ISEAS YUSOF ISHAK INSTITUTE

No. 2020 - 10

ECONOMICS WORKING PAPER

The BRI in Malaysia's Port Sector: Drivers of Success and Failure

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November 2020

Abstract

The Belt and Road Initiative (BRI) has been characterised as a large-scale initiative to boost the movement of goods and services, capital, and people from China to Southeast Asia and beyond. Transport and logistics are a key aspect of this enterprise, with many projects focusing on railways, road networks, and ports receiving priority attention. However, BRI-related initiatives are often cast in binary terms, with agency and autonomy almost uniquely ascribed to China-based firms and funders, and very little attributed to host country agents or their interests. Since 2013, Malaysia has received substantial inflows of BRI-related funds for infrastructure, particularly railways and ports. The Kuantan Port Expansion on Peninsular Malaysia's East Coast and the Melaka Gateway on its West Coast are two port-centred development projects associated with the BRI. Begun at the same time, these initiatives are similarly structured, as joint ventures linking large China-based state-owned enterprises with local players. Despite their similarities, these two projects have followed vastly different trajectories. While the Kuantan Port Expansion is proceeding according to schedule, the Melaka Gateway lies mired in delays and controversy. Through comparing and contrasting these two projects, this paper will explore how – despite China's financial and political influence – host country actors can and do oppose, subvert, and even veto infrastructure initiatives perceived as inimical to their interests.

JEL Classification: F21, F23, R42

Keywords: Malaysia, Belt and Road Initiative, China, Infrastructure, Political Economy

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1. Introduction

First proposed by Chinese President Xi Jinping in 2013, the Belt and Road Initiative (BRI) is a far-reaching development plan comprised of two components – a land-based Silk Road Economic Belt, and a sea-based Maritime Silk Road (MSR). Harking back to the Silk Road originating in Fujian, the present-day initiative aims to increase connectivity between countries in Asia, Europe and the Indian Ocean by land and maritime transport linkages.

The Silk Road Economic Belt can be broken down into six corridors that connect mainland China with its neighbours (Russia; Mongolia; Central Asia; Myanmar and Bangladesh; Pakistan; and Southeast Asia). The Maritime Silk Road runs down China's coast and into the South China Sea, with one aspect going around Singapore and up the Straits of Malacca to the Indian Ocean, and another connecting to the South Pacific (National Development and Reform Commission 2015).

The BRI focusses primarily – but not exclusively – on 'hard' infrastructure for transport such as roads, bridges, railways, ports, telecommunications facilities, as well as power stations and energy pipelines. The Initiative is also complemented by 'softer' aspects such as capacity-building measures, people-to-people exchanges, as well as free trade agreements and regional cooperation (Blanchard 2018; Rimmer 2018).

With regard to the MSR, ports are central nodes along the route and can also act as intersections between the Road and the Economic Belt (Brewster 2016). Alongside port infrastructure, common patterns of MSR-related investment include, but are not limited to, industrial parks, export processing zones, utility provision, transport infrastructure, and tourist facilities (Chen 2018; Blanchard and Flint 2017).

The Chinese government has invested considerable economic and political capital in the BRI, allocating more than USD 900 billion by 2016 through facilities such as the Asian Infrastructure Investment Bank, the Silk Road Fund and the China Development Bank

(Blanchard 2018). In May 2017, President Xi committed an additional USD 124 billion at the One Belt One Road Forum in Beijing (Maybank Kim Eng 2017).

External observers have argued that there are a number of motivations for the BRI, including: facilitating access to raw materials; opening up new markets for Chinese products; diversifying trade routes; connecting underdeveloped and remote provinces in the country’s interior; redirecting China’s excess capacity in construction, steel, and capital; contributing to the internationalization of the Renminbi; and exporting the country’s technological and engineering protocols and standards (Blanchard 2018; Cai 2017).

Many of these considerations predate the BRI and, indeed, the Chinese government has been promoting outward investment since 2002 (O’Neill 2014). In 2000, China ranked below Portugal in terms of the stock of its outward foreign direct investment (OFDI). However, by 2016, the country ranked second globally, only behind the United States and accounting for USD 1.36 trillion in OFDI (Shi et al. 2019). Coming more than a decade after this ‘look outwards’, the BRI has nonetheless influenced the geo-spatial distribution of investment, with signatory countries receiving significantly more investment than non-signatory countries (Kang et al. 2018).

This drive “outwards” is underpinned by state-owned enterprises, which account for up to 70 percent of China’s OFDI (Kamal et al. 2018). However, state-owned commercial banks, policy banks, and sovereign wealth funds are also significant players (Maybank Kim Eng 2017). In addition, privately-owned enterprises and provincial government SOEs often also participate in BRI-related projects. While possessing some degree of autonomy, access to capital in the case of the former and party directives in the case of the latter entail substantial coordination with the central government (Summers 2016; Oh and No 2020).

Given the scale of the BRI’s ambition, the backing of state-sanctioned banks, and the operational capabilities of central and provincial state-owned enterprises (SOEs), the initiative is often depicted as an unstoppable force sweeping up host states in its wake. This is particularly the case for infrastructure projects such as roads, bridges, or ports, as this narrative assumes that securing capital and providing labour as well as technical expertise is sufficient for project completion.

In contrast, recipient or host countries are portrayed as the backdrop against which large projects are implemented, with national elites uncritically attracted by the availability of finance and the developmental potential of these initiatives. Consequently, much of the extant literature has focussed on the goals of PRC-related actors at the expense of those in host countries (Liu and Lim 2018). This framing ignores the interests and agency of local actors, who may support, co-opt, or subvert large-scale projects for their own ends.

To this end, this paper will compare and contrast two port projects in Malaysia, namely the Kuantan Port Expansion on Peninsular Malaysia's East Coast and the Melaka Deepwater Port on its West Coast. Both projects are classified as BRI projects and began at the same time. Their ownership structures are similar, as the Kuantan and Melaka projects are both led by consortia of Chinese state-owned enterprises, large local firms, and Malaysian state government SOEs.[1] Both initiatives are Port-Park-City schemes, consisting of international ports accompanied by industrial parks and/or urban development initiatives with the aim of generating spill-overs between the port and proximate facilities (Huo et al. 2019).

Focussing on projects in the same sector in the same country at the same time provides strong analytical grounding for probing the underlying reasons for project completion or paralysis. In so doing, this paper seeks to add to knowledge regarding how the institutional contexts in host countries, as well as the interests of domestic actors and their actions can influence or even determine the fate of BRI-related projects.

Consequently, this paper is structured as follows. Following this introduction, the next section will review relevant theory regarding the success or failure of internationally-financed projects in host states, particularly with reference to those associated with the BRI. The subsequent section will look at the trends and dynamics associated with the Initiative in Malaysia and particularly the port sector. Following this, the paper will examine the Kuantan Port Expansion Project and the Melaka Gateway, particularly with regard to their: ownership structure; financial model; political economy implications; and progress towards completion. The final section will conclude.

[1] For the purposes of this paper, a distinction will be made between state-owned enterprises (SOEs) and government-linked corporations (GLCs). The first are firms directly owned by government entities at either the central or state/provincial level. The second are firms that are publicly listed on the stock exchange, but majority-owned by central or state/provincial governments.

2. Theoretical Framework

Given the China-centred perspective of much of the BRI-related literature, there is relatively little that looks at the success or failure of projects from a host country perspective. That said, there is a growing body of work that looks at how China's domestic context can play a role in shaping the BRI overall as well as the fate of specific projects. He (2019) argues cogently for the need to understand how domestic factors shape the implementation of the BRI. In particular, he stresses the impact of: individual leaders in the form of the priorities they choose and the strategies they adopt; the structure and internal decision-making processes of the Chinese Communist Party (CCP) as well as the mobilization of SOEs and provincial governments; and the management of internal and external dissent.

Others such as Gong (2019) and Blanchard (2018) point to the potential for coordination failures at the apex of the Chinese state, between the centre and provinces, as well as between provinces themselves. While not disagreeing with the overall argument, Jones and Zou (2017) problematize the assumption that provincial SOEs are effectively controlled by the central government, and Jones and Zeng (2019) do the same for privately-owned enterprises.

Undoubtedly, this literature sheds light on how domestic factors in China can affect the selection, financing, operationalization, and success of many BRI projects. However, this work is not suited for analysing how and whether host country factors can influence project success.

Another set of literature looks at the impact that host country economic and political institutions have on attracting FDI. This literature is influenced by Dunning's work on foreign direct investment (1993), where he argues that firms invest in overseas markets for a variety of reasons, including: access to a new market; availability of resources or specific assets; and efficiency-enhancing improvements.

Others take this work as a base and examine which of these motivations apply to Chinese outward foreign direct investment (OFDI). One strand of this literature examines whether Chinese capital is attracted to 'risky' locations with weaker institutional contexts that may enable or reward new economic activities (Buckley et al. 2007; Kamal et al. 2019). Others seek to establish how and whether BRI-related policies have altered the motivations for investment from China, given the importance of state-linked actors in channelling OFDI (Shi et al. 2019).

This literature broadens the scope of analysis from China and seeks to understand why Chinese OFDI goes to certain countries and not others. Some of this literature also begins to factor in the role of the local institutional context in attracting or repelling investment. Nonetheless, this literature is unable to explain why a given project may succeed or fail, particularly if foreign investors, for their part, remain committed.

Some literature has begun to examine the incentives host countries face in participating in the BRI. Looking at Southeast Asia, Chung and Voon (2017) highlight the negative implications for sovereignty that can arise from cooperating with China to build port facilities, develop information and communication infrastructure, and harmonize planning procedures. Other concerns that countries may have include bypassing regional organizations such as ASEAN and generating inter-ethnic strife. Similar issues are raised by Blanchard (2018) and Gong (2019).

Chen (2018) looks at the varying degrees of support for the BRI among Southeast Asian countries and seeks to empirically establish the underlying causes for this. Based on a composite indicator, the article argues that Southeast Asian countries fall into three 'tiers'. Laos, Cambodia, and Malaysia are the most supportive of the BRI. The second group is receptive but with reservations, and consists of Brunei, Indonesia, Myanmar, Singapore and Thailand. The most cautious states are Vietnam and the Philippines, although their position has evolved and become more supportive over time. The quantitative analysis argues that domestic factors such as the degree to which elites prioritize wealth creation, as well as the higher levels of public trust in China and its motivations are pivotal in securing support for the BRI.

While this literature illustrates the diversity in reactions to the BRI across countries in the region and begins to explore domestic factors underpinning support for the Initiative, it still does not shed light on the factors underpinning the success or failure of specific projects within a host country.

There is an emerging body of work that seeks to analyse how local agents use the BRI and its ensuing financial implications for their own domestic political interests in countries such as Sri Lanka and Malaysia (Jones and Hameiri 2020). This paper, for its part will centre on the intersection of project outcomes and domestic interests.

In order to do this, this paper will draw on Camba's (2017) work on investment coalitions. Looking at BRI projects in the Philippines, he argues that the alliance or partnership formed between international investors and 'host state actors' to promote them is a key variable underpinning eventual success or failure.

This is because foreign investors operating in contexts characterized by compromised institutions and intense competition between elites can be subjected to demands for rents or other types of extortion. Consequently, they form alliances or 'coalitions' with actors in the host state in order to: protect their investments; learn which formal and informal channels of communication to use; and navigate through the local political context. The most desirable partner for a given project will be determined by the conditions of a given host country, its governing regime, and the specifics of the project itself.

These 'investment coalitions' consist of international partnerships bringing together one or more foreign investor and at least one host state actor as a member. The coalition agglomerates the interests of its constituent parties, with the host state actors representing the grouping in the local context and the lead local partner giving the grouping its identity. Host state partners are able to advance the interests of the coalition through the specific types of 'power resources' that they have at their disposal to advance their interests.

The preferred partners of international investors are elites from the host state. According to Camba, there are three types of elites. The first is 'national economic elites', comprised of oligarchs, major capitalists, or CEOs and senior managers of large publicly-listed enterprises. These elites are interested in protecting their assets and seek to influence economic policy to that end. They have substantial capital at their disposal, and their power derives from their ability to make payments or transfer funds now or in the future to protect and advance their interests. They are also commercially motivated, seeking to make profitable deals with the Chinese.

National political elites occupy official positions in government or at the head of state-owned enterprises. Their positions bestow them the right to determine or influence state policies, choose or shape government priorities, engage with a wide range of social actors, and even use force to ensure compliance. Their influence or power is based on offering favours or services in kind, as well as influencing or shaping 'the rules of the game'.

Regional elites are office-holders or leaders of sub-national governments such as states or provinces, as well as locally-based business owners and capitalists. Their power operates in much the same way as their national counterparts, but is territorially-circumscribed. While their influence is more constrained, their proximity to key resources may enable them to subvert national-level policies and even act as ‘gatekeepers’ of specific assets.

However, the creation of a given investment coalition does not guarantee project success and may even generate opposition from other host state actors. Elements of the elite whose interests are threatened by a given initiative may seek to delay or sabotage it, or procure rents or payments in return for their quiescence. In extreme cases, they may even seek to disrupt the political equilibrium and encourage a regime change. Consequently, the success or failure of a given project is dependent on the ability of the investment coalition behind it to resist delays and minimize side payments. This can be done through deterrence, or by spending political or economic capital.

Having set out the analytical framework that will used to explore the progress of the two projects, the next section will look at the BRI and related port projects in Malaysia.

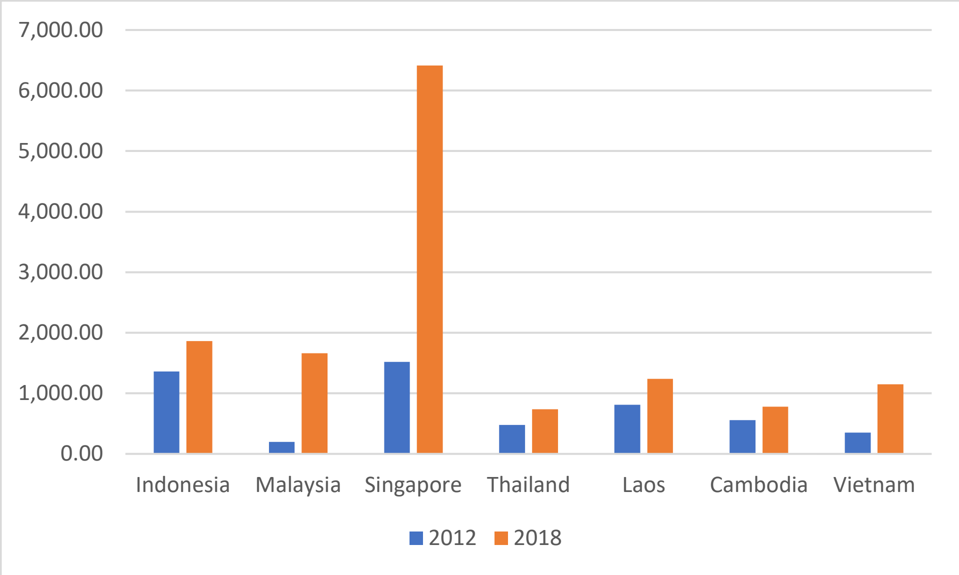
3. The BRI and the Port Sector in Malaysia

While South Asia and the Middle East have received the most investment under the BRI, Southeast Asia has also participated in the initiative, particularly in the form of power generation, transport infrastructure, construction and real estate initiatives.

Malaysia has not traditionally been a significant recipient of Chinese outward foreign direct investment (Figure One). This was due to its relatively small domestic market and tight labour supply, which were not conducive for efficiency-seeking investments.

However, the Najib Razak administration (2009-2018) developed a close relationship with China and was an early supporter of the BRI. In 2013, when the BRI was launched, the administration swiftly launched the First Five-Year Program for Economic and Trade Cooperation between Malaysia and China (2013-2017).

Figure 1. Chinese OFDI in SEA, 2012, 2018 (USD million)



Source: CEIC Data

This was followed up by Najib's three official visits to China (Chin 2016) and his participation in the first BRI Forum in May 2017. A total of 14 Memoranda of Understanding (MOUs) and agreements were reportedly signed during his November 2016 visit (Lee 2016). His appointment of Jack Ma as the advisor for the development of Malaysia's Digital Free Trade Zone in 2016 further demonstrated his enthusiasm for intensifying economic collaborations between Malaysia and China.

Alongside these growing bilateral engagements, investment from China to Malaysia increased notably. From among the lowest levels in the region in 2013, by 2018 OFDI had grown eight-fold, with Malaysia the third-largest recipient in Southeast Asia (Figure One).[2]

Within Malaysia, these investments are spread over a diverse range of sectors, covering manufacturing, infrastructure, real estate, as well as telecommunications and other services (Gomez et al. 2020). From 2016-2019, China was the largest source country for approved manufacturing projects (Tham and Negara 2020). This represents a big shift from Malaysia's

[2] Since there is no mutually-agreed definition of what constitutes a BRI project for both Malaysia and China, the investment from China will be used as a proxy for BRI investments in the country since all these investments will essentially increase the connectivity between the China and Malaysia, thereby meeting the main objective of BRI.

traditional source countries such as Singapore, Japan and the US. Indeed, from 2016-2019, China was the largest investor as well as trading partner for Malaysia.

Chinese OFDI projects in Malaysia are heterogeneous, with different stakeholders, forms and funding involved (Gomez et al. 2020). Within manufacturing, it can range from wholly-owned Chinese operations to joint-ventures with local private operators or GLCs.[3] Funding can range from greenfield to equity sales from Malaysian enterprises to Chinese investors. Projects with Chinese participation also have varied sources of funding. This includes: the internal reserves of a company; private bank loans in Malaysia; bank loans from China; or funding from capital markets within or outside Malaysia.[4]

Significantly, no Chinese-led infrastructure projects in Malaysia at this time are funded by the AIIB. Instead, an important subset of large BRI infrastructure projects have had their loans backed by the Malaysian government. These include among others, the East Coast Rail Link (ECRL) and two gas pipeline projects. The former originates in Port Klang and crosses the Peninsula to Kuantan Port, before heading north towards Thailand. This connection constitutes a land bridge across Malaysia and an alternative mode of transport (Liu and Lim 2018), bypassing the congested Straits of Malacca (Figure Two).

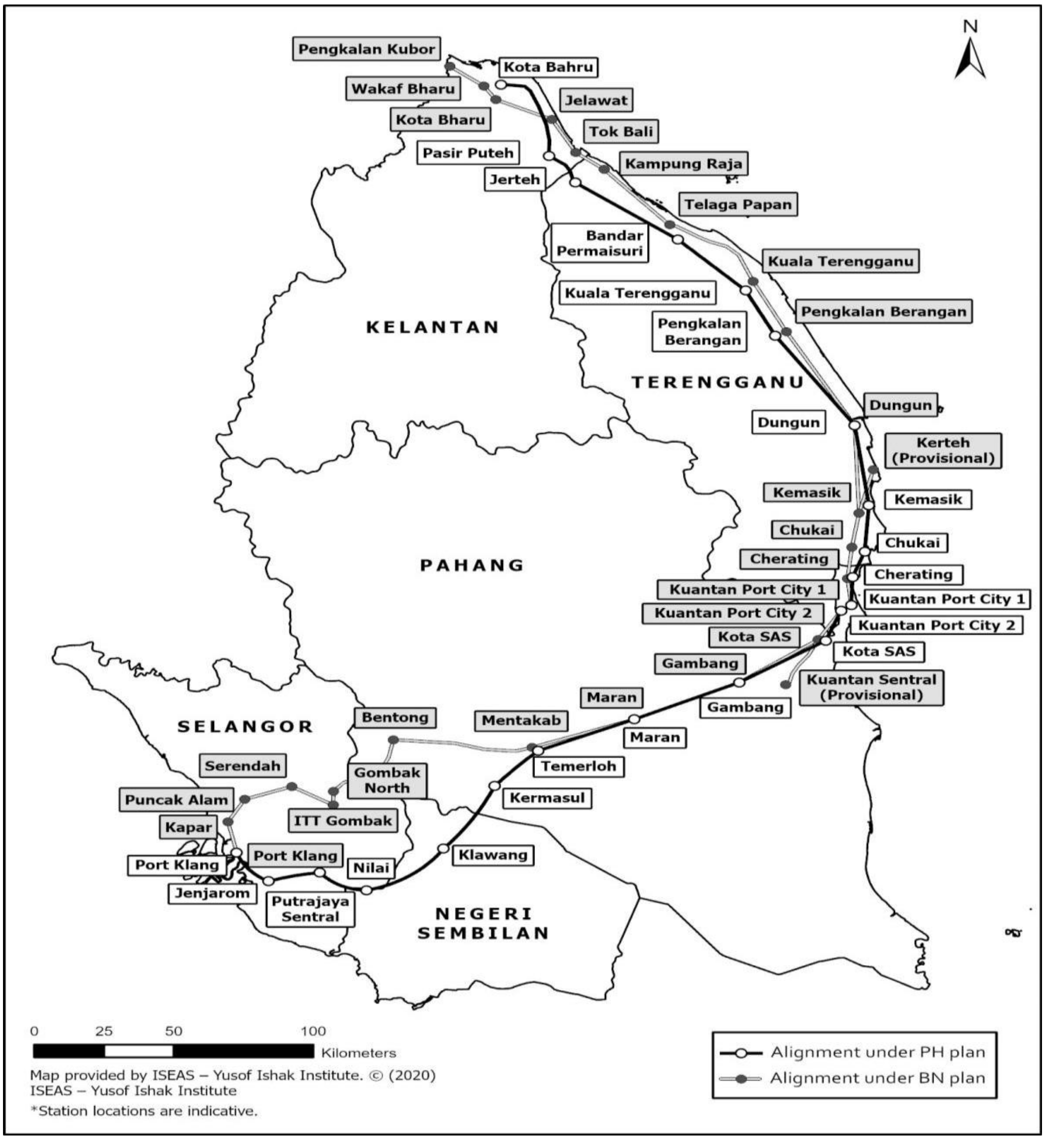
Currently under construction, the ECRL is a controversial project for several reasons. Its approval process lacked transparency and clarity, the project cost and estimated debt were very large, and its economic viability is questionable (Lim 2018). Consequently, the parameters, alignment and cost of the ECRL have changed over time. Following the political sea-change in Malaysia in 2018, the ECRL and two gas pipeline projects were said to be cancelled (Financial Times 2018). However, the rail link was subsequently renegotiated with China and reinstated, with a reduction in the length (see Figure Two), cost of project and the timeline of the project. At the time of writing, the estimated cost of the project is RM 44 billion.

More importantly, the newly reconfigured ECRL has put in place plans to create the demand for rail traffic along the new line. The Malaysian Investment Authority (MIDA) and China Communications Construction Company (CCCC) signed a MOU to facilitate the

[3] In Malaysia, wholly-owned foreign operations are permitted in the manufacturing – but not the services – sector.
[4] Some large private Chinese companies like Alibaba are listed in the US.

implementation of Economic Accelerator Projects along the ECRL corridor (Barrock and Tan 2020). These include seven transit-oriented development projects and two industrial parks. MIDA's role is to secure suitable land and facilitate cooperation between interested Malaysian companies and CCCC for relevant projects. These tie-ups will imply a greater Chinese presence throughout the ECRL corridor.

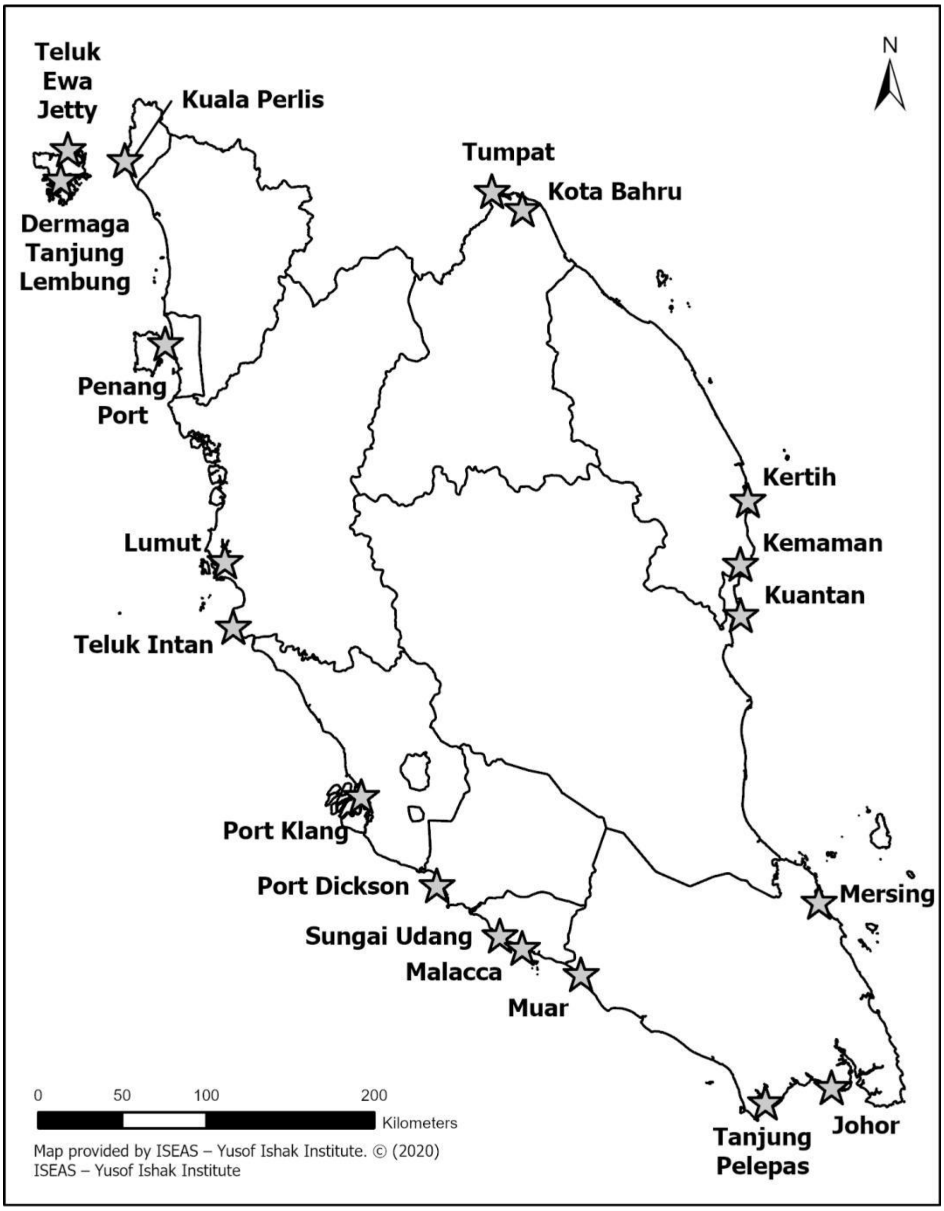
Figure 2. The ECRL - Old and Revised Routes



The Port Sector in Malaysia

Malaysia has numerous ports, dotted around both coasts of the Peninsula as well as the eastern states of Sabah and Sarawak. Of these numerous ports, only seven are federal ports and six of these are located on the Peninsula, and one (Bintulu) in East Malaysia. These are Port Klang, Port of Tanjung Pelepas (PTP), Johor Port, Penang Port, Kuantan Port and Kemaman Port (Figure Three).

Figure 3. Ports in Malaysia



These federal ports figure prominently in government plans and reviews, with specific ports singled out for priority investment. The three largest facilities, namely Port Klang, PTP, and Penang Port currently handle 91 percent of the country's throughput (World Bank 2016). Port Klang is the main gateway port for the country, as it receives the bulk of Malaysia's imports and exports, and PTP accounts for the bulk of its transhipment (Ministry of Transport 2019).

In 1990, the ownership and operation of all ports, including federal facilities, was privatised. Consequently, these facilities are held and operated by a variety of players. The Malaysia Mining Corporation (MMC) Ltd., a local utilities and infrastructure conglomerate, has a share in key facilities on the west coast of Peninsular Malaysia, including PTP, Northport in Port Klang, and Penang Port. Key stakeholders in MMC include Syed Mukhtar Al-Bukhary, Malaysia's richest Bumiputera, as well as key federal government-linked corporations such as Permodalan Nasional Berhad, and the private and public sector pension funds, EPF and KWAP (MMC n.d.). There is also foreign participation in certain ports, as Maersk has shares in PTP and Hutchison Port Holdings in Westport (Table 1). The two federal ports on the east coast of Peninsular Malaysia, namely Kemaman and Kuantan, do not have any MMC participation.

Table 1. Federal Ports, Peninsular Malaysia

Port	Authority	Operator	Cargo thoughput, 2018, Freight Weight Tonnes ('000)
Port Klang	Port Klang Authority	Westports Sdn. Bhd. (*Hutchinson Ports*) Northport Sdn. Bhad. (*MMC Group*)	220,700
Port of Tanjung Pelepas	Johor Port Authority	Port of Tanjung Pelepas Sdn Bhd *(MMC Group)*	139,807
Johor Port	Johor Port Authority	Johor Port Sdn. Bhd *(MMC Group)*	31,012
Penang Port	Penang Port Commission	Penang Port Sdn Bhd *(MMC Group)*	34,409
Kuantan Port	Kuantan Port Authority	Kuantan Port Consortium (KPC) Sdn Bhd (*IJM Corporation Bhd and Beibu Gulf Holding Co. Ltd*)	17,998
Kemaman Port	Kemaman Port Authority	Konsortium Pelabuhan Kemaman Sdn Bhd (*Eastern Pacific Industrial Corporation Bhd (EPIC*)	5,111

Source: Ministry of Transport, Malaysia

Given Malaysia's strategic location, hospitable regulatory framework, and the relationship between the two governments, it is not surprising that there has been substantial interest from China in Malaysia's port sector. Projects in discussion or in the pipeline with Chinese involvement include: Carey Island port and industrial city complex near Port Klang; an energy port in Bagan Datoh, Perak; a port terminal in Bachok, Kelantan; and an international port in Kuala Linggi, in Melaka (Loh 2017). To date, the most significant projects to move ahead are the Kuantan Port and Melaka Gateway. In the next two sections, this paper will examine the two initiatives along the axes of comparison laid out in the theoretical framework.

4. The Kuantan Port Expansion

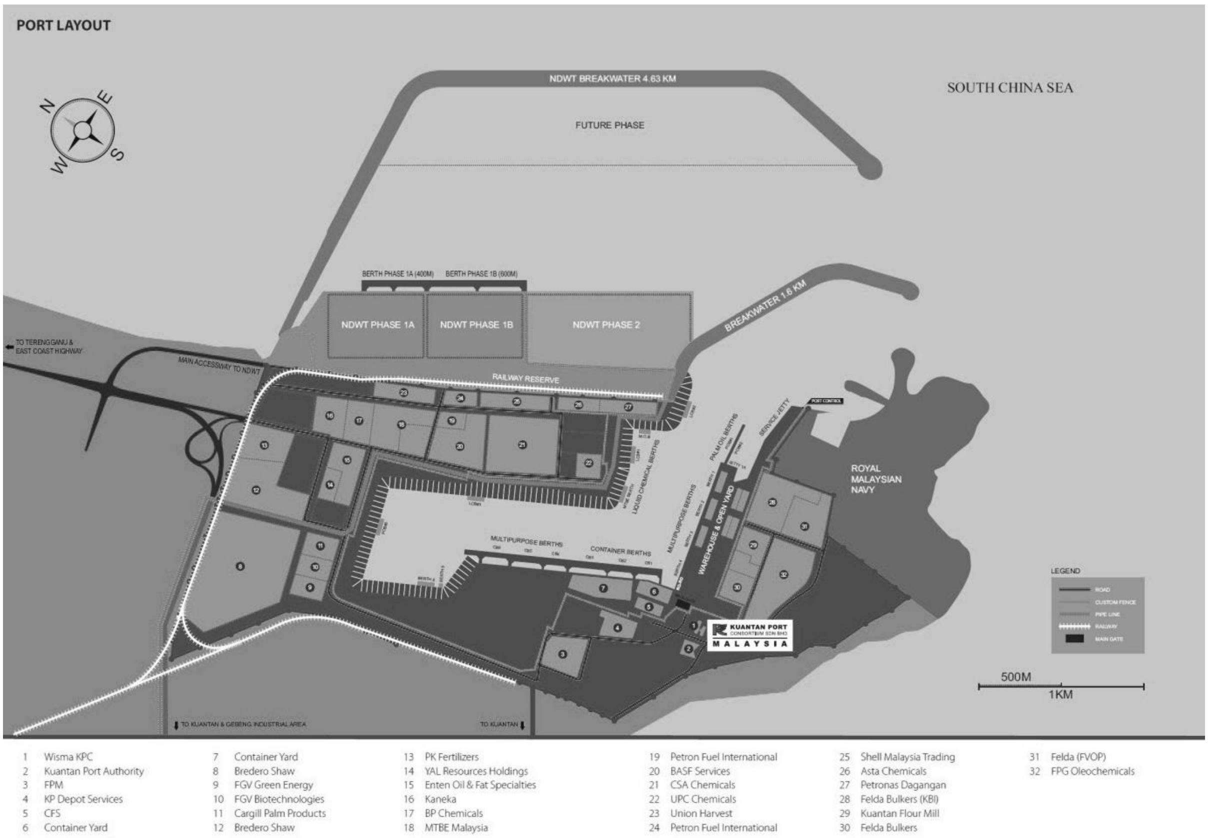
Kuantan Port is a federal multipurpose port, located on the east coast of Peninsular Malaysia, in the state of Pahang. Originally built and operated by the federal government in 1984, the port was privatized to Kuantan Port Consortium Sdn. Bhd. (KPC) in 1998. Road Builder (M) Holdings Bhd, the initial largest shareholder in KPC, was merged with IJM Corporation Bhd in 2008 – leading to the latter's acquisition of Kuantan Port (IJM n.d.b).

Fronting the South China Sea, the port has the fastest route from Malaysia to China, taking only three days' shipping time to reach China Beibu Gulf Port. Due to its proximity, IJM Corporation, the Malaysian partner of the consortium managing the port has positioned the port to be the maritime gateway into Malaysia under China's BRI (IJM n.d.a).

At present, the Kuantan Port is relatively small, ranking eighth nationally in terms of total cargo throughput (Ministry of Transport 2019). The Kuantan Port Expansion project consists of constructing a New Deep Water Terminal (NDWT). The Port's previous capacity was of ships of up to 40,000 DWT, and the expansion will enable bigger vessels of up to 200,000 DWT Bulk carrier or 18,000 TEU Container Ships by the end of Phase 2. The total expected cost of the project was estimated at RM3 billion, excluding the RM1 billion for the construction of the breakwater from the federal government.

As a Port-Park-City initiative, the Kuantan Port Expansion is part of a larger project that articulates with additional investments, including the Malaysia-China Kuantan Industrial Park (MCKIP). The specifics of this will be detailed further below.

Figure 4. Expansion of Kuantan Port



The Investment Coalition

Kuantan Port Consortium is jointly owned by IJM Corporation Bhd and Hong Kong's Beibu Gulf Holding (Hong Kong) Co. Ltd (BGH) on a 60:40 equity holdings basis. The Malaysian government has a special rights share in the consortium.[5]

Chinese side. BGH belongs to China’s Guangxi Beibu Gulf International Port Group Co. Ltd, an SOE dealing with the construction and operation of ports, railways and roads. In 2013, it operated four ports in southern China, namely Fangchenggang port, Qinzhou port, Tieshan port

[5] The special rights share or the golden share of the government in privatised entities allows the government to veto on essential decisions that is relate to national interest consequences. In the case of Kuantan port, the sale of equity to Guangxi has to go through government approval before it could be concluded. See Gomez et al. 2018.

and Beihai port (Lee 2013). These four ports reportedly handled about 200 million freight weight tonnes (fwt) of cargo in 2012 (Star Property 2013).

Guangxi is also part of the Beibu Gulf Economic Region programme, which focuses on the development of the area surrounding around China's southwestern coast. The programme is included in China's national development strategy, leading to the region's interest in forging more ties with ASEAN and its interest in Kuantan Port (Ngeow 2019). GBGIP also acquired Brunei's Muara Port in 2017 as part of its internationalization ambitions to expand its reach beyond China, particularly into ASEAN (Huo et al. 2018).

National Political Elite. The collaboration with China for the Kuantan Port and MCKIP was prioritised by Prime Minister, Najib Razak from 2013 until the end of his tenure in 2018. Following the launch of the BRI in 2013, the Malaysia-China Kuantan Industrial Park (MCKIP) was launched that year with a twin park, the China-Malaysia Qinzhou Industrial Park in China (Ministry of Foreign Affairs of the People's Republic of China n.d.).

It is worth noting that both Kuantan Port and MCKIP are located in Najib Razak's home state of Pahang, and not far from Pekan, his parliamentary constituency – which he has represented since 1986. During his tenure as Minister of Defence, Pekan was chosen as a site for the manufacture of military vehicles by Deftech, a subsidiary of the GLC DRB-HICOM (Deftech n.d).[6]

Indeed, Kuantan in Pahang and Kemaman in Terengganu are both: federal ports on Peninsular Malaysia's east coast; located within the East Coast Economic Region; and will be served by the ECRL.[7] Given their proximity to one another, Kemaman could conceivably have been chosen as an alternative site. Pahang is relatively wealthier than Terengganu, and the latter state would have benefited more from the investment. The choice of Kuantan over Kemaman arguably demonstrates Najib's bias towards his home state.

With the change in administration following the May 2018 General Election, there were initial concerns that the new Prime Minister Mahathir Mohamad would reverse Najib's favourable

[6] Najib Razak was Minister of Defence of Malaysia from 1999 to 2008, and the Pekan plant was opened in 2001.
[7] The East Coast Economic Region (ECER) covers the states of Kelantan, Terengganu, Pahang, and the district of Mersing in Johor. For the states' respective GDP, see Department of Statistics (2014).

stance towards Chinese investments - particularly large-scale infrastructure projects. During the campaign, Mahathir and his Pakatan Harapan coalition had been highly critical of some of these investments due to their size, funding structure, and financial viability. This included the Malaysia-China Kuantan Industrial Park, a facility articulated with Kuantan Port.

However, contrary to expectations, the controversial ECRL was reinstated after intensive re-negotiations, albeit with a new alignment.[8] Mahathir Mohamad further indicated his positive outlook towards China and Chinese investment through two visits. The first took place in 2018, with stops at Alibaba, Geely and the drone maker, DJI (Jaipragas 2018). The second visit was to participate in the BRI Forum in April 2019, where he pledged full support for the Initiative (Chok 2019).

The abrupt political transition that occurred in February culminated in the appointment of a new Prime Minister, Muhyiddin Yassin, and a new ruling coalition, Perikatan Nasional. Since his appointment, there have been no announced changes in foreign policy, presumably because the current administration has been busy dealing with the emergence of the coronavirus pandemic and stabilizing the domestic political situation.

Indeed, the new administration has continued flagship initiatives put in place during the Pakatan Harapan period, such as the China Special Channel (CSC). The CSC functions as a single window for investments from Chinese and global companies that are seeking relocation from China due to the US-China trade conflict.[9]

Thus, both port and park have received support, either overtly or tacitly, from the top political leaders of the day.

National Economic Elite. IJM is one of the top ten construction companies in Malaysia. It was listed in 1988 on the Malaysian stock exchange. Although it is a private company, its register of substantial shareholders as of 28 June 2019, includes key Government-Linked Investment Companies (GLICs) including: the Employees Provident Fund Board (EPF, 15.52 percent);

[8] Similarly, a disputed wall surrounding Alliance Steel was lowered while the company's contribution to the Malaysian economy, in terms of employment was highlighted. See Ong (2018).

[9] Significantly, potential investors call on Alliance Steel for their opinion of the investment climate and Malaysia's stance towards Chinese investments. AS is therefore used as a referral point for potential investors in the park and serves as a demonstration of how investors can operate in the park and in Malaysia. See InvestKL (n.d).

Bumiputera Stock Trust (BST, 6.97 percent); Urusharta Jamaah Sdn. Bhd (UJ, 6.26 percent) and Malaysia's Retirement Fund (MRT, 6.08 percent).

The GLICs are especially important players since they invest in companies in and outside Malaysia. The EPF and the MRT are two out of the seven key GLICs identified by Gomez et al. (2018) that control up to 45 percent of Malaysia's stock exchange, Bursa Malaysia. The BST is a subsidiary of Permodalan Nasional Bhd, one of the largest fund management company in Malaysia and also one of the seven influential GLICs in Gomez et al.'s list. UJ is owned by the Ministry of Finance and it was established in 2018 to take over and manage the assets of Malaysia's Pilgrims' Funds Board (Barrock 2020), which is another of the seven GLICs identified in Gomez et al. (2018). These shareholders are focused on profits to generate a good return on their investments due to public scrutiny of their performance.

The other significant shareholder in MCKIP is Sime Darby, which is a GLC with interests in industries, plantations, motors, logistics, healthcare, insurance and retail (Sime Darby n.d.).

Kuantan Port is also the largest port on the east coast of the Peninsula, with no significant competitor to date. Kemaman Port was privatised to Eastern Pacific Industrial Corporation Berhad (EPIC), which is a Trengganu state government-linked corporation and Road Builder (M) Holdings Bhd (Kemaman Port Consortium) in 2006 (Bursa Malaysia n.d.). Road Builder subsequently sold its shares to EPIC in 2013 (Bursa Malaysia 2013). At present, the Kemaman Port is about half the size of the Kuantan Port, and is used principally by the domestic oil and gas firm, Petronas. As shown in the section on national economic elite, IJM's control over Kuantan Port is more aligned to federal interests, based on the composition of its largest shareholders.

Local Elite. While the state government does not have a direct economic stake in the Kuantan Port, it stands to benefit from the jobs created through the expansion project, as well as via economic spillovers. Furthermore, as the next section will detail, the state government has a stake in the development of the Malaysia China Kuantan Industrial Park, which has a symbiotic relationship with the port.

Supporting Projects

The Malaysia-China Kuantan Industrial Park (MCKIP) plays an important down-stream role for Kuantan Port, as it is meant to attract and house manufacturing activities that will create the demand for cargo throughput. To date, Park has attracted 10 committed projects with a total investment of almost RM18 billion from China and Malaysia and it is expected to create 20,000 jobs for the locals in the area (Tham and Negara 2020).

MCKIP is developed as a joint venture between a Malaysian and Chinese consortium. On the Malaysian side, IJM Land, a subsidiary of the local construction giant, IJM corporation, is the lead. Guangxi Beibu Gulf International Port (GBG), a state-owned enterprise under the management of the Guangxi Zhuang Autonomous Region in China, is a partner in the Chinese consortium.

At the launch of the Malaysia-China Kuantan Industrial Park (MCKIP) in 2013, one of the Memoranda of Understanding (MOUs) signed by former Prime Minister Najib Razak was a collaboration between IJM Corporation and Guangxi Beibu Gulf International Port (GBG), for the expansion of Kuantan Port. This led to an equity sale from IJM to GBG. The new joint venture for managing, operating and expanding Kuantan Port was awarded a new concession period of thirty years, starting from 1 June 2015, and which can be extended for another 30 more years, subject to the fulfilment of the Kuantan Port Expansion plan (Hafidz 2015). The expansion is to construct a new deep water terminal (NDWT) in three different phases (Table 2).

The park is owned by a Malaysian and Chinese consortium joint venture. Kuantan Pahang Holding Sdn. Bhd. (KPH), which is a public-private partnership from Malaysia, holds 51 percent equity share in the joint venture. KPH, in turn, is owned by IJM Land Bhd., a subsidiary of IJM Corporation (40 percent), Sime Darby Property (30 percent) and the Pahang State Government (30 percent) (East Coast Economic Region, 2015). The engagement of Pahang state is important as land acquisition is under the jurisdiction of state governments in Malaysia.

Table 2. Three Phases of Development of the New Deep Water Terminal (NDWT)

Terminal Phase 1A	Terminal Phase 1B	Terminal Phase 2
• Completed and commenced Operations in Q3 2018 • Berth: 400 m • Basin depth: 16m • Cargo Yard: 20 Hectares • Max Ship Size: 150,000 DWT	• Completed and commenced Operations in Q3 2019 • Berth: 600 m • Basin depth: 16m • Dry Bulk Yard: 22.5 Hectares • Max Ship Size: 150,000 DWT	• The deadline for Phase 2 expansion is 31 December 2039 • Berth: 1,000m • Basin Depth: 18m • Container Terminal: 47 Hectares • Max Ship Size: 200,000 DWT

Source: Tham 2019 updated from IJM (n.d.a) and Bursa Malaysia (2015)

The first and largest investor in MCKIP is Alliance Steel (AS). It is wholly owned by GBG and Guangxi Shenglong Metallurgical (GSM) Co. Ltd., which is a private joint-stock enterprise from China (Gomez et. al. 2020). AS's greenfield investment of USD1.4 million is to build a modern integrated steel mill at MCKIP, with a production capacity of 5.5 million tons of steel per year, of which 80 percent is meant for exports.

Success or Failure?

As Kuantan Port does not have a natural shelter, the NDWT has a 4.63 kilometre long breakwater constructed around it to provide a sheltered basin for ships to dock at the port (Figure Four). The construction costs were borne by the federal government, which invested RM 1 billion and used French technology (Tham 2019).

The construction of the breakwater and the NDWT started in 2013, under the oversight of the East Coast Economic Region Development Council (ECERDC). Since IJM is essentially a construction company, KPC took charge of the dredging, reclamation and construction of the berth and terminal facilities under the supervision of IJM, with technical advice from the Chinese partner on port matters. The breakwater was subsequently completed in 2016.

As at September 2020, after a delay of about a year, Phase 1A and B have been completed and both are operational (Table 2). As for the final phase, Phase 2, IJM has until the end of 2039 to complete it according to the terms of the extension of its concession agreement (Bursa Malaysia 2016).

At the time of writing, the steel mill, which is the first project in MCKIP, has already started operating in the last quarter of 2018 and exporting in 2019. Two other investments (the manufacture of concrete piles and batteries) have also started operating in August and October 2019 respectively (Hong Leong Investment Bank Research 2020).

The construction of the steel mill has contributed towards an increase in the cargo throughput, as all the intermediate inputs and capital equipment were imported from China via Kuantan Port. Upon completion of the construction, the port will also be used to import the ore needed for the production of steel at the steel mill as Malaysia does not have any natural stocks of iron ore. The steel produced will also be exported through the port.

IJM reported an increase in cargo throughput and profitability of the port for the 2018-2020 financial years (FY) (IJM 2019 and 2020). The cargo throughput increased from 17.03 million freight weight tonnes to 20.46 million freight weight tonnes from FY2018 to FY2019. It then increased again by 27 per cent to 25.98 million freight weight tonnes for FY2020. IJM (2020) attributed the gain in throughput to the increase in iron ore, coal, iron and steel products going through the port. These goods represented more than 30 per cent of the port's total revenue.

5. The Melaka Gateway

The Melaka Gateway is a planned RM 42 billion facility encompassing four islands in the Malacca Strait. It is slated to include Southeast Asia's largest private marina, facilities for berthing four cruise ships simultaneously, cargo terminals with an estimated capacity of 8 million TEU per year, a maritime high-tech park, and a free trade zone. Totalling some 1,500 acres, the islands that comprise the Gateway vary in size, configuration, and purpose (Table 3).

Table 3. The Melaka Gateway and its Constituent Islands

Island	Size (acres)	Facilities
1 – reclaimed	212	Marina, cruise terminal, heritage esplanade, theme park, retail, condominiums
2 – reclaimed	300	Free trade zone and high technology park
3 – Pulau Panjang (existing)	98	Deepwater port, maritime high-tech park, liquid bulk terminal
4 (extension)	900	Container terminal, bulk terminal, ship-building and repair

Marketed with references to Melaka's glorious trading history and Admiral Zheng He's multiple visits to its port, the Gateway is expected to revitalize the state's economy, creating 40-45,000 jobs, as well as attracting 2.5 million visitors and generating RM 1.19 trillion for the state government's coffers per year (Knight Frank 2018; Suhli 2018).

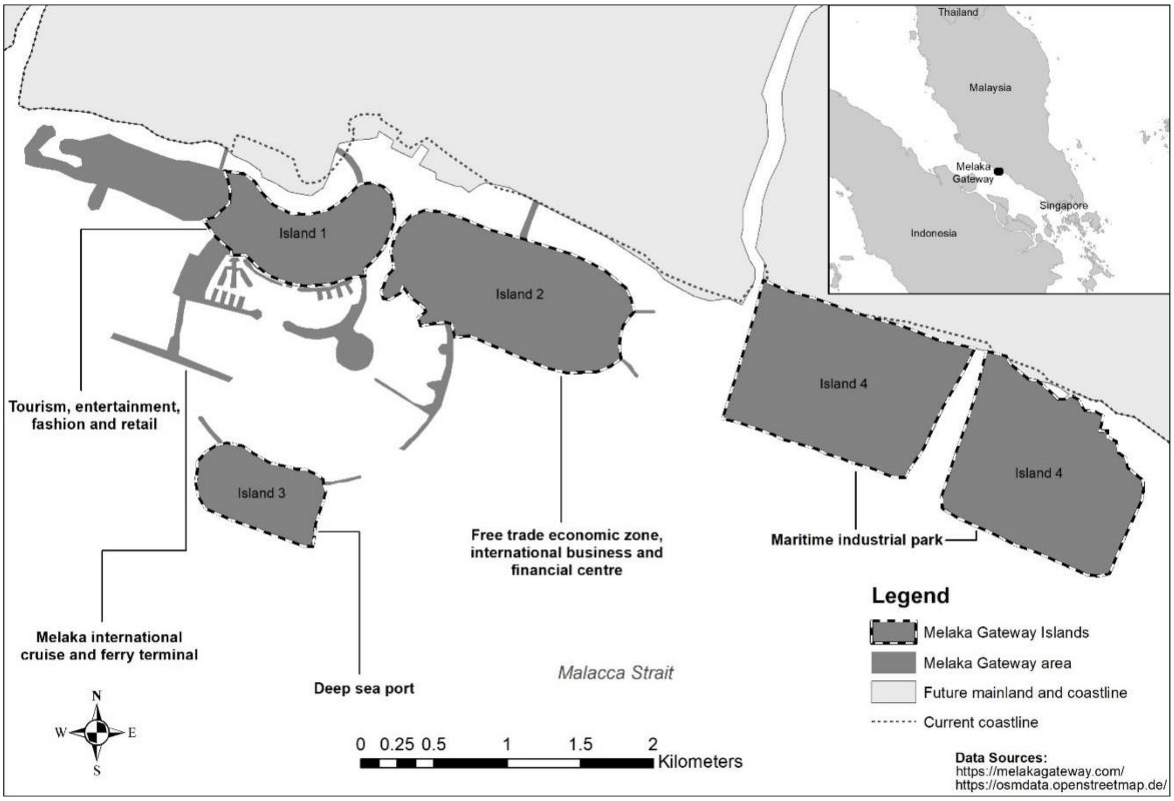
The Melaka Gateway was launched in February 2014 with much fanfare. Led by a local property developer KAJ Development Berhad (KAJD), the project has the support of PowerChina International, a Fortune 500 firm and central government SOE, as well as three provincial government-owned enterprises.

The project was quickly backed by the Najib administration, which made it part of the high-profile *Economic Transformation Programme* in March 2014. In 2015, the project received high-profile visits from the Guangdong Provincial Government, the Ministers of Transport of Malaysia and China, and the Premier of the State Council, Le Keqiang. That year, the Melaka Gateway joined the Port Alliance, a grouping of 15 Chinese and six Malaysian ports (KAJD 2017).

Given the project's location and scale, analysts were quick to cast the Gateway in strategic terms, portraying it 'as a means for China to acquire and sustain military-strategic influence in the Straits of Malacca' (Patrick 2017). Its location on the Peninsula's west coast was linked up with the ECRL and Kuantan Port on the east coast as a land bridge bypassing Singapore.

Furthermore, the Gateway would enable China to surveil the Strait, a conduit for up to 80 percent of the country's fuel needs.

Figure 5. The Melaka Gateway



However, despite the Gateway's purported strategic imperatives and high-profile backing from powerful China-based central and provincial SOEs, construction on the Gateway remains limited and has fallen far behind schedule.

Having laid out the scope of the project, the next paragraphs will look at the investment coalition supporting the project and how it fits into Malaysia's political economy, before evaluating the project's progress.

The Investment Coalition

Chinese Side. The most important player on the Chinese side is PowerChina International. The firm is majority-owned by the State Power Investment Corporation, which is, in turn, administered by China's State-owned Assets Supervision and Administration Commission (SASAC). Listed in Hong Kong, the Global 500 firm builds, manages, and owns power plants, transport infrastructure, and water resource management systems (Fortune n.d.). Beyond its activities within China, the firm has a presence in more than 110 countries and a total contract portfolio in excess of USD 100 billion (KAJD 2016).

PowerChina is increasingly present in Southeast Asia, with the following projects of note: the Jakarta Bandung High-Speed Rail and Kayan River 1 Hydropower station in Indonesia; the Kaukypu Gas Power Station in Myanmar; and the Boten Special Economic Zone and Yuxi-Boten Railway in Laos. With regard to the Melaka Gateway, PowerChina has interests in Islands 1, 2, and 3, which will house the cruise terminal, retail facilities and condominiums, as well as the free trade zone, high-tech part, and deepwater port.

There are also three Chinese provincial governments involved in the Gateway. The Shenzhen Yantian Port Group is an SOE from Shenzhen province, with a track record in port construction and operation. The Group runs Yantian Port, the largest and most profitable container port managed by a single operator (Yantian Port Group n.d.). The Rizhao Port Group is an SOE from Shandong province, with expertise in bulk shipping of items such as flour, soya beans and oil (MarketScreener.com n.d.). Like PowerChina International, these two provincial port groups have interests in Islands 1, 2, and 3 (KAJD 2017). The third provincial government is from Guangdong and is the owner of SOEs such as the Guangzhou Port Group and the Guangdong Provincial Communications Group. Their stake is in Island 4, which will contain the terminal port and ship-building facilities (KAJD 2016).

National Political Elite. Despite public declarations of support, the Najib Razak administration did not invest any funds in the initiative. Beyond a mention in the ETP, there is no substantive mention of the Gateway or earmarked funds in any of the relevant national policy documents released during Najib's tenure. This includes: the country's five-year economic blueprint, the *11th Malaysia Plan 2016-2020* (EPU 2015a); the ten year infrastructure plan, the *National Physical Plan 3 2015-2025* (Ministry of Urban Wellbeing, Housing, and Local Government 2016); and the *Logistics and Trade Facilitation Masterplan* 2015-2020 (EPU 2015b). Furthermore, Malaysia's sovereign wealth fund, Khazanah Nasional Berhard, has not acquired a stake in the project. The fund is an important player in the infrastructure space, with sizeable investments in enterprises building and operating toll roads, electricity generation, and airports.[10] Likewise, none of the GLICs such as EPF or MRT have taken any stakes in the project.

If the Najib administration's attitude to the Gateway was lukewarm, the parliamentary opposition, Pakatan Harapan (PH), was explicitly hostile. In the run-up to the 2018 General Election, PH's prime ministerial candidate targeted the Melaka Gateway, stating 'we are very concerned, because in the first place we don't need any extra harbour' (Beech 2018). Once in power, the Pakatan Harapan administration put a number of large-scale projects with Chinese backing, such as the ECRL, on hold in order to carry out cost-benefit analyses. The Gateway's lack of progress was frequently commented upon by the new Minister of Transport, Anthony Loke.

There may be several reasons for this lack of interest in the project among Malaysia's national political elite. First, unlike Kuantan Port, Melaka Gateway is not one of the country's seven federal ports, three of which are on the Peninsular West Coast (Table One and Figure Three).

In addition, an in-depth World Bank review of the sector recommended a more intensive use of existing facilities, as opposed to dispersing traffic across a number of ports. With sound planning, improved logistics connections, and a careful increase in capacity, the review argued that the current network of priority ports will be able to cater to the country's projected needs until 2040. The country does not need new ports before that year and the Bank argues that 'a new major hub in Peninsular Malaysia, such as for example in Malacca, would cannibalize cargo handled at both Klang and PTP and is expected to remain at low utilization levels for several years' (World Bank 2016).

Consequently, despite its scale and potential economic benefits, the investment coalition behind the Melaka Gateway does not have representation from Malaysia's national political elite.[11]

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[10] According to Camba's classification, government-linked corporations should be classified as part of the national political elite. We make a distinction between wholly government-owned corporations such as Khazanah Nasional which we classify as part of the political elite, and publicly-listed corporations that are majority government owned, which we classify as part of the national economic elite.

[11] One of KAJD's shareholders, Dato' Sri Yahya bin Hamid, is a member of Malaysia's largest political party, United Malays National Organisation (UMNO), and was a local assemblyman in the state of Penang in the 1990s. However, he has never held an apex position in the party's hierarchy, nor has he held national-level office. Consequently, he is not classified as a member of the national political elite.

National Economic Elite. The Master Developer and lead for the project is KAJ Development Sdn Bhd (KAJD), a Melaka-based general contractor, labour sub-contractor, and property developer. The firm is also a retailer of equipment for ports, fire-fighting operations, and oil and gas ventures. Incorporated in 2007, the firm has three local shareholders and RM 10 million in paid-up capital (Companies Commission of Malaysia 2019).

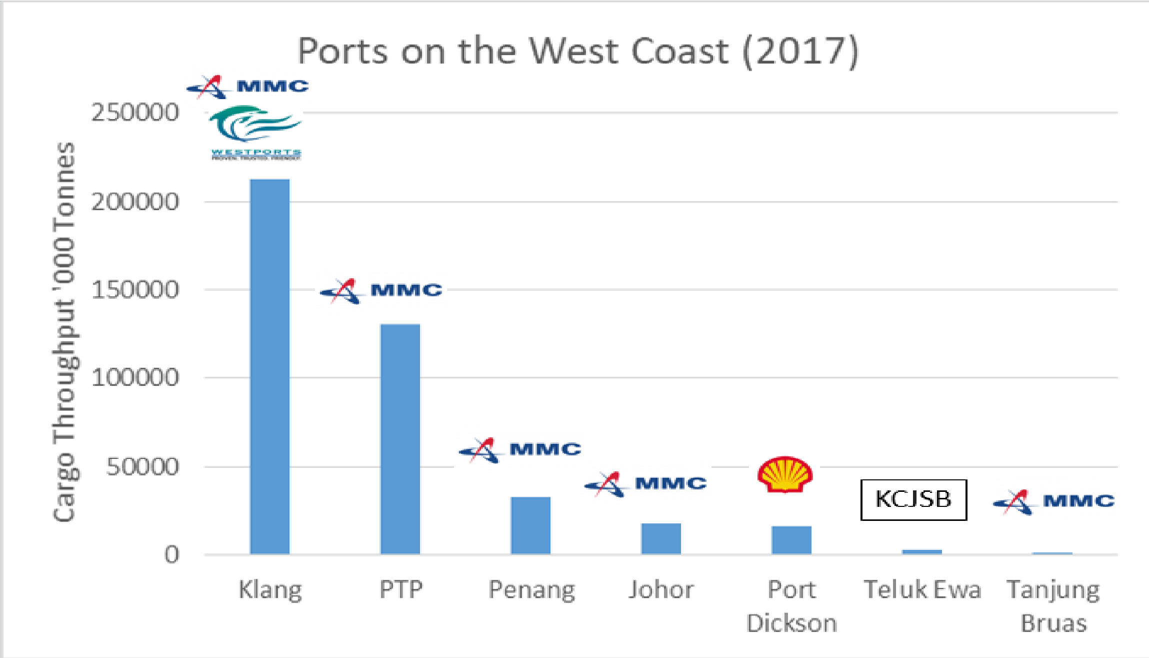
With RM 23.9 million in revenue in 2018, KAJD is a relatively minor player in the infrastructure space. Indeed, the firm was not known at the national level before its involvement in the Melaka Gateway. Prior to this project, the firm's track record consisted of its participation in the beautification of the Melaka River and majority ownership of KKW Sdn Bhd, the firm operating the Melaka Zoo and Bird Park from 2012 until 2019.

Given the Melaka Gateway's size and scale, it is notable that its investment coalition has no participation by influential government-linked corporations active in the infrastructure sector such as the UEM Group or SP Setia, or, indeed, privately-owned conglomerates such as Gamuda or YTL Corporation.

Given the Gateway's potential to 'cannibalize' cargo throughput from Port Klang and PTP, the project is directly against the interests of the existing port operators on Peninsular Malaysia's west coast. This includes Westports Sdn Bhd, which operates the West Port multi-cargo terminal, and MMC Corporation Berhad, which operates the ports of Penang, Northport in Klang, PTP, Johor, and even an existing dry bulk and cargo port in Melaka, Tanjung Bruas.[12] Going forward, MMC is planning a massive expansion of its operations in Port Klang, with a planned cost of RM 100 billion (Teoh 2017).

[12] Beyond Tanjung Bruas and Melaka Gateway, there is an additional port operating on the border of Melaka and Negri Sembilan. Kuala Linggi is a proposed RM 12.5 billion expansion of the existing port into Kuala Linggi International Port (KLIP), which will offer services such as storage, repair, and refuelling to very large tankers. The project has ostensible support from Chinese players and the current port operator (Business Times 2016).

Figure 6. Ports on the West Coast



Local Elites. In contrast to its lack of national political elite support, the Melaka Gateway does have the backing of Melaka's local political elite. CMI is a management and consultancy firm owned by the Melaka State Government, which manages a portfolio of assets worth RM 380 million (CMI Melaka n.d.). The firm has a stake in Island 4, the planned terminal port and shipyard.

Due to its participation in the project, as well as the potential benefits accruing from the investment and ensuing job creation on the state's economy, the Melaka state government's commitment for the project has been consistent – even across changes in administrations, as occurred in 2018. The Pakatan Harapan-allied Chief Minister welcomed the project and called for the consortium to ensure that its project milestones were met (Fadzli 2018).

Nonetheless, the Melaka state government's backing is of limited utility in Malaysia's top-heavy federal system. State governments have limited independent sources of revenue and are increasingly reliant on central government loans and transfers. In addition, Malaysia's strong and centralized party structures mean that the autonomy of state-level leaders is severely constrained, making them unlikely to directly challenge central dictates (Hutchinson 2015).

Success or Failure?

In 2015, the Melaka Gateway received the necessary licenses and approvals for the project. The stated milestones for the Gateway were as follows (Table Four), with planning and other technical work to begin in early 2016, and the whole project to be completed by 2025.

In September 2016, KAJD and PowerChina International signed a Memorandum of Agreement to work on Islands 1,2, and 3, with an estimated value of RM 30 billion. KAJ would have a 51 percent stake, and the two parties committed to investing the funds over the next two years (KAJD 2016).

Table 4. Melaka Gateway - Planned Timeline

Time	Task/Milestone
January 2016	Licenses and approvals
1st half 2016	Hydraulic works, planning, and simulations
July 2016-end 2017	Construction of islands
2018/2019	1st Island and Cruise Terminal complete
2021	Port operations begin
2025	Completion of whole project

Source: KAJD n.d.

In May 2017, KAJD then signed an investment collaboration agreement with PowerChina International, Yantian Port, and Rizhao Port (KAJD 2017). The following month, Melaka Gateway appointed SinoHydro Ltd, a PowerChina owned affiliate, as the engineering, procurement, and construction management contractor (Sulhi 2018).

However, despite groundwork beginning in April 2017, problems soon began to surface. In October, the then-Mentri Besar of Melaka asked KAJD to speed up work, noting that only 40 percent of the planned reclamation had been carried out (Rashidah 2017). In July 2018, the new Federal Minister of Transport, Antony Loke stated that he saw “no sign of work” on the project (Sulhi 2018). Furthermore, he said that the technical approvals from Department of Environment and Department of Drainage and Irrigation awarded in 2016 had lapsed (Ooi 2018). Loke further noted that the operating licence for the port was contingent on it starting operations by 2021 (Sulhi 2018).

In October 2018, KAJD received a letter from the Ministry stating that the licence to operate the port and cruise terminal would be revoked, which occurred in November. In response, KAJD filed a judicial review against the Minister of Transport, the federal government, and the Melaka Port Authority, claiming RM 139 billion in damages. In May 2019, the Ministry of Transport allowed the appeal to take place, following which the licenses were reinstated (Hafiz 2019). Land reclamation work on Island 1 has gradually resumed, but is far from completion. Work on the other islands has yet to begin (Melaka Gateway, 2019).

The local partner, KAJD, has hit a rocky patch of late. In 2017, the firm registered RM 183 million in assets, but RM 201 million in liabilities as well RM 9.8 million in losses (Companies Commission of Malaysia 2019). And, in October 2018, its affiliate KKW lost the management rights for the Melaka Zoo and Birdpark (Murali 2018). Since 2018, KAJD's charge of RM 724.5 million to its management contractor, SinoHydro Ltd, has been outstanding (Companies Commission of Malaysia 2020).

6. Conclusion

Prevailing approaches to understanding the success or failure of BRI projects ascribe overwhelming emphasis to the motivations and interests of Chinese actors, usually at the expense of domestic actors and interests. This paper has sought to address this gap through focusing on the role of domestic interests and configurations of power in determining the success or failure of BRI projects.

To this end, this paper has compared and contrasted two BRI port projects in Malaysia that began at the same time and both had buy-in from important Chinese infrastructure players. Holding these variables constant allowed analytical focus to then shift to the domestic investment coalitions underpinning the projects.

Gauging its progress by its own stated goalposts, the Kuantan Port Expansion project has been a success. The initiative had a very good grounding in the domestic political context, specifically from key players in the country's national political and economic elite, as well as Kuantan's regional-local elite. These included investments from key GLICs and a prime GLC.

This powerful investment coalition stood unopposed, due in part to Kuantan's location in a relatively unsaturated part of the peninsula. The only other rival facility, Kemaman Port, was much smaller and did not have sufficient economic or political clout to block private or public support for the Kuantan facility, which had explicit federal support as well as supporting investments. Furthermore, Kuantan Port also articulated well with the nearby Malaysia-China Kuantan Industrial Park, which will ensure a steady source of demand for its services.

In contrast, the Melaka Gateway has faltered and, at the time of writing, was very far from meeting its stated objectives. An analysis of the investment coalition backing the project reveals that, despite their scale, expertise, and backing from China's political elite, the consortium led by PowerChina chose small-scale and, ultimately, ineffectual local partners.

While the investment coalition did have the support of a local construction player, KAJD, the Gateway directly challenged the interests of important components of the national economic elite, including Malaysia's wealthiest Bumiputera and influential government-linked corporations. Should another large-scale facility on the Peninsula's west coast be constructed, these existing ports would lose cargo throughput in what is a relatively static market. Furthermore, many of these other facilities, in addition to being more established are actively planning to expand their facilities.[13] The ambitious project also did not dovetail with national plans for the port sector. The relative power of KAJD was not substantially bolstered by the inclusion of a state-government SOE in the investment coalition, and their combined influence was not sufficient to overcome the opposition of other West Coast-based port operators.

This exercise has highlighted in importance of complementing an analysis of the Chinese actors involved in given BRI initiatives with an examination of the domestic actors in the different investment coalitions. These domestic actors are a vital aspect of understanding the eventual success or failure of specific projects, due to the resources and capital that they bring, as well as their ability to navigate the local political context.

[13] See for example, Port Klang's expansion plans in Zunaira (2020) and the planned expansion of Penang Port in Dermawan (2020).

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