-Europe Express Rail, offer faster and more reliable alternatives to traditional maritime routes, such as those passing through the Suez Canal. As a result, shipment times have decreased by up to 3.2%, and trade costs have dropped by nearly 2.8%, contributing to a surge in trade volumes and economic growth along the Belt and Road Initiative (BRI) corridors. For the United States, the global trade implications of the BRI are multifaceted, carrying both economic

and strategic consequences. Economically, the BRI's enhancement of trade infrastructure and facilitation mechanisms is accelerating the integration of emerging markets into global supply chains. Between 2013 and 2022, trade volume between China and BRI countries nearly doubled from \$1.63 trillion to \$2.9 trillion, with Chinese direct investments in these countries exceeding \$240 billion. This growing economic interdependence strengthens China's position as a global trade leader, shifting the center of gravity in global commerce toward Asia and regions connected to the BRI. The United States faces a complex challenge as the BRI reshapes global supply chains. Improved infrastructure along BRI routes is making regions once considered peripheral more attractive for manufacturing and investment, potentially redistributing production away from traditional Western hubs. This rebalancing could impact US industries by intensifying competition and altering the geographic distribution of supply chains, particularly in sectors that rely on timely delivery, such as electronics, apparel, and medical supplies. Moreover, the BRI's promotion of multilateral trade agreements and harmonization of customs regulations among participating countries could establish new trade standards and norms that may diverge from those upheld by existing institutions, such as the World Trade Organization, potentially diminishing US influence in global trade governance. Strategically, the BRI enhances China's ability to project economic and geopolitical influence by controlling critical infrastructure and trade routes. By reducing dependency on traditional chokepoints and creating alternative pathways, China not only increases the resilience of its supply chains but also gains leverage over global logistics. This shift challenges the US-led international order and complicates American efforts to maintain its dominant role in global trade and security frameworks. The expansion of China's economic footprint through the BRI also raises concerns about debt sustainability in participating countries, as large loans from Chinese banks have sometimes led to financial vulnerabilities and increased Chinese leverage over sovereign deci-

sions, which could have broader geopolitical repercussions.

4.2. Debt Sustainability Concerns.

Despite its economic promise, the BRI has drawn widespread criticism for debt sustainability issues, particularly among low-income countries. Partner nations, such as Sri Lanka, have experienced mounting debt burdens due to Chinese-financed megaprojects, culminating in strategic asset transfers, including the 99-year lease of Hambantota Port. These developments have sparked debate over "debt-trap diplomacy", whereby Beijing is accused of using economic leverage to extract political concessions (Yusufzada et al., 2022). The Belt and Road Initiative (BRI) has been a major driver of infrastructure investment and economic connectivity across Asia, Africa, and beyond. However, it has also raised significant concerns about debt sustainability among participating countries. The impact of the BRI on debt sustainability varies widely depending on factors such as the income levels, existing debt burdens, and growth prospects of recipient countries. Generally, countries with higher incomes, lower initial debt levels, and faster economic growth tend to benefit more from BRI investments, as these conditions improve their capacity to service new debt and leverage infrastructure for growth. However, many lower-income and heavily indebted countries face elevated risks of debt distress due to the large-scale public and publicly guaranteed (PPG) debt financing associated with BRI projects. Studies show that during the initial phase of BRI investments, roughly one third of recipient countries experienced increased debt vulnerabilities, partly because the full economic benefits of infrastructure development take time to materialize while debt obligations become immediately due. This situation is exacerbated in countries where infrastructure projects face delays or underperformance, reducing expected fiscal revenues and growth impacts, which further strains debt sustainability. The concern over "debt trap diplomacy" has been widely debated, with some countries, such as Sri Lanka, already having defaulted on debts linked to BRI projects,

highlighting the risks of unsustainable borrowing. Many BRI loans are sovereign-backed, meaning that recipient governments guarantee repayment, which increases their fiscal exposure and can crowd out other public spending priorities. High debt burdens can lead to loss of market access, higher borrowing costs, and diminished investor confidence, negatively affecting economic growth and social services. China, as the most significant bilateral creditor to many emerging economies, plays a crucial role in mitigating these debt risks. While China has faced criticism for aggressive lending practices, recent policy shifts emphasize the importance of sustainable financing and debt risk management. China has promoted frameworks encouraging long-term, stable, and sustainable financing systems among BRI countries to mitigate fiscal risks and support inclusive growth. Additionally, China has begun integrating "eco-sustainability" principles into BRI projects to address environmental concerns and promote green development, which could help mitigate long-term vulnerabilities exacerbated by climate change. The complexity of debt sustainability under the BRI is further compounded by the presence of multiple creditors, including private lenders and multilateral institutions, making sovereign debt restructuring more challenging. Effective debt management requires coordinated efforts among all creditors and borrowers to ensure that debt levels remain manageable and that infrastructure investments yield sustainable economic benefits. To sum up, while the Belt and Road Initiative offers significant opportunities for infrastructure development and economic growth, it also presents substantial debt sustainability challenges for many participating countries. The risk of elevated debt vulnerabilities depends on the country's economic fundamentals, the scale and terms of BRI financing, and the effectiveness of project implementation. Addressing these concerns requires comprehensive frameworks for debt risk assessment, transparent lending practices, and international cooperation to support sustainable development and prevent debt distress in the BRI network.

5.0. Challenges to the Existing Global Order.

China's Belt and Road Initiative (BRI) presents a significant challenge to the existing international system by not only asserting economic power but also promoting alternative, non-Western development paradigms. These include prioritizing infrastructure development, relying on state-driven investment strategies, and favoring one-on-one bilateral agreements. By offering funding options through institutions like the Asian Infrastructure Investment Bank (AIIB) and the China Development Bank, the BRI provides countries with alternatives to traditional Bretton Woods institutions like the IMF and World Bank. As a result, the initiative undermines Western dominance, especially in coastal and developing states that are increasingly aligning with China's strategic vision. Although initially introduced as a plan to boost infrastructure and promote economic cooperation, the BRI has evolved into a broader geopolitical tool for China to expand its global presence and promote an alternative model of governance. The creation of new institutions such as the AIIB and the Belt and Road Forum highlights China's ambition to influence global regulatory frameworks and standards, challenging the authority of Western-led organizations (World Scientific, 2024). The Belt and Road Initiative (BRI) follows a strategically crafted route design aimed at reinforcing China's access to critical energy corridors and developing alternative trade routes that minimize dependence on maritime channels traditionally controlled by the United States and its allies. This approach not only strengthens China's economic security but also extends its influence into key geopolitical regions, including Central Asia, South Asia, and the Middle East—areas that have long been within the orbit of U.S. strategic interests (World Scientific, 2024). Operating in politically unstable or conflict-prone zones, China is compelled to blend its economic investments with robust diplomatic outreach and security collaborations to safeguard its overseas assets and ensure the continuity of infrastructure projects (World Scientific, 2024). From a strategic standpoint, the U.S. and its partners interpret the BRI as a fundamental challenge to the post-WWII international system.

Through its infrastructure network and financial influence, China is building an alternative global framework where its interests and norms may replace those established by Western institutions (South Asia Journal, 2024; Council on Foreign Relations, 2023). This reorientation threatens American leadership by drawing more nations into China's economic sphere and potentially influencing their positions in global diplomacy to align with Beijing (South Asia Journal, 2024). In response, the United States has adopted a strategy centered on geopolitical rivalry and has introduced alternative infrastructure plans that promote democratic values, transparency, and sustainability (SSRN, 2022). Beyond its economic and strategic components, the BRI also serves as a vehicle for soft power. China is increasingly using cultural exchanges, education programs, and media partnerships to shape public opinion and build favorable narratives in participating countries (World Scientific, 2024). This integrated strategy allows China to exert broader influence over international institutions and norms, steering global governance in directions that reflect its developmental outlook and long-term goals (National Institute for Defense Studies, 2020).

5.1. Infrastructure and Economic Development.

At the heart of the BRI lies a commitment to infrastructure development, which serves as the foundation for broader economic benefits. Through the construction of roads, ports, railways, and communication networks, the BRI promotes logistical efficiency and reduces transaction costs (Yusufzada et al., 2022). This infrastructural connectivity is particularly valuable for developing countries, as it enables better access to regional and international markets and fosters foreign direct investment (FDI). Studies indicate that improved infrastructure has a long-term positive impact on productivity, employment, and business creation, thereby enhancing both domestic and cross-border economic activity (Cheng, 2016).

5.2. Economic Corridors and Regional Connectivity.

The Belt and Road Initiative (BRI) centers on six major economic corridors, including prominent routes such as the China-Pakistan Economic Corridor (CPEC), the Bangladesh-China-India-Myanmar (BCIM) corridor, and the China-Indochina Peninsula corridor. These corridors serve as vital channels for cross-continental trade and infrastructure development, facilitating China's integration with Central Asia, South Asia, Europe, and Africa (Yusufzada et al., 2022). By enhancing the flow of trade, investment, and services, these corridors aim to promote economic growth in participating areas and bridge the gap between developed and underdeveloped regions. Moreover, they serve a strategic purpose by extending China's geopolitical reach into crucial global regions (Grieger, 2016).

5.2.1. China-Iran Nexus.

The Belt and Road Initiative (BRI), launched by China, aims to foster international connectivity through infrastructure development across Asia, Europe, and Africa. While the geopolitical ambitions of the BRI are well recognized, a comprehensive understanding of its dynamics requires a focus on the economic dimensions that underpin China's strategic investments, particularly in partner countries such as Iran. This paper examines the economic aspects of China-Iran relations within the BRI, highlighting the importance of geoeconomics as a key analytical framework. China's expansive vision for the BRI has propelled it to invest massive sums, potentially up to \$1.2 trillion, in infrastructure projects to improve connectivity, facilitate trade, and secure energy supplies. This economic drive stems from China's desire to ensure its economic security and to diversify its global supply chains. Geo-economics, the strategic utilization of economic tools to achieve security and influence, serves as an essential lens to interpret China's investment behavior and its diplomatic engagement with Iran. Unlike traditional geopolitics, which emphasizes military and political power, geo-economics highlights economic vulnerabilities and opportunities as the primary means of pursuing strategic objectives.

Iran holds considerable geo-economic significance due to its unique geographical position and resource wealth. As a leading oil exporting country, Iran plays a vital role in energy security, providing a critical energy supply corridor that can significantly benefit China's economic development. Iran's strategic location at the crossroads of Central Asia, the Middle East, and the Persian Gulf highlights its pivotal role as a key energy supplier and transit hub. Its inclusion in the BRI aligns with China's broader goal of establishing economic corridors that connect energy and infrastructure networks across Asia and beyond. Therefore, through a geo-economic lens, China's investments in Iran are not merely about political influence but are driven by the practical need to access and secure vital resources and markets. However, Iran's economic environment presents significant challenges to its participation in the Belt and Road Initiative (BRI). Iran faces internal issues, including high inflation, an inefficient banking sector, and a reliance on oil revenues, which are compounded by external pressures such as U.S. sanctions that restrict oil exports and foreign investment. These economic vulnerabilities heighten the risks associated with Chinese investments, underscoring the importance of assessing operational and financial risks, including currency instability, regulatory challenges, and infrastructural deficits. Despite these hurdles, China's continued interest in Iran demonstrates the strategic importance of Iran's geo-economic position, prompting it to navigate these risks through long-term engagement and investments. From a risk perspective, the study categorizes uncertainties into operational, economic, and geopolitical factors. The economic risks, such as inflation, currency fluctuations, and regulatory uncertainties, are particularly prominent, given Iran's complicated macroeconomic landscape. The analysis reveals that the perceived economic risks are significant barriers but do not deter Chinese engagement entirely. Instead, China appears motivated by a cost-benefit analysis grounded in geo-economics, a strategic approach that combines economic and geopolitical factors, recognizing that Iran's strategic resource endowments and geographic location outweigh some

operational risks. Furthermore, the paper emphasizes that China's investment in Iran should be understood not solely in terms of geopolitical motives but as part of a broader geo-economic strategy. This strategy entails developing infrastructure, establishing economic corridors, and promoting regional economic integration to secure energy supplies, expand markets, and enhance influence in key regions. Despite Iran's challenging business environment, its geo-economic importance, demonstrated by its significant oil reserves and strategic location for trade routes, compels China to persist in its investments, seeking to leverage its economic influence to offset geopolitical uncertainties.

5.2.2. China's BRI and ASEAN.

The Belt and Road Initiative (BRI), introduced by China, plays a significant role in enhancing economic interactions with countries in Southeast Asia. Central to the BRI's objectives is infrastructure connectivity, which aims to streamline the movement of goods, services, and investments across the region. This focus on improving physical linkages has resulted in notable growth in China-ASEAN trade relations. For example, trade volumes reached approximately US\$500 billion in 2015, reflecting a substantial increase over previous years, with China becoming ASEAN's largest trading partner in 2009 (Soong, 2018). The initiative's emphasis on infrastructure development, driven by financial support mechanisms such as the Silk Road Fund and the Asian Infrastructure Investment Bank (AIIB), has been instrumental in financing projects that lower transportation costs and reduce transit times, thereby fostering a more integrated trade environment (Huaxia, 2015; T7). The investments facilitated by the BRI are also encouraging greater foreign direct investment (FDI) and fostering economic cooperation, which are critical to ASEAN countries' integration into the global economy. Additionally, the increase in tourism, supported by improved connectivity, has contributed to people-to-people exchanges that underpin economic collaboration in the region. As a result, the BRI has not only promoted larger trade volumes but has also laid the foundation for a more

interconnected and mutually beneficial regional economy. This ongoing development supports the broader vision of regional prosperity, which includes increased economic opportunities, improved living standards, and enhanced cultural exchange, driven by infrastructure improvements and enhanced cooperation mechanisms (T3, T6) BRI and Participating countries. The Belt and Road Initiative (BRI) aims to foster shared development among participating countries through a comprehensive approach grounded in cooperation, fairness, and inclusivity. Central to the initiative is the development of infrastructure, such as roads, railways, ports, pipelines, and communication networks, that enhances regional connectivity and facilitates smoother trade flows (Sustainability, 2018, p. 16). By investing in infrastructure projects, the BRI creates opportunities for economic growth, job creation, and poverty reduction, benefiting nations across Asia, Africa, and Europe (Sustainability, 2018, p. 14). Furthermore, the initiative promotes a model of "shared globalization," emphasizing principles of justice, mutual respect, and fairness. This approach underscores the importance of partner countries maintaining ownership over their development strategies, ensuring that projects are aligned with local needs and priorities (Sustainability, 2018, p. 13). The emphasis on transparency and inclusiveness helps to build mutual trust and sustain long-term collaboration among nations. China's role in providing technical support, financial resources, and policy coordination is crucial in enabling developing countries to overcome infrastructural and economic barriers (Sustainability, 2018, p. 8). The initiative's underlying philosophy is to create mutually beneficial opportunities that enable all participants to share the benefits of economic development, thereby reducing disparities and promoting a more equitable form of globalization. In essence, the BRI serves as a platform for countries to build interconnected, sustainable economies that support shared prosperity and peaceful development.

5.3. Impact on Manufacturing and Market Development.

One of the BRI's fundamental promises is the promotion of local manufacturing industries in partner countries. By providing infrastructure and market access, the BRI encourages industrial expansion and enables countries to integrate into global supply chains (Du, 2016). This not only supports employment generation but also enhances the competitiveness of local enterprises. For China, the BRI also offers a solution to domestic overcapacity by facilitating the export of surplus goods and encouraging outward investment into partner economies (Amighini, 2017).

5.4. Trade Facilitation and Cost Reduction.

The initiative plays a significant role in reducing trade costs and transit times, thus improving the business environment. By streamlining transport routes and customs procedures, the BRI creates more efficient supply chains and reduces logistical barriers (Aoyama, 2016). These developments not only make trade more profitable but also foster entrepreneurial growth, especially in emerging economies, by lowering market entry costs and expanding access to regional hubs.

5.5. Currency Internationalization and Financial Integration.

An important, yet often underexplored, aspect of the BRI is its effort to internationalize the Renminbi (RMB). This push aims to facilitate smoother transactions among BRI partners and reduce dependence on other major global currencies such as the US dollar (Chung, 2017). While this strategy aligns with China's long-term financial goals, concerns persist regarding the readiness of China's financial markets to support a truly global currency (Pereira & Andraz, 2013). Nonetheless, increased RMB usage could yield benefits in reducing exchange rate risks and enhancing financial cooperation within the BRI network.

5.6. Implementation Challenges and Policy Recommendations.

Despite its potential, the BRI faces numerous challenges. These include issues of funding, de-

layed project execution, geopolitical tensions, and geographic/topographic limitations (Yusufzada et al., 2022). Security concerns and the political climate in partner countries can further complicate implementation. The study recommends several policy responses, including the need for localized planning, greater transparency, and faster project completion timelines. Infrastructure projects should be adapted to regional needs and include community consultation to ensure sustainability and acceptance.

6.0. U.S. Dominant Nature and Chinese Assertiveness.

In recent years, China's Belt and Road Initiative (BRI) has emerged as one of the most expansive and ambitious approaches to global economic engagement and geopolitical influence. Launched in 2013 by President Xi Jinping, the BRI aims to enhance infrastructure connectivity across Asia, Africa, Europe, and increasingly Latin America, fostering trade, investment, and strategic partnerships (Montoya et al., 2019). Within Latin America, the BRI has garnered considerable interest, with countries expressing varied degrees of enthusiasm and caution. This engagement is driven not only by economic needs, such as diversifying trade partners and addressing infrastructure gaps, but also by geopolitical considerations rooted in regional power dynamics, particularly the influence of the United States. Historical context reveals that Latin America has traditionally been within the U.S. sphere of influence, where American foreign policy and regional alliances have shaped economic and political relations for over a century (Neto & Malamud, 2015). During the Cold War era, U.S. policies aimed at containment and stabilizing the region often limited the scope of external actors. However, the post-Cold War period saw a gradual decline in U.S. dominance, creating space for emerging powers like China to expand their influence through investment, trade, and diplomatic outreach. The increasing presence of Chinese-funded infrastructure projects, resource extraction, and trade agreements signifies a strategic effort by China to establish a foothold in Latin America, balancing U.S. regional interests. Montoya, Lemus, and

Kaltenecker (2019) argue that the success and limits of China's BRI in Latin America are inherently linked to the regional geopolitical environment. In particular, the influence exerted by the United States imposes constraints on the scope of Chinese investments and diplomatic initiatives. For example, U.S. concerns over security, influence, and economic competition often result in diplomatic pushback, restrictions on Chinese infrastructure projects, or diplomatic alignment that sidelines Chinese interests. This dynamic is evident in the case of Mexico, where decades of U.S.-Mexico relations, including border security and trade agreements such as NAFTA (now USMCA), have led to a cautious approach to Chinese engagement. Chinese projects, especially those that could threaten U.S. regional dominance, often face diplomatic hurdles or outright opposition from Washington. Unlike many countries in its region, Brazil has historically pursued a more autonomous foreign policy, aiming to broaden its global partnerships. While the United States remains an influential actor, Brazil has strategically deepened ties with China, especially in sectors such as infrastructure, energy, and natural resources. Chinese investments in Brazil—particularly in mining, transport, and power—have encountered relatively minimal political resistance, reflecting a regional distinction in how geopolitical dynamics shape the execution of such projects (Montoya et al., 2019). Within Brazil's broader international strategy, which includes active participation in the BRICS alliance (comprising Brazil, Russia, India, China, and South Africa), China is viewed more as an important collaborator than a rival. Still, U.S. influence remains significant in the region. As highlighted by analysts, Washington continues to push back against Beijing's growing footprint, seeing it as a threat to American strategic dominance. This rivalry plays out through diplomatic initiatives, regional security alliances, and economic tactics, such as trade constraints and cautious approaches to foreign investment. Additionally, the U.S. has reinforced its influence through multilateral and bilateral frameworks, including the Quadrilateral Security Dialogue

(Quad)—an alliance with India, Japan, and Australia—that indirectly seeks to check China's rise, even in regions like Latin America. Moreover, regional politics and internal domestic factors play critical roles in shaping each country's stance toward Chinese engagement. In Brazil, political shifts, such as the election of President Bolsonaro, who adopted a more conservative and pro-American foreign policy stance, affected the country's openness to Chinese infrastructure projects and investments. Conversely, Lula's government had been more welcoming to Chinese investments, viewing them as a means for economic development and strategic diversification (Montoya et al., 2019). Similarly, in Mexico, concerns about sovereignty and dependency influence how policymakers perceive Chinese involvement, often weighing U.S. pressure against economic benefits.

Institutional and economic conditions also influence these dynamics. Brazil faces significant challenges, including high public debt, infrastructure deficits, and a slow reform process. As Montoya et al. (2019) highlight, these structural issues create both opportunities and limitations for Chinese investment. The country's need for infrastructure investment aligns with China's model of financing large projects through state-backed loans and private sector participation. However, public resistance and geopolitical considerations can delay or derail these initiatives. Conversely, Mexico's closer historical ties with the U.S. and its economic dependence through trade and remittances tend to moderate its enthusiasm for Chinese infrastructure projects, often subordinating regional geopolitical concerns to bilateral U.S.-Mexico relations. In addition to bilateral relationships, the broader international context, including the U.S.-China rivalry, influences regional perceptions and policies toward the BRI. China's emphasis on infrastructure, connectivity, and resource security under the BRI aligns with its strategic objective of gaining influence while managing overcapacity in sectors such as steel and heavy machinery (Narins, 2016). However, the regional response is complicated by the U.S. framing Chinese initiatives as a challenge to the

liberal international order. This leads to a cautious or skeptical stance among some Latin American governments, wary of becoming entangled in great power competition.

6.1. U.S. Hegemonic Design.

The United States has long maintained a hegemonic design characterized by military supremacy, technological leadership, and control over global institutions. Its strategic presence in maritime zones and reliance on naval dominance to secure global trade routes underscores its interest in littoral geopolitics. The rise of the BRI poses a threat to this architecture by creating parallel systems of influence, particularly in the Indo-Pacific, South Asia, and the Middle East. The United States has long maintained a hegemonic position in the global order, leveraging its unparalleled military strength, economic dominance, and leadership in international institutions to shape global norms and maintain a liberal international system (The Geostrata, 2022). This hegemonic design relies not only on hard power but also on soft power, including cultural influence and the promotion of democratic values, which together underpin

U.S. global primacy. However, as of 2025, this unipolar dominance is increasingly challenged, particularly by the rapid rise of China as a strategic and economic competitor (POMEPS, 2025). China's ascent poses a threat to U.S. hegemony across multiple dimensions. Economically, China has expanded its influence through state-backed industrial policies and initiatives, such as the Belt and Road Initiative, which extends its reach across Asia, Africa, and Europe, creating alternative trade networks and financial institutions that compete with Western-led systems (TRT World Research Centre, 2025). Technologically, China's advances in sectors such as 5G, semiconductors, and green energy have eroded American supremacy, with companies like Huawei capturing significant global market shares despite U.S. sanctions (Silver, 2025; Morris, 2025). This technological competition undermines a critical pillar of U.S. hegemonic power. Strategically, China employs a form of "selective decoupling," reducing vulnerabilities in critical

sectors while deepening interdependence in areas where it holds advantages, thereby leveraging economic ties to bolster its geopolitical position (Modern Diplomacy, 2025). This approach challenges the U.S.'s ability to maintain control over global supply chains and economic governance. Moreover, China's growing military capabilities and assertive regional policies in the Indo-Pacific further complicate U.S. efforts to preserve its security alliances and influence (POMEPS, 2025). At the same time, internal challenges within the United States such as political polarization, economic shifts away from manufacturing, and inconsistent foreign policy approaches have weakened the infrastructure supporting American hegemony (TRT World Research Centre, 2025). The second Trump administration's policies, characterized by withdrawal from multilateral partnerships and trade wars, have strained alliances and disrupted global supply chains, highlighting the fragility of U.S. leadership (TRT World Research Centre, 2025). Despite these challenges, many analysts argue that the United States remains the preeminent global power, with unmatched military capabilities, a vast network of alliances, and enduring ideological appeal (The Geostrata, 2022). The resilience of U.S. hegemony depends on its ability to adapt strategically, strengthening alliances, investing in technological innovation, and engaging in multilateral frameworks, to counterbalance China's rise without escalating into open conflict (Stimson Center, 2025).

6.2. U.S. Imperialism and Counter pressure.

From a critical perspective, U.S. foreign policy often reflects neo-imperialist tendencies, emphasizing regime alignment and economic liberalism under the guise of "rules-based order." In contrast, China's BRI is often portrayed as a non-interventionist alternative, focusing on infrastructure and mutual benefits. However, Chinese assertiveness in regional affairs, coupled with its military modernization, has led scholars to warn of an emerging bipolar tension, a "New Cold War", where littoral regions become ideological and strategic battlegrounds between competing superpowers (Yusufzada et al., 2022; Chung,

2017). The Belt and Road Initiative (BRI) has become a central element in the intensifying global competition between China and the United States, highlighting the dynamics of U.S. imperialism and the counter pressure it faces. The BRI, China's ambitious infrastructure and trade network spanning Asia, Africa, Europe, and beyond, is widely viewed by many Western analysts and policymakers as a form of economic imperialism or neo-colonialism that challenges the existing U.S.-led global order (Lowy Institute, 2020; National Review, 2023). While China presents the BRI as a mutually beneficial development strategy aimed at fostering connectivity and shared growth, critics argue it serves to expand Chinese geopolitical influence, create debt dependencies, and undermine U.S. hegemony (Meczner & Noršić, 2020; Black Agenda Report, 2023). From the U.S. perspective, the BRI represents a direct challenge to American global dominance and economic interests. The United States has historically maintained its imperial influence through a combination of military presence, economic leverage, and control over international financial institutions. However, unlike China, which invests heavily in civilian infrastructure projects abroad, the U.S. model of imperialism has relied more on military bases and security alliances to project power (Reddit discussion, 2023). This difference reflects contrasting approaches: China utilizes infrastructure finance and trade integration to establish spheres of influence, while the U.S. emphasizes military and political dominance, often tied to the short-term profit motives of its military-industrial complex. The U.S. response to the BRI has involved a combination of strategic counter pressure and alternative initiatives. Washington has promoted the "Free and Open Indo-Pacific" strategy, emphasizing security, economic openness, and governance principles to counterbalance China's expanding influence (Reddit discussion, 2023). Additionally, the Build Back Better World (B3W) initiative and other multilateral efforts aim to provide developing countries with infrastructure financing alternatives that prioritize transparency and sustainability, seeking to counter the appeal of Chinese loans that critics associate with "debt-trap diplo-

macy" (Carnegie Endowment, 2019). However, this counter pressure faces significant challenges. The U.S. often struggles to match China's scale of investment and the speed with which China implements projects, especially in regions where American influence is weaker, such as parts of Africa, Southeast Asia, and Latin America (Lowy Institute, 2020). Moreover, the U.S. approach is sometimes criticized for lacking the cooperative and developmental rhetoric that China uses to frame the BRI as a "community of common destiny," which appeals to many developing countries seeking infrastructure and economic growth (Lowy Institute, 2020; Socialist Action, 2023). Critics of U.S. imperialism argue that America's hegemonic design prioritizes maintaining economic extraction and geopolitical control rather than genuine development cooperation, which limits its ability to offer a compelling alternative to the BRI (Black Agenda Report, 2023; Reddit discussion, 2023). This perception fuels skepticism among many countries about U.S. intentions and enhances China's soft power in the Global South.

6.3. A New Cold War.

The emergence of a new Cold War between the United States and China is evident across multiple domains, technology, trade, military, and ideology –reshaping the global landscape and presenting profound implications for countries world-wide.

6.3.1. Technological rivalry.

The technological rivalry between the United States and China is at the forefront of the new Cold War, fundamentally shaping the trajectory of global power and innovation. This competition is most visible in the semiconductor industry, which serves as the backbone for advanced technologies ranging from artificial intelligence to military systems (Rootmodule, 2025; Modern Diplomacy, 2025). Both nations have made substantial investments to secure their positions: the United States through the CHIPS Act and billions in subsidies for domestic manufacturing, and China through its "Made in China 2025" initiative and state-backed support for companies

such as Huawei and SMIC (PatentPC, 2025; CSIS, 2025). The United States has sought to maintain its technological edge by imposing export controls, restricting Chinese access to cutting-edge chip-making equipment, and pressuring allies to limit technology transfers to China (MicrochipUSA, 2025; Riotimes, 2024). These measures are designed to prevent China from acquiring the most advanced semiconductors and electronic design automation tools, which are critical for next-generation innovation (PatentPC, 2025). In response, China has accelerated investments in domestic research, aiming to achieve self-sufficiency in semiconductor production and reduce dependence on U.S. technology (Rootmodule, 2025; Modern Diplomacy, 2025). This rivalry has far-reaching global implications. The bifurcation of supply chains and the emergence of competing technology standards threaten to fragment the global technology ecosystem, forcing other countries and firms to navigate a divided landscape (Modern Diplomacy, 2025; CSIS, 2025). The stakes are high, as control over advanced technologies is increasingly synonymous with economic and geopolitical power. As the U.S. and China race to out-innovate each other, the outcome will likely determine not only the future of global industry but also the balance of power in the international system (Modern Diplomacy, 2025).

6.3.2. Trade and Economics.

The trade and economic rivalry between the United States and China is a central front in the new Cold War, with escalating tensions profoundly impacting both countries and the global economy. This rivalry has intensified through a series of tariff increases, trade restrictions, and retaliatory measures, culminating in what many analysts now describe as an effective trade embargo. In 2025, the United States imposed tariffs as high as 145% on Chinese imports, while China responded with tariffs of up to 125% on American goods, resulting in significant contractions in both economies and widespread disruptions to global supply chains (Anand, 2025; The Diplomat, 2025). For the United States, these tariffs have led to a contraction in GDP, increased con-

sumer prices, particularly in sectors such as apparel and footwear, and placed immense pressure on small and medium-sized businesses that rely on Chinese imports. Yale's Budget Lab estimates that the 2025 tariffs will reduce real U.S. GDP growth by 1.1 percentage points, with persistent long-term losses. Meanwhile, China's manufacturing sector has suffered from declining export orders and risks to millions of jobs, with analysts predicting a 2.4% drop in China's GDP for 2025 (Anand, 2025).

Beyond the bilateral economic fallout, the rivalry is driving a broader fragmentation of global trade. Companies are reconsidering their sourcing strategies, shifting production out of China, and contributing to inflationary pressures and slower global growth. The International Monetary Fund has downgraded global growth forecasts as a direct result of these tensions (Anand, 2025; CSIS, 2025). Both countries are also weaponizing access to critical resources and technologies, with the United States restricting Chinese access to semiconductors and China threatening to limit exports of rare earth minerals and other strategic materials (MAX Security, 2025). This economic confrontation is not only about trade imbalances but also about securing dominance in key industries and setting the rules for the future global economy. The

rivalry has elevated the risk of decoupling, where the world's two largest economies and their partners split into competing blocs, threatening decades of economic integration and raising the specter of a more divided and unstable global system (Hinrich Foundation, 2020; The Diplomat, 2025).

6.3.3. Military and Geopolitical Influence.

The intensifying military and strategic rivalry between China and the United States has emerged as a central element of what is often described as a new Cold War, carrying substantial consequences for both regional and international security. China's swift military advancement—especially across the Indo-Pacific—has reshaped the strategic environment. The modernization of the People's Liberation Army (PLA) includes the deployment of sophisticated missile systems ca-

pable of threatening U.S. military installations and naval forces, alongside significant developments in cyber, space, and nuclear capabilities (International Crisis Group, 2025). These shifts constrain the operational flexibility of U.S. forces and add complexity to strategic decision-making during crises near China's borders. In reaction, the United States has recalibrated its military posture in the region. The Biden administration has repositioned troops across multiple bases, invested in resilient missile defenses, and reinforced regional alliances. Notable efforts include AUKUS, which enables Australia to acquire nuclear-powered submarines, and the revitalization of strategic partnerships through forums like the Quad (International Crisis Group, 2025). The U.S.

Department of War (formerly known as Department of Defense) has labeled China as its primary strategic competitor, with a central focus on deterring a potential military move against Taiwan, a highly sensitive geopolitical hotspot (Foreign Policy, 2025). The growing competition spans conventional and emerging domains, including nuclear weapons, hypersonic technology, and aerospace modernization, all of which are noted in the Pentagon's 2024 China Military Power Report (The Friday Times, 2025). This arms race now includes advanced technologies such as autonomous systems, cyber capabilities, and space-based weapons, further intensifying tensions. On a geopolitical level, this rivalry is driving nations in the Asia-Pacific to bolster their defense mechanisms and reconsider security alignments, which in turn contributes to regional militarization and instability (International Crisis Group, 2025). The evolving strategic contest between the U.S. and China is not limited to bilateral dynamics but significantly impacts the wider security order, altering power structures and shaping the likelihood of future conflict or cooperation. In essence, the military and geopolitical dimensions of this confrontation reflect China's rising military power, the United States' strategic pushback through alliances and defense initiatives, and an escalating technological arms race—factors that collectively influence global peace

and necessitate urgent diplomatic and risk-mitigation strategies.

6.3.4. Ideology and Governance.

The ideological and governance rivalry between the United States and China is a prominent aspect of the new Cold War, reflecting profound differences in political systems, values, and visions for global order. While the U.S. promotes a liberal democratic model that emphasizes individual rights, the rule of law, and open markets, China advocates a state-centric, authoritarian governance model that prioritizes stability, economic development, and sovereignty (Foreign Press, 2025; CSIS, 2025). This divergence not only shapes bilateral relations but also influences competition for influence in international institutions and among developing countries. Despite perceptions of a stark ideological clash, some analysts argue that the competition is less about competing political models and more about power and strategic interests (SAIS Review, 2025). Both nations have historically borrowed and adapted governance practices from each other, creating a complex dynamic in which ideological rhetoric often masks pragmatic cooperation and mutual influence. For example, China's leadership has studied American political and economic systems while simultaneously promoting a techno-nationalist and socially conservative vision that in some ways parallels recent U.S. political trends (SAIS Review, 2025). The ideological rivalry intensifies tensions over issues such as human rights, freedom of expression, and the legitimacy of governance. The U.S. criticizes China for its authoritarian practices, including censorship and repression in Hong Kong and Xinjiang. At the same time, China denounces U.S. interference in its internal affairs and frames its governance model as a defender of "tangible" human rights, such as economic development and social stability (Foreign Press, 2025; Latest LY, 2025). This contest extends to global forums where both countries seek to shape norms and standards, influencing countries in the Global South and beyond. The Biden administration's framing of U.S.-China relations as "strategic competition" reflects a bipartisan consensus that

ideological differences underpin broader geopolitical rivalry, with Washington emphasizing democratic values as part of its foreign policy toolkit (Foreign Press, 2025). Meanwhile, China's leadership under Xi Jinping has reinforced nationalist rhetoric and tightened political control, signaling a more assertive stance in defending its governance model (Latest LY, 2025). Hence, the ideological and governance rivalry between the U.S. and China is a multifaceted contest involving competing political philosophies, strategic power plays, and efforts to influence the global order. While ideological differences fuel mutual suspicion and conflict, reality is nuanced, with overlapping interests and occasional cooperation amid deep rivalry.

7.0 Conclusion.

The Belt and Road Initiative is more than a developmental project—it is a grand strategic vision that positions China as a central force in reshaping the global order. In the context of the littoral regions, which refer to the coastal areas bordering the Indian Ocean, the BRI reflects a deliberate challenge to U.S. geopolitical dominance and a reconfiguration of global trade and security networks. While it offers clear economic benefits through improved infrastructure and connectivity, it simultaneously raises questions of sovereignty, dependency, and balance of power. The emerging patterns of alignment and resistance suggest that the littoral states may serve as the key battlegrounds in a conscious competition for global hegemony—one that is likely to define the geopolitical landscape of the 21st century. In a nutshell, China's Belt and Road Initiative has profoundly influenced littoral regions by combining economic development with strategic expansion. Despite BRI has delivered tangible benefits in terms of infrastructure and connectivity, it has also generated significant controversy over issues such as debt dependency and geopolitical rivalry. The initiative's success will hinge on how China navigates these challenges and how participating countries manage their engagement with Beijing. As the global landscape evolves, the BRI will continue to be a focal point of discussions on trade, security, and international relations. Understand-

ing its complexities is crucial for evaluating its impact on the global stage. The Belt and Road Initiative has undeniably shaped the economic landscape of participating countries. In Pakistan, it has stimulated infrastructure growth and regional development, despite concerns over debt and transparency. In Djibouti, strategic investments have transformed the country into a burgeoning trade hub, albeit with some risks. In Sri Lanka, the Hambantota Port exemplifies the complexity of large-scale foreign investments and the tension between economic gain and national sovereignty. These case studies reveal that while BRI presents real opportunities, its success depends on strategic planning, robust governance, and fiscal discipline. The long-term impact of BRI will rest not only on the volume of investment but on the wisdom with which countries manage the economic and political trade-offs it brings. Moreover, the Belt and Road Initiative presents vast opportunities for economic development among its partner countries by promoting infrastructure investment, enhancing trade, and fostering regional integration. However, realizing these benefits requires careful planning, risk management, and collaborative governance. While the BRI has already begun reshaping global trade dynamics, its long-term success will depend on its adaptability to local conditions, commitment to equitable development, and the ability to navigate complex political and economic landscapes. Along with this, the economic dimensions of China's engagement with Iran within the BRI are central to understanding the broader strategic objectives. By applying a geo-economic perspective, it becomes clear that China's investments are driven by economic security, resource access, and strategic positioning, alongside geopolitical considerations. Iran's significant resource endowment and strategic location make it an indispensable piece in China's grand scheme to achieve regional economic integration and global economic influence. As the BRI continues to evolve, the economic interests intertwined with geopolitics will remain critical in shaping the trajectory of China-Iran relations and the wider connectivity agenda. Furthermore, the influence of geopolitics—especially the enduring

presence and strategic interests of the United States—is a decisive factor shaping the trajectory of China's Belt and Road Initiative in Latin America. Countries like Brazil and Mexico exemplify how regional context, political will, and international rivalries intersect to facilitate or hinder Chinese investments. While economic needs motivate regional engagement, the geopolitical stakes often determine the scope and success of these projects. As the global power landscape continues to evolve, understanding these complex dynamics is vital for assessing Latin America's future role within the expanding Chinese-led infrastructure network and the overarching contest for regional influence. Alongside, the U.S. hegemonic design faces a formidable challenge from China's rise, which combines economic statecraft, technological advancements, and strategic diplomacy to erode American dominance. The evolving global order is shifting toward multi-polarity, necessitating that the United States recalibrate its foreign policy to maintain its influence. How the U.S. navigates this competition will shape the future of international stability, economic governance, and the distribution of geopolitical power. Henceforth, the military and geopolitical dimensions of the U.S.-China Cold War are characterized by rapid Chinese military growth, challenging U.S. dominance; a robust American response through alliances and military posture; and escalating technological and nuclear competition. This dynamic has a significant impact on regional security and global stability, underscoring the urgent need for effective risk management and diplomatic engagement.

8.0. REFERENCES

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