We negate.

Our first contention is a tariffic disaster.

Heeb ‘19 of Business Insider explains that while Trump has taken a protectionist stance towards EU trade, its impacts on the global economy have remained minimal. Amaro ‘19 of CNBC warrants this, writing that tariffs on the EU are unpopular because Trump's base views the EU as an ally that supports US hegemony. Unfortunately, affirming would shift the domestic opinion of the European Union.

Indeed, Barkin ‘19 of The Atlantic explains that the only thing holding the fragile US EU relationship together is western Europe's hardline stance against the BRI.

This relationship would collapse upon the EU joining the BRI.
Trigkas ‘18 of the South China Morning Post writes that if an EU-Chinese investment deal went through, it would push the US to put auto tariffs on the EU, this is because Barkin continues that the BRI poses a massive threat to US hegemony, one that hinges on the European Union.

Marketplace ‘19 writes that the EU-US relation would sour if the US decided to place auto tariffs on the EU. This would quickly escalate into a full scale trade war, as Bown ‘19 of the PIIE furthers that the EU would immediately retaliate with counter tariffs, just as they did when Trump instituted aluminum tariffs.

Ivana ‘18 of CNN writes that 300 billion dollars worth of goods would be at risk if tariffs were instituted. Market Insider ‘19 impacts that such a trade war would cause the next global recession. Bradford ‘13 of the Huffington Post concludes that the next global recession would push 900 million people into poverty.

Contention 2 is Pushing Coal.

Pei ‘19 of the Nikkei Asian Review finds that China is being forced to let the Belt and Road die because of drained foreign exchange reserves, rising pensions, dwindling tax revenue, and declining growth combined with domestic criticism over the initiative.

However, affirming would save the initiative. Garcia-Herrero ‘17 of the Bruegel Institute writes that EU banks are in position to finance the BRI to promote Eurasian growth. Xiang ‘19 of the IPIS confirms that the BRI is doomed without financing, something Germany and France can provide. Indeed, Casarini ‘15 of the Wilson Center explains that policymakers in the EU and China have already discussed co-financing.

Funding the BRI has drastic consequences for the environment.

Saha ‘19 of the National Interest writes that because coal in China provides 12 million jobs, China is trying to save its dying industry by pushing coal overseas. Thus, Watts ‘19 of The Guardian continues that China has become a “lender of last resort” for coal as other countries and institutions turn away from dirty energy.

Watts ‘19 furthers that the finance behind China’s coal development abroad is from the Belt and Road Initiative. Vedvarende ‘19 of VEG warrants that because China’s companies are banned from other multilateral institutions, the BRI is the only platform that gives them the funding to expand. In fact, Feng ‘17 of CDI writes that China’s coal investment in foreign markets has picked up because of the BRI, but before it was rapidly slowing. Newly planned projects are now in limbo waiting to be constructed. Indeed, Hilton ‘18 of Yale writes that 80% of China’s BRI projects have gone to fossil fuels.

Ma ‘18 writes that China offers “full package deals” and concessionary loans that are extremely favorable for BRI nations. Kong ‘19 of Boston University confirms that due to unconditional financing, China wins most energy contracts. Andrews ‘19 of NUS explains that the urgency to build new energy infrastructure in support of economic growth leads to a preference for coal in BRI countries.

For example, Sands ‘19 of IEEFA writes that because of factors like lack of technical expertise, immediate energy needs, and sure finance from China, Vietnam has pursued coal-fired plants, despite available cost effective renewable energy.

Zadeck ‘19 of Tsinghua University writes that through these projects, countries with BRI investment alone will lead to 3 degrees of warming on the planet. Wright ‘18 impacts that a 0.5 degrees increase would lead to flooding that displaces 5 million people. Fox ‘18 of NBC explains that for every 1 degree increase, crop yields will decrease 10 to 25 percent. Schindell ‘18 of Duke University concludes that a half degree increase in temperatures would kill 150 million people.

Marketplace, 8-12-2019, "A U.S.-European Union trade war is brewing," https://www.marketplace.org/2019/08/12/us-europe-trade-war-brewing/

Relations are likely to sour even further if the president decides later this year to jack up the tariffs on imports of European cars. Andrew Kenningham of consulting firm Capital Economics said that would b**adly dent Europe's biggest carmaker and dominant economy.**
"Germany could be pushed into recession by this," he said. "I**t would come at a time when the auto industry is already struggling.**" But Trump may be sorely tempted to take this action. Germany has a bigger trade surplus with the United States than China does, and European tariffs on American car imports are much higher than American tariffs on European vehicles..

Bown '19// auto tariffs from the US would definitively cause a European retaliation

More From, 6-26-2019, "Transatlantic Policy Impacts of the US-EU Trade Conflict," PIIE, https://www.piie.com/commentary/testimonies/transatlantic-policy-impacts-us-eu-trade-conflict

Three reasons demonstrate why i**mposing trade restrictions on European automobiles and parts would disrupt the American economy**. First, American consumers would be hit by price hikes. Fiats, Volkswagens, and Volvos, among other brands, would become more expensive. The reduced competition would inevitably raise prices of all cars, regardless of the make and model. Second, the American manufacturing base would lose access to imported auto parts it needs to produce cars for both domestic consumption and export. Imported parts are vital for American-based auto plants to keep costs low for high-quality cars made in states like Alabama, Tennessee, and South Carolina. The facilities in these and other states make some of America's most successful exports. Restricting trade in parts would hurt these factories and their workers. Third, **Europe will retaliate. The European Union has announced it would impose counter tariffs on US exports—a credible threat because it did so last year when President Trump imposed tariffs on their exports of steel and aluminum, also under Section 232 of the Trade Expansion Act of 1962.**

Schulze '19// the EU is poised to respond to tariffs and escalate now (bown ev is better)

Spriha Srivastava,Elizabeth Schulze, 08-24-2019, "EU chief Tusk says will 'respond in kind' if US imposes tariffs on France over digital tax," CNBC, https://www.cnbc.com/2019/08/24/donald-tusk-eu-will-retaliate-if-us-imposes-tariffs-on-france-over-digital-tax.html

The European Union will "respond in kind" **if the U.S. imposes tariffs** on France over digital tax plan, **Donald Tusk, president of the European Council said on Saturday**. Speaking at the G-7 leaders meet in Biarritz in France, **Tusk said if President Donald Trump uses tariffs for political reasons then it can be risk for the whole world,** including the EU, Reuters reported.

Amaro '19// trade war would be particularly bad now AND it would be much worse than the US China war

Silvia Amaro, 08-22-2019, “A trade war with Europe would be larger and more damaging than Washington’s dispute with China,” CNBC, https://www.cnbc.com/2019/08/22/why-a-us-trade-war-with-europe-would-be-more-damaging-than-china.html

Furthermore, both the U.S. and Europe cannot afford a trade war at this stage. “While **the U.S.-China trade war is now starting to have effects on the broader health of the economy, it has taken a while and some of the effects were balanced by a benign economic climate**,” Fredrik Erixon, director of the think tank ECIPE, told CNBC. “**That is not the case if there is a serious increase in tariffs between the U.S. and the EU** in the autumn. Both **economies are slowing down, and the cyclical effect of the tariffs is likely to be pretty strong**,”

he added Erik Jones, professor of international political economy at Johns Hopkins University, explained that t**he business models of multinational firms is in danger as a result of a potential U.S.- EU trade war. “Much of the (EU-U.S.) trade takes place within firms rather than between them … (as a result) when you impose tariffs between the U.S. and Europe, you end up raising the prices for consumers and complicating the way goods are assembled in both places**, as in the U.S.-China case, but you also end up **disrupting the profitability of the business models for large multinationals**,” he said. “Since many, if not most of those large multinationals are American, this is going to put a further drag on the U.S. economy,” he added. According to the European statistics office, the top U.S. goods exported to Europe in 2018 were engines and motors, aircraft and associated equipment, and medicinal and pharmaceutical products. In terms of imported goods, the U.S. bought mostly autos from the EU as well as pharmaceutical and medical goods. “**A trade war between the U.S. and Europe would be more challenging than a trade war between the U.S. and China because it would weaken** U.S. **multinationals**, reduce the size of the markets U.S. firms can access, **and create incentives** for U.S. firms **to divest from their foreign assets and so unleash further foreign competition**,” Jones said in an email. “In other words, it would undo all the structural advantages that successive U.S. administrations created since the end of the Second World War,” he added.

Heeb ‘19// status quo tariffs on the EU are insignificant AND auto tariffs are uniquely worse AND investor uncertainty about tariffs is more harmful than tariffs themselves

Heeb, 4-24-2019, "A new study says Trump's tariffs aren't hurting Europe much and could have a bigger impact on the US," markets.businessinsider, https://markets.businessinsider.com/news/stocks/trumps-tariffs-arent-hurting-europe-much-could-have-bigger-impact-on-us-study-2019-4-1028135916

President Donald Trump's trade policies have so far had a mild impact on countries across the Atlantic even as they have cast a cloud of uncertainty over global growth, according to the European Central Bank. The Trump administration last year placed sweeping tariffs on imported metal, including from Europe. But those and the retaliatory measures that followed have posed "only a modest adverse risk" to the bloc, said Vanessa Gunnella and Lucia Quaglietti, the ECB economists who authored the new report released Wednesday. That could be in part thanks to ongoing trade tensions between the US and China, which have made the EU more competitive in some markets. Higher tariffs make US and Chinese goods more expensive, the study said, raising demand for some imports from Europe. And because companies have limited suppliers to turn to for certain types of steel and aluminum typically imported from Europe, some American companies and consumers have been forced to absorb the 10% to 25% tax. **If the US expands its tariffs to cars, that will have a much bigger impact on European producers, and there will be some economic pain," said Simon Lester, a trade policy analyst at the**

libertarian Cato Institute. Trump has threatened to slap tariffs on cars from the European Union, which is home to companies like Volkswagen, Daimler, and BMW. The global economy is expected to take a hit if the US expands its trade war to the auto sector, but the study said effects on European producers would be limited relative to other countries. "It is estimated that the impact on the euro area as a whole would be small, even when the magnifying effects of global supply chains are taken into account," the ECB study said. "However, the consequences of an increase in car tariffs may weigh significantly on some countries."

The proposed tariffs would cost auto sectors in Japan and the EU around 10% and 4%, respectively, the economists estimated. Meanwhile, other research has shown vehicle prices in the US would rise. **European manufacturers in the US could alter their supply chains to include more US parts at the expense of production,** said William Reinsch, a former US trade official who is now a senior adviser at the Center for Strategic and International Studies. **But for companies, switching and certifying new suppliers can be costly and take up to years. "If that is typical, the changes the tariffs will force will either take place over the long term and be expensive," he said. "Or the companies may decide to wait the tariffs out and do nothing, hoping they go away at some point in the future. That would also be expensive." Prolonged uncertainty around trade policy could add to strains for the auto sector.** "Confidence effects or the effects of uncertainty with regard to the car industry that have not been taken into account could have a more negative impact on the world economy," the ECB economists said.

Amaro '19// EU US trade war won't happen now because it's unpopular- Europe is viewed as an ally

Silvia Amaro, 04-16-2019, "A trade war between the US and Europe is unlikely to happen. Here's why," CNBC, https://www.cnbc.com/2019/04/16/analysts-say-why-a-us-eu-trade-war-is-unlikely-to-happen.html

Trump has challenged China over trade since taking power as well, imposing increasing rounds of tariffs on the country. At the moment, however, media reports and comments from the U.S. and Chinese administrations suggest they could be close to a trade agreement. According to Schmieding, a deal between Beijing and Washington would make an agreement with Brussels even more likely. "**After all, the EU is no geostrategic rival of the U.S**.," he said. Both **analysts are** also **confident that the U.S. and Europe will avoid a trade war because political support in the United States for a trade war with the EU is much weaker than backing for a tough stance on China.**

Cavanna '17// the BRI poses a challenge to US hegemony

Thomas P. Cavanna, The Diplomat, 4-28-2017, "What Does China's Belt and Road Initiative Mean for US Grand Strategy?," Diplomat, https://thediplomat.com/2018/06/what-does-chinas-belt-and-road-initiative-mean-for-us-grand-strategy/, accessed 9-11-2019 //TP

The United States' response to a rising China has largely focused on bolstering military capabilities, doctrines, and partnerships in the Asia-Pacific (or, more recently, the Indo-Pacific). This approach misconstrues the problem: it overstates the security threat and understates (or ignores) the economic challenge. To maintain its dominant position globally in the long-term, the United States must reckon with the ambitious geoeconomic endeavor Beijing has launched to project strategic influence across the Eurasian continent, which hosts most of the world's economic centers and natural resources. **The nascent Belt and Road Initiative (BRI) illustrates the transformative geopolitical implications of China's rise.** Despite its changing contours and the fact that it partly recycles preexisting plans, this series of major infrastructure and development projects designed to connect Eurasian regions together is a coherent enterprise of unprecedented scale: $4 trillion of promised investments in 65 countries representing 70 percent of the world's population, 55 percent of its GNP, and 75 percent of its energy reserves. The BRI aims to stabilize China's western peripheries, rekindle its economy, propel non-Western international economic institutions, gain influence in other countries, and diversify trade suppliers/routes while circumventing the U.S. pivot to Asia. Of course, the BRI's prospects of success are subject to many unknowns, including the possibility of foreign resistance, China's domestic economic travails, political turbulence, aging population, and environmental problems. On the other hand, the U.S. still possesses enormous assets to maintain its predominance, including military primacy, multiple alliances, powerful Western-led international organizations, and an unmatched soft power. Yet **over time the BRI could threaten the very foundations of Washington's post-WWII hegemony**. **A similar phenomenon is visible in Europe.** For all of the United States' efforts NATO's post-Cold War expansion to former countries of the Soviet bloc and the launching of the global war on terror did not substitute for the foundational Soviet security threat that once undergirded the transatlantic alliance. The European states' reluctance to increase military budgets and to participate in misguided U.S.-led interventions caused tensions, especially following the invasion of Iraq. Meanwhile China made important strides. Its regional trade and investments skyrocketed. Beijing acquired strategic assets to amass local advanced technologies and know-how, using Europe's economic distress in the wake of the 2008 financial crisis, the EU's political divisions and lack of an investment vetting process, and the mesmerizing appeal of China's national market. Chinese leaders use their growing geoeconomic leverage to discipline their new partners and cultivate local proxies. The United States has tried to counter these efforts, as illustrated by the unsuccessful negotiation of the Transatlantic Trade and Investment Partnership (TTIP) and continuous attempts to harness European militaries and defense industries to U.S. strategic goals. Yet Beijing's rise has started to corrode the depth and scope of transatlantic relations. **Despite frustrations with its economic practices, European countries have been willing to develop bilateral ties further and further.** Moreover, they have only very timidly endorsed the U.S. position that China's growing assertiveness in the Asia-Pacific poses a major threat to the international order. Trump's rejection of the Iran nuclear deal, economic multilateralism, and the Paris climate agreement make things worse, but the problems are deeper.

Barkin '19// hardline EU stance is holding together US-EU alliance, and US hegemony competition with China hinges on "what happens in Europe"

Noah Barkin, 6-4-2019, "The U.S. Is Losing Europe in Its Battle With China," Atlantic, https://www.theatlantic.com/international/archive/2019/06/united-states-needs-europe-against-china/590887/, accessed 9-11-2019 //TP

After two years of escalating tensions between the United States and Europe over issues ranging from trade and Iran to defense spending and Russian gas pipelines, *China should be the issue that unites the two sides, or at least eases some of the transatlantic strain*. *The European Union*—with Germany and France leading the way—*has adopted a much tougher stance on China over the past year*, introducing new rules allowing for closer scrutiny of Chinese investments in European countries, exploring changes to the EU's industrial, competition, and procurement policies to ensure Beijing is not unfairly advantaged, and, after years of avoiding clashes with Beijing, declaring China a "strategic rival." This shift mirrors the harder line adopted by Washington under President Donald Trump, who has dialed up his two-year confrontation with Beijing several notches over the past month by raising tariffs on Chinese goods and putting the Chinese telecommunications group Huawei and scores of its affiliates on an export blacklist that could severely restrict their access to vital U.S. technology. *But* conversations I had with dozens of officials on both sides of the Atlantic—many of whom requested anonymity to talk about diplomatic and intelligence issues—suggest that *instead of coming together, Europe and the U.S. might be in the early stages of a damaging divergence on the China challenge*. Trump's latest moves, which raise the specter of a prolonged economic Cold War between Washington and Beijing, are likely to deepen the divide, taking the U.S. down a path that is unpalatable for even the hardest of European hard-liners. "If you listen to the people in the Trump administration, who view China as an existential threat, they are not in a place most Europeans can get to," says Evan Feigenbaum, who held senior Asia-focused roles in the State Department during George W. Bush's presidency and is now at the Carnegie Endowment for International Peace. The dissonance raises the prospect of a Western split on what both sides agree is likely to be the biggest geopolitical challenge of the 21st century—responding to the rise of an authoritarian China. *A series of meetings in recent months, and the disparate ways in which they were interpreted by either side, illustrate the widening chasm.* The European diplomat who discussed the April meeting likened *Washington's uncompromising stance on Belt and Road to its position on the Asian Infrastructure Investment Bank (AIIB) a few years prior*. Back then, the United States, under President Barack Obama, failed to convince allies to join a boycott of the new China-led development bank, leaving the Americans embarrassed and isolated. U.S. officials, by contrast, point to talks months before the meeting in Foggy Bottom, when Washington was pushing for a joint declaration denouncing human-rights abuses in Xinjiang, the western Chinese region where more than a million members of the Muslim minority have been detained in reeducation camps. That effort was also abandoned after what U.S. officials described as an exasperating back-and-forth with the European Union and individual member states. *Among the American officials I spoke with, there was an air of what felt like panic—over what they saw as the global spread of Chinese influence through Xi's Belt and Road initiative,* the lack of an American alternative to Huawei, and the persistent failure of the World Trade Organization to tackle China's unfair trade practices. One senior administration official likened discussions of China policy to the period after the 9/11 attacks. Inevitably, this person said, there will be an "overreaction" from Washington, with "collateral damage" for other countries, before U.S. policy settles down. In Brussels, senior officials are comparing the Trump administration's China policy to Brexit. Both, they say, are based on the deluded notion that a fading great power can reverse the course of history and return to its glorious past. *The irony is that senior U.S. administration officials acknowledge in private that American success in its competition with China might ultimately hinge on what happens in Europe. Yet many U.S. officials have no patience, at least in the highest ranks of the Trump administration, when it comes to working with European allies.* Nor do they have much appreciation for the steps Europe has taken over the past year to push back against China. Several U.S. officials described the EU's recent measures as baby steps that fall far short of what is needed.

Trigkas '18// if China-EU make a bilateral investment deal the US will launch a trade war against the EU

Vasilis Trigkas, July 6, 2018, "Nato, China summits a chance for Europe to assert itself," South China Morning Post, https://www.scmp.com/comment/insight-opinion/united-states/article/2153948/nato-and-china-summits-give-europe-chance, accessed 9-11-2019 //TP

In Beijing, EU leaders may have a seemingly easier task negotiating with the Chinese on trade but caution is always a wise counsellor. ***According to reports from the meeting of the*** vice-president of the ***European Commission***, Jyrki Katainen***,*** **and Chinese Vice-Premier** Liu He in June, ***the two sides are ready to*** present their detailed market access conditions by mid-July and **reboot the dormant discussions on a bilateral investment treaty. If negotiations accelerate and China and the EU reach a final accord** by the end of the year or early 2019, this would complicate US efforts to rebalance its economic relations with China. **It could push trigger-happy Trump to unleash tariffs against European exporters at a moment when the EU has just found its economic pace. Any benefits from a bilateral investment treaty with China may be undone by a full-scale transatlantic trade war and an utterly divided West.**

Schuman '19// Washington pressured Italy to not join BRI

Michael Schuman, 4-25-2019, "The U.S. Can't Make Allies Take Sides Over China," Atlantic, https://www.theatlantic.com/international/archive/2019/04/us-allies-washington-china-belt-road/587902/, accessed 9-11-2019 //TP

Washington pressured Rome, a proud member of the G7, to steer clear of Beijing's global infrastructure-building program, warning that Italy's participation "lends legitimacy to China's predatory approach to investment and will bring no benefits to the Italian people." The plea fell on deaf ears: Not only did Rome sign on to Belt and Road in March, no less a figure than the prime minister, Giuseppe Conte, will attend this week's gathering. Italy's snub may appear to be yet another sign that American power is on the wane while China's is on the rise. Score: China 1, United States 0. But Italy's decision is even more an indication of how such thinking has become dangerously out of date in the modern world order. While Washington still often perceives foreign policy in us-against-them terms, much of the rest of the world no longer does. That's why in its attempts to contain China, the U.S. is discovering, to its dismay, that its allies aren't always on board.

Herszenhorn '19//Trump wants to reset relations with EU

HERSZENHORN, David, September 2, 2019, Politico,
https://www.politico.eu/article/trump-administration-wants-to-reset-relations-with-eu/

U.S. Secretary of State Mike Pompeo wants to "reset" Donald Trump's relationship with the EU, U.S. Ambassador Gordon Sondland told POLITICO on Monday. P**ompeo, Trump's chief diplomat, arrives in Brussels Monday for a quick two-day visit, in which he will meet European Parliament President David Sassoli and the EU's incoming leadership team**: Commission President-elect Ursula von der Leyen, Council President-elect Charles Michel, and the nominee for foreign affairs chief, Josep Borrell.
But in a sign of how strained relations have become between Washington and Brussels over an array of issues, including Iran, trade and climate change, Pompeo will not see any of the EU leaders currently in office. Commission President Jean-Claude Juncker serves until November 1 and Council President Donald Tusk until December 1. **"I essentially want to try to reset the relationship, and I want to try to start off on the right foot with the four leaders,"** Sondland said in the telephone interview on Monday from Poland, where he had attended a World War II commemoration along with U.S. Vice President Mike Pence.**The EU and the U.S. are currently at odds on wide range of big-ticket diplomatic issues, especially a simmering trade dispute and a sharp disagreement over how to deal with Iran following Trump's unilateral withdrawal last year from the nuclear agreement, known as the Joint Comprehensive Plan of Action**. Sondland said that the Trump administration remains in contact with Juncker, Tusk and foreign affairs chief Federica Mogherini, and would work with them as needed during their remaining months in office. **"We respect their roles and we will continue to reengage with them on all kinds of things," Sondland said. Pressed on the possibility that Pompeo's meetings with the new officials might signal that Washington has given up on the EU's existing leadership, Sondland denied this is the case and insisted the goal is to get a running start with the new team. "I think 'writing off' is too strong," Sondland said, repeating how the question was phrased.** "What we are trying to do is to create the environment for a very smooth transition, so the day they take office we are already talking to them. So we don't have a six-month learning process. That would probably be more detrimental to the relationship, to spend the first six months or a year trying to figure each other out." **However, the fact that the U.S. and its European counterparts, traditionally the closest of Western allies, would need to figure each other out at all is itself an admission that ties have become increasingly tense since Trump took office in 2017, intent on dismantling established policies, including trade relations, that he has loudly derided as unfair to the U.S.** To the dismay of the Europeans, Trump pulled out of the Paris climate accords during his first months in office, and then removed the U.S. from the Iran nuclear deal, leaving it hanging by a thread. He also upended several leadership summits, including a G7 meeting in Quebec last year and a NATO leaders' summit in Brussels a month later, where he threatened that the U.S. could go its own way if other allies don't further increase spending on their militaries. He also unilaterally imposed tariffs on EU steel and aluminum, prompting retaliatory measures by the EU. Juncker went to Washington and helped broker a tentative truce, but Trump has repeatedly threatened to escalate a trade war by imposing tariffs on other EU goods, including cars and French wine.
Still, Trump professed himself generally pleased following a G7 leaders' summit in Biarritz, France last week. He expressed openness to a plan by French President Emmanuel Macron to arrange a meeting with Iranian President Hassan Rouhani. And while there was no immediate peace deal announced in the trade dispute, there was also no immediate escalation. Pompeo is generally viewed with guarded skepticism in Brussels given both his allegiance to Trump and the president's willingness to overrule even his most senior Cabinet secretaries without warning. While in Brussels, he is also expected to see NATO Secretary-General Jens Stoltenberg.

Brian Cloughley, 6-14-2019, "Trump's Washington Detests the Belt and Road Initiative," CounterPunch.org, https://www.counterpunch.org/2019/06/14/trumps-washington-detests-the-belt-and-road-initiative/

At the 2018 Asia-Pacific Economic Cooperation summit, Vice President Pence told 21 national leaders (including President Xi) that the United States doesn't "offer a constricting belt or a one-way road" and in March 2019 ***Secretary of State Pompeo declared the BRI to be "a non-economic offer," against which Washington is "working diligently to make sure everyone in the world understands that threat."***

Fefer'19//Tariffs would reduce US GDP

Fefer, Rachel. Canis, Bill. Williams, Brock, "Section 232 Auto Investigation". CRS. 17 June 2019. www.crs.gov

Potential Economic Impact Auto tariffs could have significant effects on the U.S. economy, depending on their breadth and duration. U.S. motor vehicle and parts imports from the EU and Japan, the main targets of the newly mandated negotiations, totaled nearly $120 billion in 2018 or one-third of total U.S. auto and parts imports (Figure 2). **Economic studies generally estimate auto tariffs would lower overall U.S. GDP relative to a baseline without the tariffs, though the magnitude varies depending on modeling techniques and assumptions. The IMF, for example, estimated a negative effect ranging from 0.6%-1% of U.S. GDP if tariffs applied to all U.S. auto and parts imports** (this is a cumulative effect inclusive of Section 301 tariffs on $250 billion of Chinese imports). Economists generally argue that using tariffs to encourage domestic production can lead to an inefficient and less productive allocation of resources. The uncertainty created by the current and potential tariffs on autos and auto parts may also reduce investment. Ultimately, the tariffs could increase the price of motor vehicles sold in the United States, prompting some consumers to delay purchases or purchase used cars instead of new vehicles, and generating inflationary pressures. **The Center for Automotive Research estimated that a 25% tariff applied to all vehicles sold domestically could raise the price of an average car sold in the United States by $4,400.**

Bravo'19//50% of German Car exports will go down because of US auto tariffs

Bravo, Richard. "Trade War Heats Up as EU Vows to Retaliate on U.S. Auto Tariffs." *Bloomberg.Com*, Bloomberg, 18 Feb. 2019, www.bloomberg.com/news/articles/2019-02-18/trade-war-heats-up-as-eu-vows-to-retaliate-on-u-s-auto-tariffs. Accessed 13 Sept. 2019.

U.S. tariffs on European cars would mark a significant escalation of trans-Atlantic tensions because the value of EU automotive exports to the American market is about 10 times greater than the bloc's steel and aluminum exports. As a result, European retaliatory duties would target a larger amount of U.S. exports to Europe. **A 25 percent U.S. levy on foreign cars would add 10,000 euros to the sticker price of European vehicles** imported into the country, according to the Commission. That would especially affect German brands such as Volkswagen, Porsche and Mercedes-Benz.

If the U.S. imposed permanent tariffs of 25 percent, German car exports to the U.S. could fall by almost 50 percent, or about 17 billion euros, according to the Ifo Institute. Total European car exports would fall by 18.4 billion euros, or 7.7 percent. The risk to Germany's economic prompted Merkel to push back by pointing to BMW's plant in South Carolina, the carmaker's largest factory worldwide and the home to models such as the X5 sport utility vehicle. "Look, we're proud of our cars. We're allowed to be," Merkel said Saturday in Munich, where BMW is based. "And these cars are built in the United

States of America. If these cars -- which are no less a threat than those built in Bavaria -- are suddenly a national security threat to the U.S., then that's a shock to us."

Ivana '18//EU retaliation in tariffs

Kottasová, Ivana. "EU Warns Trump's Car Tariffs Threaten $300 Billion of US Exports." *CNNMoney*, 2 July 2018, money.cnn.com/2018/07/02/news/economy/car-tariffs-europe-warning/index.html. Accessed 13 Sept. 2019.

Nearly $300 billion of US exports could be hit by retaliatory tariffs if the Trump administration decides to penalize automobile imports from around the world, the European Union says. The stark warning was included in the European Commission's written response to the Trump administration's investigation into imports of cars and car parts. The comments were sent to the US Department of Commerce on Friday and published on Monday.The Commission said global retaliation against US tariffs on auto imports would have a much bigger impact on the American economy than the backlash provoked by the Trump administration's steel and aluminum tariffs this year.**It estimated that $294 billion, or around 19% of total US exports last year, could be affected. President Donald Trump has threatened to place a 20% tariff on all European cars** coming to the United States if the European Union doesn't remove its own trade barriers.

Moehr '19 of the Atlantic Council

https://www.atlanticcouncil.org/blogs/econographics/us-eu-auto-tariffs-what-s-at-stake-copy/

Heeb'19//Tariffs lead to recession (eshan says it is kinda sketchy)

Heeb, Gina. "Trump's Proposed Car Tariffs Could Trigger a Global Growth Recession, BAML Says." *Markets.Businessinsider.Com*, markets.businessinsider.com, 21 Feb. 2019, markets.businessinsider.com/news/stocks/trump-tariffs-cars-could-trigger-global-growth-recession-baml-2019-2-1027973273. Accessed 13 Sept. 2019.

While that could benefit some American automakers and reduce bilateral trade deficits, **it would also risk adding thousands of dollars to the price of vehicles, and raises the threat of retaliatory duties that could worsen global trade tensions. "In a worst case scenario, full-blown tit-for-tat auto tariffs could trigger a global recession," analysts at Bank of America Merrill Lynch wrote in a research note** out this week, adding they would expect growth in the world economy to **fall nearly a percentage point to 1.2%.**

The impact of preventing this recession is massive as Harry Bradford writes that the next

Harry Bradford, 4-5-2013, "Three Times The Population Of The U.S. Is At Risk Of Falling Into Poverty," HuffPost, span class="skimlinks-unlinked"https://www.huffpost.com/entry/global-poverty-900-million-economic-shock_n_3022420/span, Date Accessed 7-28-2019

Economic Shock Could Throw 900 Million People Into Poverty, IMF Study Warns A recent

AND

figure is three times the size of the U.S. population.

Coal Evidence

EU Commission ‘19// EU wants to offer funding opportunities to BRI

“Connecting Europe and Asia: Seeking Synergies with China's Belt and Road.” 04/25/2019. EEAS, eeas.europa.eu/delegations/china/61412/connecting-europe-and-asia-seeking-synergies-china%E2%80%99s-belt-and-road_en. Accessed 29 July 2019. //tp

As political, business and civil society leaders gather in Beijing, I will share the EU’s unique 30 years' experience in successfully building sustainable connectivity that binds Europe closer together through transport, energy and digital networks, as well as multiple people-to-people links. The EU is a natural partner of viable initiatives to upgrade infrastructure, looking to extend its Trans-European Transport Networks (TEN-T), to facilitate trade, investment and mobility also well beyond the EU. We are sharing greater prosperity with our neighbourhood by extending these networks southwards in the Balkans and eastwards to Eastern Europe and Central Asia. Our offer is clear and simple with no hidden agenda: **we will mobilise our regulatory experience, technical expertise in corridor-based cross-border transport, and the EU's funding opportunities. With this in mind, the EU is ready to forge meaningful synergies with China’s Belt and Road Initiative.** Regular exchanges between the EU and China under our Connectivity Platform allow both sides to deepen understanding of each other’s connectivity policies, and to share experience and best practices. Just earlier this month, the EU and China agreed to a joint study on sustainable rail-based corridors under the EU-China Connectivity Platform.

Pei 19// growing domestic criticism of BRI as economic growth dwindles, China curtailing the BRI because of drained foreign exchange reserves, rising pensions, dwindling tax revenue, declining growth, and trade war

Pei, Minxin. “Will China Let Belt and Road Die Quietly?” Nikkei Asian Review. Feb. 2019. https://asia.nikkei.com/Opinion/Will-China-let-Belt-and-Road-die-quietly //TP

But beneath the surface **there is growing unease in China about BRI**. And rightly so. With the country feeling an economic squeeze, fighting a trade war with the U.S. and facing criticism from nations receiving BRI funds, **Chinese skeptics**, including academics, economists and business people, **of BRI are quietly asking if their government is putting its scarce resources to the right use.** Yet, **one can detect tantalizing signs that Beijing is already curtailing BRI,** at least rhetorically. T**he official propaganda**

machine, cranked to full steam to tout BRI's achievements not too long ago, has turned down the volume these days. In January 2018, the People's Daily, the Communist Party's mouthpiece, carried 20 stories on BRI. In January this year, there were only seven. If we keep track of BRI stories in the official Chinese media in 2019 and compare the coverage with previous years, we should have a clearer picture about where BRI is headed. In all likelihood, we will see a significant decline in the hype Chinese official media outlets devote to BRI. It is also a safe bet that **Beijing's funding for BRI will decline measurably this year -- and in the coming years. The economic headwinds against BRI are obvious.** For starters, China's external environment has changed almost beyond recognition since Xi rolled out BRI in 2013. At that time, China foreign exchange reserves were approaching $4 trillion. It seemed a brilliant idea to use some of the foreign exchanges to invest in infrastructure. Coupled with the use of Chinese contractors and materials, BRI could also help solve China's problem of excess capacity in its steel, cement, and construction industries. But the world has changed in the last five years. **China's economic slowdown has triggered a capital flight, draining more than $1 trillion from its foreign exchange reserves. If we factor in the trade war's impact on Chinese balance of payments in the future, China will unlikely generate sufficient foreign exchange surpluses to finance BRI on the same scale.** The tariffs imposed by the U.S. and the uncertainty about U.S.-China commercial relations will significantly reduce Chinese exports to the U.S. and, to a lesser extent, other developed markets. But the trouble for BRI does not just stem from the near-certainty of China's declining foreign exchange earnings in coming years. On the domestic front, **Beijing faces a perfect storm of rising pension costs, slowing economic growth and dwindling tax revenues.** The grim fiscal outlook was conveyed with unusual bluntness by the Chinese Minister of Finance at the annual finance conference at the end of December last year. Minister Liu Kun warned, "All levels of the government must lead by tightening their belts and do their utmost to reduce administrative expenses." Shortly after the meeting, Shanghai, the richest city in China, ordered a 5% cut for most departments in 2019. **This bout of austerity fever was precipitated by declining fiscal revenue growth and Beijing's decision to cut taxes to stimulate faltering growth.** In 2018, the growth of fiscal revenues fell 1.2 percentage points compared with 2017. The fiscal outlook is expected to worsen this year due to tax cuts and slower growth. **The biggest hole in Beijing's budget is spending on pensions for a rapidly aging population.** The province of Heilongjiang had a net deficit of 23 billion yuan in its pension account as of 2016, and six other provinces, with a combined population of 236 million, were taking in less pension contributions than outlays in 2016. The pension picture for the entire country looks equally grim. According to the Ministry of Finance, the government had to contribute 1.2 trillion yuan in 2017 to fund the shortfalls in pension spending. **Some may argue that BRI would be safe from Beijing's budget cutters because it is Xi's top foreign policy priority. But harsh economic reality will present Chinese leaders increasingly unpalatable choices as various demands compete for limited resources.** President Xi and his supporters may continue to back BRI. But they must also know that **BRI has few domestic supporters and taking money away from Chinese pensioners to build a road to nowhere in a distant land will be a tough sell politically.**

Garcia-Herrero '17// Chinese banks do not have enough capital to finance the BRI, but EU banks can

Alicia GarcÍA-Herrero, 5-12-2017, "China cannot finance the Belt and Road alone," No Publication, https://bruegel.org/2017/05/china-cannot-finance-the-belt-and-road-alone/, accessed 9-5-2019 //TP

Chinese authorities have come up with their own estimates of the projects that will be financed. The numbers start at USD 1 trillion and go all the way to USD 5 trillion in only 5 years. In the same vein, the official list of countries does nothing but increase over time to more than 65 countries today. **but there is a limit to how much China can finance. Such a-priori was probably well taken when China was flooded with capital inflows and reserves had nearly reached USD 4 trillion and needed to be diversified. In the same vein, Chinese banks were then improving their asset quality if, anything, because the economy was booming and bank credit was growing at double digits. The situation today is very different. China's economy has slowed down and banks' balance sheets are saddled with doubtful loans, which keep on being refinanced and do not leave much room for the massive lending needed to finance the Belt and Road initiative.** This is particularly important as **Chinese banks have been the largest lenders so far** (China Development Bank in particular with estimated figures hovering around USD 100 billion while Bank of China has already announced its commitment to lend USD 20 billion). **Multilateral organizations geared towards this objective certainly do not have such a financial muscle.** Even the Asian Infrastructure Investment Bank (AIIB), born for this purpose, has so far only invested USD 1.7 billion on Belt and Road projects. As if this were not enough, **China has lost nearly USD 1 trillion in foreign reserves due to massive capital outflows. Although USD 3 trillion of reserves could still look ample, the Chinese authorities seem to have set that level as a floor under which reserves should not fall so that confidence is restored (Chart 3). This obviously reduces the leeway for Belt and Road projects to be financed by China,** at least in hard currency. Against this background, we review different financing option for Xi's Grand Plan and their implications. The first, and least likely, is for China to continue such huge projects unilaterally. **This is particularly difficult if hard-currency financing is needed, for the reasons mentioned above. China could still opt for lending in RMB, at least partially, with the side-benefit of pushing RMB internationalization. However, even this is becoming more difficult. First, the use of the RMB as an international currency has been decreasing as a consequence of the stock market correction and currency devaluation in 2015** but still some of the Belt and Road projects could be financed in RMB in as far as the borrowing of a certain host country would be fully devoted to pay Chinese construction or energy companies (Chart 4). This quasi-barter system can solve the hard-currency constraint but poses its own risks to the overly stretched balance sheets of Chinese banks. **In fact, their doubtful loans have done nothing but increase during the last few years, which is eating up the banks' room to lend further** (Chart 5). **A second option is for China to intermediate overseas financial resources for the Belt and Road projects. The most obvious way to do this, given the limited development of bond markets in Belt and Road countries as well as the still limited size of China's own offshore bond market is to borrow from international banks. Cross border bank lending has been a huge pool of financial resources, especially in the run up to the global financial crisis. Since then they have moderated but the stock of cross border lending still hovers above 15 USD, out of which, nearly half is lent by European banks. Out of the USD 15 trillion, about 20% is already being directed to Belt and Road economies, with European banks being again the largest players (Chart 7).** Still, **in order to finance the USD 5 trillion targeted in Xi's grand plan for the next five years, you would need to see growth rates of around 50% in cross-border lending. While such a surge in cross-border lending is not unheard of** (in fact, it happened in the years prior to the global financial crises), **the real bottleneck would be the rapid increase in China's external debt, which would go from the currently very comfortable level (12% of GDP) all the way to more than 50% if China were taken on the debt,** or something in between if co-financed by Belt and Road countries. **A mix of option 1 and 2 lies on the use of multilateral development banks to finance the**

Belt and Road projects. **In fact, China is a major shareholder of its newly created multilateral banks** (AIIB and New Development Bank) but less so in existing ones (such as ADB, EBRD or the World Bank). This means that the financing burden can be shared (to a lesser or larger extent) with other creditors, while still keeping a tight grip on the construction of such infrastructure (at least in China-led new organizations). **While apparently ideal, the problem with this option is that the available capital in these institutions is minimal compared to the financing needs previously discussed (Table 1).** It seems that China cannot really on its banks alone – no matter how massive – to finance such a gigantic plan. **The key source of co-finance would logically be Europe** at least as long as bank lending dominates, which will be the case for quite some time in the countries under the Belt and Road. **In fact, European banks are already the largest providers of cross border loans to these countries so it is only a question of accelerating that trend. Furthermore, the geographical vicinity between Europe and some of the Belt and Road countries could make the projects more appealing** (Chart 8 and Chart 9). In addition, the European Union has its own grand plan for the financing of infrastructure – among other sectors – namely the Juncker Plan, which could serve as a basis to identify joint projects of interest to both EU and China. In this vein, EU-China connectivity platform was launched by the European Commission in late 2015 exactly to identify projects of common interest for the Belt and Road and the EU connectivity initiatives, such as the Trans-European Transport network. All of this bodes well for Europe to become an active actor in China's Belt and Road initiative, not only to provide the financing but also to identify projects of common interest.

China doesn't have the money to fund BRI projects in full, or to a degree where they would have economic benefits

Luft 17 Dr. Gal Luft [is co-director of the Institute for the Analysis of Global Security (IAGS) and a senior adviser to the United States Energy Security Council (USESC), a cabinet-level extra governmental advisory committee], 2017, "Silk Road 2.0 US Strategy toward China's Belt and Road Initiative," Atlantic Council, https://www.atlanticcouncil.org/images/AC_StrategyPapers_No11_FINAL_web3.pdf //DF

One argument for stronger US engagement with the BRI is that the cost of the initiative's failure for the United States could outweigh the risks associated with its successful execution. The reason for this is allocation of financial resources. In the coming years, China will need hundreds of billions of dollars to finance the BRI. Some of this money will obviously come from commercial banks in the form of various debt instruments. Additional investment could come from private equity funds. But, under any scenario, the lion's share of the money, at least $1 trillion, will come from the coffers of the Chinese government. Raising such a staggering amount of money—China only has $3 trillion in cash reserves—will be a daunting task, especially at a time when most of the world's governments and commercial banks are already drowning in debt. The May 2017 downgrade of China's credit rating, from Aa3 to A1, will not make it easier for China to raise that capital. To make things worse, China's new capital controls—requiring detailed documentation of and explanations for any investment abroad above $5 million—are already slowing down the implementation of the initiative.14 All of this means that **it is far from certain that China will be able to muster the vast resources needed to implement the BRI such a way as to deliver the desired economic dividends. Even if it does, it is less certain that the initiative will produce the stimulating economic effect** on developing Asia **that China is counting on.** It is only prudent that a failure scenario is taken into account. **The failure of the BRI will no doubt be a blow to China's prestige—not to mention the waste of hundreds of billions of dollars that Beijing could have used for alternative purposes.** But, such a scenario will hurt the United States in more than one way. As China's cash reserves dwindle, there will be less money available for Beijing to continue to finance US debt, and this will put significant strain on the US government to meet its budgetary obligations. Such a failure would depress the Chinese economy in ways that will be felt throughout the global economy. It will also kill any hope for the United States to reduce its trade deficit with China.

Ciurtin, Horia. **17** "A Pivot to Europe: China's Belt-And-Road Balancing Act." European Institute of Romania. Dec. 2017. http://ier.gov.ro/wp-content/uploads/publicatii/Final_Policy-Brief-5_Horia-Ciurtin-A-Pivot-to-Europe_web.pdf //TP

However impressive the sums might appear at a first glance, they fall short of the needed amount. **The first stages of** developing **the Belt-and-Road require[s] no less than $3 trillion** (according to some accounts, even more). And this is a task that China – despite its constant growth and increasing economic power – cannot accomplish alone.36 It really needs co-interested parties. And **that is where the [EU]** European Union (with its unbearable economic force) **comes in**to the spotlight: it is not supposed to be just a "passive" destination at the end of the road, but also a co-owner in this joint venture. **Without European cash** – from public and private sources – **it is highly improbable that other actors could feasibly join China in funding the initiative.** Russia, Iran, Turkey or Kazakhstan (or even Japan and India37) are in an entirely different economic league than what is needed for such a massive project. For a path to Europe to emerge, Europe itself is needed along the way. In reality, EU-based institutions already are the largest lenders in the region (see Figure 3 below). And Europe is highly interested in developing infrastructure and connectivity with its marginal areas.

Ciurtin '17 //

Ciurtin, Horia. "A Pivot to Europe: China's Belt-And-Road Balancing Act." European Institute of Romania. Dec. 2017. http://ier.gov.ro/wp-content/uploads/publicatii/Final_Policy-Brief-5_Horia-Ciurtin-A-Pivot-to-Europe_web.pdf //TP

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Casarini '15// The EU can co-finance the BRI by "joining forces"

Casarini 15 Nicola Casarini [Senior Fellow for East Asia at the Istituto Affari Internazionali (IAI) and a nonresident Global Fellow at the Wilson Center in Washington], 10-2015, "Is Europe to Benefit from China's Belt and Road Initiative?," Paper prepared for the Istituto Affari Internazionali (IAI) driv //DF

The One Belt, One Road (OBOR) initiative – unveiled by President Xi Jinping in late 2013 – is China's major diplomatic outreach in decades. The project combines a land-based Silk Road Economic Belt and a sea-based 21st Century Maritime Silk Road which connects China to Europe through South East Asia, Central Asia and the Middle East, covering areas generating 55 percent of the world's GNP, 70 percent of the global population, and 75 percent of known energy reserves. The stated aim of this grandiose project is to boost connectivity and commerce between China and 65 countries traversed by the OBOR. China's total financial commitment to the project is expected to reach 1.4 trillion dollars. Beijing has already committed around 300 billion dollars for infrastructural loans and trade financing in the coming years, a sum which includes a 40 billion dollar contribution to the "Silk Road Fund" for infrastructural development and the 50 billion dollar initial capital (to be raised eventually to 100 billion dollars) allocated to the China-initiated Asian Infrastructure Investment Bank (AIIB).1 Sitting at the end-point of the

OBOR, Europe st34ands to benefit greatly from these funds. At the last EU-China Summit [in] on 29 June 2015, Jean-Claude Juncker, the European Commission President, called for the creation of synergies between his European Fund for Strategic Investments (EFSI) and China's Belt and Road initiative.2 Premier Li Keqiang replied to Juncker by making a multibillion dollar investment commitment to the EFSI, though no precise amount has been unveiled so far.3 Totalling 315 billion euros, Juncker's plan aims at relaunching Europe's growth and job creation in sectors ranging from innovation to research, education, and transport infrastructure. The Belt and Road initiative, on the other hand, serves the purpose of reviving the Chinese economy, now at a historical juncture transitioning from export-oriented growth to a new model based on consumption and outward investment. Loans for infrastructure projects abroad are expected to contribute to upgrading the Chinese economy at a time of domestic overcapacity and to the restructuring of various sectors, including heavy industries involved in the building and maintenance of transportation and energy infrastructure. Trade financing would serve to maintain existing – as well as find new – markets for Chinese products. **Policymakers in Brussels and Beijing are currently identifying appropriate cooperation mechanisms between** Xi's **Belt and Road and Juncker's Fund. Ideas** presented so far **include** the establishment of a China-EU joint investment fund to support project shareholding, joint contracting and **co-financing.**4 Infrastructure projects in Southeast Europe and the Mediterranean are likely to become the first concrete examples of this enhanced Sino-European connectivity.

Greater Sino-European connectivity will inevitably entail some economic and political costs for Europe – and the same could be said for China. Yet, the One Belt, One Road remains, ultimately, a great opportunity for a continent that is still struggling to recover from the crisis. Beijing has faith in Europe's recovery, as demonstrated by the multibillion euro investment commitment from China to Juncker's newly created European Fund. **What is urgently needed in Europe is a comprehensive response to the Belt and Road initiative.** The focus should not be limited to economy and trade, but also include political and security issues. For instance, the OBOR plans to go through the same routes used by the refugees fleeing the Syrian conflict and other war-torn societies. Given the significant funds already committed to infrastructural projects in Southeast Europe and the Eastern Mediterranean, the stability of these regions should be a matter of priority for China as well. **The OBOR should thus compel Brussels and Beijing to seek ways to join forces and contribute to bringing stability and prosperity to Europe**'s neighbourhood without relinquishing, however, those norms and practices that Europe has long fostered. Should the two succeed in creating effective mechanisms and ad hoc projects to address some of the root causes of the refugee crisis, this would help foster a positive image of China – and contribute to mitigating the costs of the Belt and Road initiative for some sectors of the European economy.

Xiang '19 – absent sustained flow of intl investment, BRI doomed to failure if China is working on the project unilaterally – EU countries like Germany and France are key to investment

Xiang, Lanxin. "Is Europe Ready to Become a Part of the Belt and Road Initiative?" Institute for Political and International Studies. Jan. 2019. http://valdaiclub.com/a/highlights/is-europe-ready-to-become-a-part-of-the-belt/ //TP

Of course, if Germany and France decide to take part in the BRI, the picture will become entirely different. *These two countries could deliver things that the BRI badly needs*. On the one hand, China's official argument for the BRI is to promote global economic and social connectivity. A project like this would help maintain the importance of multilateral institutions in the world, especially the UN and the WTO, thereby reducing international conflict. **France and Germany** are more or less on the same page with China on this and their support is crucial. On the other hand, *the real success of the BRI depends on a sustained flow of international investment*. Italy cannot deliver either of these. *China alone cannot ensure that this project works in the long run*. *The BRI is doomed to failure if it cannot leverage third party financing, or stimulate a multinational joint-venture in investment projects, especially huge infrastructure projects*. The grand design of the BRI requires about 8 trillion USD, if not more.

Feng '17: Chinese coal investment up bc of BRI, down beforehand

Feng Hao. "China's Belt and Road Initiative Still Pushing Coal." *Chinadialogue.Net*, 12 May 2017, www.chinadialogue.net/article/show/single/en/9785-China-s-Belt-and-Road-Initiative-still-pushing-coal. Accessed 1 Sept. 2019. //CM

The Global Environment Institute (GEI) has recently carried out a long term review of China's involvement in coal power projects in 65 countries that are now participating in the Belt and Road Initiative. GEI's figures show that between 2001 and 2016 **China was involved in 240 coal power projects in BRI countries, with a total generating capacity of 251 gigawatts**. The top five countries for Chinese involvement were India, Indonesia, Mongolia, Vietnam and Turkey. The GEI research also found that China's involvement in coal power projects in BRI countries, which often takes the form of contracting and equipment supply, has been increasing overall, despite large year-to-year fluctuations. In the early 2000s Chinese enterprises were encouraged to acquire assets and expand business overseas as part of the government's Going Out Strategy, leading to an increase in overseas coal projects. **However, there was a steep decline in such projects in 2010 because of policy changes in countries receiving investment**, particularly India**, which adopted protectionist policies barring foreign participation in domestic coal power projects. Investment in overseas coal projects picked up in 2013 though with the launch of the BRI in 2013**, and then slowed following the signing of the Paris Agreement in 2016. Higher risk **expectations More than 40% of the projects China is involved in are currently in the preparation phase; with 7% still in planning, 15% with contracts signed, and 23% under constructio**n. A further **48% are already in operation**, **with the rest either cancelled, suspended, or having unclear status based on publicly available information.**

Yellen '19: China building more coal as of 2019, needs to export coal

Yellen, David. "The Chinese Export We Should Be Targeting: Climate Change." *Atlantic Council*, 2019, www.atlanticcouncil.org/blogs/energysource/the-chinese-export-we-should-be-targeting-climate-change. Accessed 1 Sept. 2019. //CM

China has **cast itself as a leader in combatting climate change** on the global stage, particularly since the United States left the Paris Climate Accords, even as it is in the process of building or planning to build at least 300 coal plants around the world, from the Philippines to Egypt. It has been instrumental in making renewable energy economical by building cheap solar panels and exporting across the world, and **it has made extraordinary progress in cleaning its domestic emissions—largely through closing coal plants. But that domestic progress comes at a cost:** namely, **2.3 million coal miners' jobs are projected to be cut by 2020**. **Creating demand abroad allows the central government to protect those jobs**—both **by stimulating coal demand abroad and exporting its labor**—**while claiming environmental stewardship at home.** And despite ambitious domestic goals for coal use reduction, **China's new coal mine approvals have risen 500 percent so far in 2019. China's coal export push has been** particularly **pronounced in some of the fastest growing energy demand centers: East Africa** and **in its own backyard, in Pakistan**. Take **Kenya**, for example, which **recently contracted with a Chinese company to construct a coal plant** in Lamu, in the northeast of the country. More than **70 percent**

of the country's electricity generation comes from renewable sources, and it has the largest geothermal resources on the continent—a renewable that does not suffer from intermittency. Last year, President Uhuru Kenyatta **announced plans for the country to reach 100 percent clean energy by 2020**. **Research suggests that tapping into the prodigious geothermal resources would be the best play for Kenya to electrify, and cheaper than coal**—the country also has no experience in coal power or mining. Coal is currently better for powering certain industrial plants, but the country primarily wants to electrify, not enhance heavy industry. In other words**, there are no apparent economic or security incentives to choosing coal over geothermal—certainly none that outweigh those incentives** for geothermal. **The plant will also be in an environmentally fragile region that is economically reliant on its fishing industry**; the strain of increased population and coal pollution—both air and water—**could drive thousands into poverty. Pressure from China is the driving force behind Kenyan coal development.** Because Kenya has no legacy coal industry**, China does not just sell coal, it plans to build and operate the plant by sending Chinese coal workers abroad.** And Kenya has good reason to try to appease the Asian powerhouse: its debt to China has swelled to almost $10 billion and prompted speculation that China might seize Mombasa, Kenya's most important port, if the African nation does not pay up. After severe public backlash, a Kenyan court has temporarily halted the coal plant's construction pending a more thorough environmental assessment—but China's push for the project continues. China's most ambitious effort to date is in Pakistan, where it began constructing coal plants after Pakistan's blackouts in 2014-15. Before the projects began, Pakistan generated less than 1 percent of its power from coal. China has brought Pakistan's coal capacity from 190 megawatts (MW) to 15,300—threatening to quadruple the country's emissions by 2030. China is leveraging its Belt and Road Initiative (BRI) to push coal in developing countries, despite coal's unpopularity in those countries—less than a third of the population supports coal investment—especially compared to renewables, which are supported by more than 85 percent. China does invest in renewables as part of BRI, but that investment pales in comparison to coal—between 2014 and 2019, China built 12.6 gigawatts (GW) of renewable capacity internationally compared to 67.9 GW of coal.

Saha '19// China saving coal to save 12 million jobs

Sagatom Saha (). 8-18-2019. "China's Belt and Road Plan Is Destroying the World." National Interest. https://nationalinterest.org/feature/chinas-belt-and-road-plan-destroying-world-7416. Accessed 9-13-2019. //TP

The United States will find it difficult to sway countries aw**ay from Chinese development finance and China away from financing low-quality coal projects. That China has been supporting coal abroad while canceling coal projects at home is simple self-interest: Beijing sees coal equipment exports as a solution for excess industrial capacity. Beijing must keep legacy coal manufacturers afloat because the Chinese coal industry and steel industry, which depends on coal, supply roughly twelve million Chinese jobs.** The United States should consider the important role that domestic concerns play in Beijing's development assistance plans and pursue strategies that help assuage them. The Energy Department could facilitate projects to transition coal and steelworkers in both the United States and China into roles in the clean energy economy, such as the production and installation of solar panels and wind turbines.

Ma '18: China wins contracts with good loans and "full package deals"

TJ Ma. "Supply and Demand: Understanding Chinese Involvement in Coal Projects Overseas." *Panda Paw Dragon Claw Institute*, 31 Oct. 2018, pandapawdragonclaw.blog/2018/10/31/supply-and-demand-understanding-chinese-involvement-in-coal-projects-overseas/. Accessed 3 Sept. 2019. //CM

Japan's rather high-profile and coordinated activities in Indonesia to promote its coal interest provides a point of reference for Chinese efforts in the same arena. **If there is one component of the** nebulous **Belt and Road Initiative (BRI) that is** relatively **well defined**, **it is its function as an extension of Chinese industrial policy**. The need for many Chinese industrial sectors to find new markets outside their home country is a powerful driver for China's "Going Out" strategy which predates the BRI for more than a decade. **In the specific area of coal power, China**, as its neighbor Japan**, is keen to see its companies winning lucrative contracts overseas**, **a need accentuated by a slowing domestic market.** According to Prof. Yuan Jiahai, **China's coal power sector is facing a severe overcapacity problem**: "failure in power planning" (i.e. not foreseeing slowing electricity demand growth) makes many existing Chinese coal power plants badly under-utilized, spending a good part of the year idling. The situation prompted the Chinese government to apply the brake on new coal power plants, suspending new builds in 15 provinces. But **the Chinese companies that over the years have excelled in building CFPPs need jobs**. And **the unique bond between Chinese state-owned enterprises (SOEs) and the state machinery** (diplomatic, finance and industrial) **makes China particularly well disposed to make concerted efforts to advance the interest of its industries**. **A 2015 State Council directive on "international industrial capacity sharing" lays out a blueprint for how the government would assist competitive Chinese industries to expand globally. Within its toolbox are instruments such as Chinese policy banks** (China Development Bank and the China EXIM Bank**) that tie their concessional loans with business deals for Chinese companies**; **and high-level bilateral government-to-government dialogues that secure "full package" deals for Chinese corporations**. Premium Li Keqiang's "industrial diplomacy" with Kazakhstan is celebrated as the origin of this model. Power plant construction and operation is listed in the directive as one of the priorities for such state support, as it is a sector through which not just Chinese equipment, but also Chinese services and standards, can be exported. And the model plays out in Indonesia's power market. Shenhua, **one of China's largest coal industry conglomerates, won the contract to build and run the Java-7 coal-fired power plant in Banten**, another high efficiency CFPP listed in the CCT roadmap. **The Shenhua-led Chinese consortium managed to beat 36 other competitors in the bid,** and **attributed the success to** its premium clean coal technology and **"low-cost, tailor-made financing" based on its strategic partner relation with China Development Bank**. This may give the impression of a formidable, highly efficient industry-policy complex geared up to take over any country's power market.

Vedvarende '19: Chinese SOE's need the BRI to export coal

VedvarendeEnergi. "The Belt and Road Initiative: How Chinese Coal Technologies Export to Europe and the World Undermines Global Climate Goals - VedvarendeEnergi." *VedvarendeEnergi*, 26 Apr. 2019, ve.dk/the-belt-and-road-initiative-how-chinese-coal-technologies-export-to-europe-and-the-world-undermines-global-climate-goals/. Accessed 3 Sept. 2019. //CM

As China increased its efforts to cap coal, address coal overcapacity, air pollution, as well as cost overrun from underperforming coal plants at home, Chinese state banks and state-owned enterprises (SOEs) specializing in power generation companies were found to be involved in either the preparation or construction of at least 79 coal-fired generation projects totally 52 GW in capacity around the world, in spite of the earlier pledge.[14] One such hotspot during this period was Southeast Europe. Possibly not well known is that the plethora of Chinese state-owned companies stand in fierce competition against one another for projects in Europe, but also in countries like Bangladesh, Vietnam, and Pakistan. As China's domestic coal market became increasingly restrictive, overseas projects such as Bosnia's Banovici project saw nine Chinese compatriots in fierce competition during the first round of tender.[15] The company that won the tender was able to confirm the securing of the bid several months before the procedure was concluded.[16] This underscore **the challenge of meeting international best practices for these Chinese SOEs**, **many of which are debarred for non-compliant practices by international banks such as the World Bank Group[17] and the African Development Bank. While the business opportunities are limited in the multilateral infrastructure finance arena** **as these institutions** jointly **observe the debarment list, the Belt and Road Initiative allows these Chinese SOEs to seek deals bilaterally with countries, thus expanding China's energy portfolio internationally.** Some of **China supported overseas infrastructure projects – including those in the coal sector – are known for questionable compliance with laws regulating environmental impact assessment**, pollution control and tender procedures in the project host countries. In the meantime, 2018 marked a reversal in China's domestic coal cap policy when a research showed China's central government's inability to halt the construction of new coal projects or the plants connecting to grid.[18]. In March, the European Union in its strategic outlook on EU-China relations highlights the mutual opportunities and challenges on climate change and energy transition, and cautions China is constructing coal-fired power stations in many countries, and how this form of ¨carbon leakage¨ undermines the global goals of the Paris Agreement.[19] At the same as China is aggressively exporting its coal sector to Southeast Europe, Chinese power generation companies have over 7.61 billion USD invested in wind farm projects in Europe.[20]

Kong '19: Overcapacity Always Happens Uniqueness

Kong, B, and Kevin Gallagher. *Global Development Policy Center Globalization as Domestic Adjustment: Chinese Development Finance and the Globalization of China's Coal Industry*. http://www.bu.edu/gdp/files/2019/04/GCI-GDP.WP6-Globalization-as-Domestic-Adjustment-Kong-Gallagher.pdf //CM

Second, both **the coal and the power sector are plagued by enormous excess capacity.** However, since excess capacity transcends the coal and power sector, a treatment of its systematic cause is in order. **Two distinct features of the Chinese political economy amplify the propensity** the country's investment-led economy **to excess capacity**. On the one hand, although the central government in Beijing plays a major role in collecting tax revenues, especially since the tax reform in 1993 (Loo and Chow 2006), it **merely controls about 15% of the national fiscal expenditure** **while the remaining 85% of government spending is done at the regional and local levels** (National Bureau of Statistics of China 2019). Thus, whenever the central government initiates a push for investment in the form of economic stimulus or industrial policies, **the push gets significantly magnified at the local level.** A case in point is China's response to the 2008 GFC. To stimulate the Chinese economy in response to the GFC, the central government announced a stimulus package of 4 trillion yuan for the next 27 months following November 2008, but Wong (2011, 13) estimates that the stimulus actually executed to be a minimum of 9.5 trillion yuan, which is 2.4 times the size of the announced stimulus package. On the other hand, **China's de facto "fiscal federalism**" (Yang 2014), **together with a leadership promotion system biased toward local growth** (Li and Zhou 2005), **provides local governments with a structural incentive to engage in a race to promote economic growth through aggressive measures to lure investment, many of which involve various subsidies and lax environmental standards.** Chen and Sun (2013) shows **how this incentive structure rooted in the Chinese political economy makes excess capacity a recurring and thorny challenge in the steel sector** and **highlights the role centrally-directed industrial policies play in contributing to excess capacity in China**. Because of these two structural political economy factors, China's investment-led model has resulted in excess capacity across the broad spectrum of its industrial economy, especially in the aftermath of the 2008 GFC. Table 3 provides a list of the industrial sectors that the State Council, i.e. China' cabinet, identified between 2005 and 2017 as suffering from overcapacity. It shows how systematic

Kong '19: China wins most contracts for coal, gives good financing

Kong, B, and Kevin Gallagher. *Global Development Policy Center Globalization as Domestic Adjustment: Chinese Development Finance and the Globalization of China's Coal Industry*. http://www.bu.edu/gdp/files/2019/04/GCI-GDP.WP6-Globalization-as-Domestic-Adjustment-Kong-Gallagher.pdf //CM

On the one hand, **since the power sector remains heavily monopolized, there thus come little surprise that it is dominated by a few national champions. Unlike many Western countries and their backed MDBs, China does not impose conditionalities on its financing** when engaged in international development finance. As a result, **China is known for its "no-strings-attached approach."** In reality**, recipients of China's financing are frequently obligated to source inputs for their development projects from China**, which often takes the form of three primary contract types: build, operate, and turn (BOT), engineering, procurement and construction (EPC), design and build (DB). Turning to the CFPPs China finances through CDB and CHEXIM, many of these projects entail recipient countries of Chinese financing contracting with Chinese national champions or giving equity to Chinese investors. For instance, between 2002 and 2017, 21% and 26% of CDB's and CHEIXM's loans respectively are tied to Chinese equity investment in the CFPPs in question while the share of the two policy banks' financing tied to Chinese exports is much higher—64% for CDB and 81% for CHEXIM (Gallagher 2018). Thus, Chen, Doukas, Schmidt, et al. (2016, 12), when discussing the role of leading G20 economies in international coal finance, note that "**China promotes coal finance because Chinese companies win an increasing share of the construction and equipment contracts**" and "**given the overcapacity of coal power within China, overseas projects provide international business opportunities for coal-plant equipment manufacturers and state-owned enterprises doing engineering, procurement, and construction overseas**." Empirically, Gallagher and Irwin (2014) find that **China has used its policy banks to help its "national champion" companies to expand in Latin America**. On the other hand, this commercial logic is also evident when one looks at the role of the policy banks—CDB and CHEXIM—in "crowding in" the commercial financing from China's state-owned commercial banks (SOCBs) to support the global expansion of Chinese national champions. In addition to providing financing to a borrowing country for a line of credit, CDB and CHEXIM also provide foreign investment support (CDB) and seller's credits (CHEXIM) to Chinese firms to go abroad and bid for the same projects, such as those depicted in Figure 1. For instance, the SOCBs have been behind the global expansion of the Chinese national champions in the power sector, such as Harbin Electric and the Huaneng Group, which have provided approximately $35 billion in direct investment (both greenfield and M&As) in CFPPs abroad for 23.4 GW between 2002 and 2017 (Li, Gallagher, and Mauzerall 2018, Gallagher et al. 2018). Thus, the policy banks' support tends to create the "crowding in" effect on the SOCBs for two reasons. On the one hand, receipt of their backing is often seen as endorsement of the Chinese firms from a creditworthiness point of view or as an embrace of their coveted projects from the vintage point of the priority in the country's foreign relations. On the other hand, **CDB and CHEXIM [China's development banks]**, with aid form the Ministry of Commerce (MofCom) at times, **provide a borrowing** country a battery of non-concessional (CDB), concessional (CHEXIM), and grants (CHEXIM and MOFCOM). These loans are mainly used to help recipient countries to undertake manufacturing projects, and large- and medium-sized infrastructure projects, such as CFPPs [Coal-Fired Power Plants], that bring economic and social benefits, or to finance the supply of complete plants, machinery and electronic products from China, thus creating opportunities for a large cluster of Chinese companies to export and invest. Hence, China's SOCBs also provide directed financing to Chinese (and sometimes other foreign or domestic) firms for the same projects. To be sure, these interactions do not occur in every project for they are negotiated by Chinese entities and host country governments. But when do, they fit into the pattern of "coordinated credit spaces" in the globalization of Chinese development finance (Chin and Gallagher 2019). To address the systematic excess capacity plaguing the Chinese industrial economy, the Chinese gov- ernment resorted to a top-down public campaign approach. This top-down campaign takes the form of a broad Supply-Side Structural Reform (SSSR) the Central Economic Work Conference of the CCP Central Committee launched December 2015, according to which capacity reduction is the top priority of the SSSR (Chen, Ding, and Mano 2018). Under this campaign, the Chinese government has adopted a two-pronged approach to capacity reduction. On the one hand, it has set specific target for capacity reduction in key priority regions and specific sectors. Table 6 provides a list of the detailed capacity target for the coal power sector at home. On the hand, the Chinese government has increasingly turned to the global markets for CFP as a solution to its domestic adjustment challenge. The evidence that establishes the linkage between the two policy banks' global financing for CFP (Coal-Fired Power) and the top-down campaign to eliminate excess capacity at home is found in official Chinese thinking and its two recent high-level policy documents. In an op-ed on the South China Morning Post, He Yafei, Vice Minister of the Overseas Chinese Affairs Office of the State Council, advocated that China should move out its overcapacity on the basis of the country's development strategy abroad and foreign policy so as to share her development dividends with other developing nations for common prosperity (He 2014). This thinking is echoed two official documents, with one issued by the country's cabinet body and another by all of financial regulatory bodies. Specifically, in its Guiding Opinions on Promotion of International Production Capacity and Equipment Manufacturing Cooperation issued in May 2015 (State Council of the People's Republic of China 2015) as a specific guideline for the implementation of the country's BRI, the State Council called on the country's financial institutions, especially its policy banks, to facilitate the exportation of industries, especially in the 13 designated sectors as pertinent to production capacity and equipment manufacturing, which largely overlap with the sectors the State Council as suffering from excess capacity in Table 2. As a follow-up on the above-mentioned State Council decree, four central financial regulatory agencies, including the PBOC, the China Banking Regulatory Commission (CBRC), the China Insurance Regulatory Commission (CBRC), and the China Securities Regulatory Commission (CSRC), jointly issued their Opinions On Providing Support for Reducing Overcapacity in the Iron and Ore and the Coal Sector to Achieve Development by Solving Difficulties in April 2018 and detailed 16 specific measures of support, two of which called CDB and CHEXIM, together with their commercial counterparts, to accelerating financial support for international production capacity and equipment manufacturing cooperation in two sectors (People's Bank of China et al. 2016).

Shearer '19: China is the last real coal exporter

Shearer, Christine, and Tim Buckley. *China at a Crossroads: Continued Support for Coal Power Erodes Country's Clean Energy Leadership*. 2019. http://ieefa.org/wp-content/uploads/2019/01/China-at-a-Crossroads_January-2019.pdf Accessed 4 Sept. 2019.//CM

Chinese finance continues to play a significant role in global coal development, supporting over one-quarter of all coal plants currently under development outside China. Financing mainly comes from Chinese policy banks and state-owned commercial banks, with Chinese SOEs acting not just as construction contractors but as co-managers and owners. This means China increasingly has a direct financial or political stake in

these projects which are often part of larger infrastructure projects involving new mines and import terminals. Yet these projects threaten to lock the host countries into costly, high-carbon infrastructure precisely at a time when clean energy costs from solar and wind power are falling below that of coal power. The projects are also misaligned with the green commitments the countries have made under the international Paris Agreement on climate change. **As other countries move away from financing coal, China will find itself increasingly isolated. The World Bank, most multilateral development banks, the export credit agencies (ECAs) of OECD countries, and many private banks have all ended or severely restricted their lending for coal plants. The moves have left China, Japan, and South Korea as the largest supporters of coal plants globally**, although **both Japan and South Korea have recently signaled their intent to limit coal financing**. This year, **Japanese insurers** Dai-ichi Life and Nippon **Life have said they will not invest in new coal-fired generation projects**, while **national power giant Marubeni said that it will "no longer enter into any new coal-fired power generation business."**27 The move was followed by a call from Japan's prime minister for the country to move away from coal in line with the science behind the Paris Agreement.28 **South Korea's new president is no longer permitting new coal plants domestically**, while promoting renewable energy investment and at the same time proposing to increase coal tax rates 30% to up to US$40/ton from April 2019.29 Meanwhile, **power giant KEPCO has recently suspended plans for new coal plants in Indonesia30 and Vietnam31 after being questioned about the pollution and climate impacts of the projects** by the government, as well as the lack of consideration of clean energy alternatives.

Shearer '19: Most renewables outside of BRI AND private investment in BRI in renewables

Shearer, Christine, and Tim Buckley. *China at a Crossroads: Continued Support for Coal Power Erodes Country's Clean Energy Leadership*. 2019. http://ieefa.org/wp-content/uploads/2019/01/China-at-a-Crossroads_January-2019.pdf Accessed 4 Sept. 2019.//CM

International energy funding from China has been increasing under its Belt and Road Initiative (BRI), in which China is offering to develop infrastructure worth an estimated US$6 trillion across 68 economically-diverse countries in Asia, Europe, and Africa. Although BRI is technology-agnostic, **most Chinese finance under BRI to date has gone to fossil fuels**: of the US$51.2 billion spent on electric power generation and transmission from 2014-2017, 36% (US$18.2 billion) was spent on coal. In comparison, 11% (US$5.9 billion) was spent on solar and wind energy.6 **Most of China's foreign investment in renewables has been outside BRI countries**.7 **The Chinese government has identified coal plant construction and operation as a strategic investment for international development and state support for the country. It is a sector through which Chinese technology, equipment, and services can be exported, particularly as domestic deployments taper off**. Under this model, **financing is often contingent on business deals for Chinese companies**, allowing the Chinese government to prop up its declining domestic coal industry by subsidising its development overseas. Notably, **while China's state-owned enterprises remain heavily concentrated in coal, private sources of BRI finance from China are far more active in renewables. This suggests market signals are increasingly directing investments to climate-friendly sectors,8 which the central**

government ignores by concentrating its state-owned entities on coal investments. This funding for coal comes as financial institutions around the world are moving away from thermal coal. In 2013, the World Bank decided to limit its investments in coal-fired power plants, and with its exit from the increasingly controversial Kosovo coal power plant project as of October 2018, the Bank has no more coal plants in its portfolio of investments. The European Union (EU), United States (U.S.), and most multilateral development banks have progressively followed suit by restricting or ending their coal lending, including the European Bank for Reconstruction and Development. In 2015, export credit agencies (ECAs) within the Organisation for Economic Co-operation and Development (OECD) agreed to limit the types of coal-fired power plants that could be financed to those that meet carbon dioxide (CO2) performance requirements, and many private financial institutions have decided to limit their coal funding. A survey of international coal financing by state-owned policy banks finds China is by far the largest supporter of future coal plants abroad with 44GW of capacity, followed by South Korea with 14GW and Japan with 10GW.9

Watts '19: Lender of last resort AND coal funding from BRI, 2/5ths of investment

Watts, Jonathan. "Belt and Road Summit Puts Spotlight on Chinese Coal Funding." *The Guardian*, The Guardian, 25 Apr. 2019, www.theguardian.com/world/2019/apr/25/belt-and-road-summit-puts-spotlight-on-chinese-coal-funding. Accessed 3 Sept. 2019. //CM

The Belt and Road forum, which opens on Friday in Beijing, has been billed by climate campaigners as a pivotal moment that will determine whether China uses its vast financial weight to nudge the world towards renewable energy or continues to promote expansion by its fossil fuel companies. **In recent years Chinese banks have become the lenders of last resort for coal projects in south Asia, Africa and the Balkans that the World Bank and other international institutes have refused to fund because this dirtiest of fuels is the primary source of carbon emissions** from electricity generation. **Although China has won kudos for trying to clean up** its environment **by cutting dependence on coal, its companies are making up for lost business at home by expanding overseas. Most of their funding comes from the Belt and Road Initiative (BRI)**. China says the BRI, which was launched by the president, Xi Jinping, in 2013, accelerates development in many of the world's poorest countries and builds trade routes that benefit the global economy. Critics say it is a tool to project geopolitical power, suck up overseas resources and vent the excess capacity of a slowing domestic economy, particularly in the steel, construction and power industries. From an environmental perspective, the primary concern is that Beijing is exporting a highly polluting model of growth. **Coal is likely to be at the centre of the debate. China's banks have earmarked $36bn for 102 gigawatts of coal-fired capacity in 23 countries**, according to the Institute for Energy Economics and Financial Analysis. Last **year two-fifths of the country's overseas investment was reportedly spent on this dirty energy**. The biggest recipient, with $7bn, is Bangladesh, where China is vying for influence with Japan, South Korea and India. All four countries are building thermal plants in Bangladesh. Last year China Huadian Hongkong Company Limited signed a deal with a local partner to build a 1,320-megawatt plant at Moheshkhali island. The government in Pakistan has embraced the opportunity to make up shortages in energy supply. At the opening last week of a 660MW coal power station in Tharparkar – supported by China Machinery Engineering Corporation – officials declared the new facility to be "the pride of Pakistan", but the plant will make the country dependent on a new open-cast coalmine that will produce 3.8m tonnes of low-quality fuel each year. Climate campaigners said this was a missed opportunity because the surrounding Sindh province had rich potential for renewables, with wind corridors and abundant sunlight. In Europe, China is financing, building or equipping 4.1GW of coal-fired plants, according to the Danish NGO VedvarendeEnergi (Sustainable Energy), including the Kostolac B3 power station in Serbia and the Tuzla 7 plant in Bosnia, which are subject to investigations, lawsuits or petitions from environmental groups. Wawa Wang, a senior adviser to VedvarendeEnergi, said the forum should address the double standards between China's domestic climate actions and its overseas actions. "I'd like to see China introduce binding policy and law that restrict financing of overseas coal projects," she said. **Xi has declared that the BRI should be green. But the balance so far has been towards black energy.** A coalition of 10 Chinese NGOs have petitioned the government to change tack, as have reports by Chatham House and research institutes in the US. Pressure is also likely to come from the growing number of international partners involved in other BRI projects, including the World Bank, the Asian Development Bank, the Inter-American Development Bank and the UK government. But it is the host nation that is providing the vast majority of funds, which means decisions will rest with Chinese bankers, Chinese officials and, most of all, the Chinese president.

Shepard '17: China overpays to win contracts

Shepard, Wade. "China's Challenges Abroad: Why The Belt & Road Initiative Will Succeed." *Forbes*, 21 Dec. 2017, www.forbes.com/sites/wadeshepard/2017/10/17/chinas-challenges-abroad-5-reasons-why-the-belt-road-will-succeed/#6cff2ba44a82. Accessed 4 Sept. 2019. //CM

Over the past five years, **Chinese companies are now** running no less than 77 sea terminals in dozens of countries, building high-speed rail corridors across Southeast Asia and potentially even Europe and Russia**, funding the construction of** highways in Pakistan, bridges in Bangladesh, **power plants in too many countries to list here**, erecting new cities and/or special economic zones in Sri Lanka, Oman, Myanmar, Malaysia and Abu Dhabi, **dug a vast array of oil and gas pipelines stretching across Central Asia**, Russia and Southeast Asia, and established a 35-line network of direct freight trains connecting the manufacturing centers of central and western China with cities in Europe. **In developing this infrastructure, China has shown that they can vastly outcompete other companies and governments to get contracts. Their strategy is simple: they overpay.** But we have to remember that the economic principles of the BRI are not those that are at play for today, but those of 10, 20, 50 years from now. China is apparently investing in a future world where all roads run through Beijing, and only once that's set up will talks of profit and loss be applicable. The development of soft infrastructure At root, developing physical infrastructure internationally is a way for China to establish and cement the long-term political relationships which are truly the beating heart of the BRI.

Andrews '19: BRI gov's prioritize coal bc of bad regulations

Andrews-Speed, Philip, and Yao Lixia. *Who Is Responsible for Greening the Belt and Road Initiative?* 2019. https://esi.nus.edu.sg/docs/default-source/esi-policy-briefs/who-is-responsible-for-greening-the-bri.pdf?sfvrsn=2. Accessed 4 Sept. 2019. //CM

The governments that host BRI projects clearly **have the primary responsibility for** formulating national energy policy, determining the desired energy mix, putting in place incentives and regulations, and **overseeing project selection and business practices.** However, **in many cases the host government's willingness and ability to undertake these tasks effectively** and to match rhetoric with **action is severely curtailed by a number of domestic factors**, namely, **due to political and economic interest groups, a shortage of human capacity or financial resources, a weak legal system, or the priority given to other more pressing concerns**. As a result, **the urgency to build new energy infrastructure in support of economic growth leads to a continued preference for the established sources of energy, be they fossil fuels or large-scale**

hydro. This is often **coupled with an absence of a clear policy and regulatory framework for more sustainable forms of energy** such as wind, solar, bioenergy, marine or geothermal energy. Consequentially, **Chinese enterprises seeking opportunities obligingly follow host government policies and build coal-fired power plants or large hydroelectric dams as required**.

Hilton '18: Most of BRI in coal AND inefficient coal FL

Hilton, Isabel. "How China's Big Overseas Initiative Threatens Global Climate Progress." *Yale E360*, 2018, e360.yale.edu/features/how-chinas-big-overseas-initiative-threatens-climate-progress. Accessed 4 Sept. 2019. //CM

The banks that matter are the 27 (mostly state-owned) banks involved in the BRI — such as the China Development Bank, which is expected to lend $40-45 billion annually to BRI projects, the Export-Import Bank of China, and the Industrial and Commercial Bank of China, which together account for the bulk of BRI financing to date. How much attention they pay to green guidelines may be judged by the result. So far, **the majority of BRI projects are energy-related:** Since 2000, Chinese-led policy banks have invested $160 billion in overseas energy projects, almost as much as the World Bank and regional development banks. But unlike the World Bank, **80 percent of China's overseas energy investments went to fossil fuels** — $54.6 billion to oil, $43.5 billion to coal, and $18.8 billion to natural gas — **compared with only 3 percent to solar and wind** and 17 percent to often-controversial hydro projects. When the Global Environment Institute, a Beijing-based NGO, reviewed China's involvement in coal power projects in 65 countries participating in the Belt and Road Initiative, it discovered that between 2001 and 2016 China had invested in 240 coal power plants along the BRI, with a total generating capacity of 251 GW. **Most were not the advanced installations that China was building at home**. Kelly Sims Gallagher, professor of energy and environmental policy at Tufts University, points out that of 50 Chinese-financed, coal-fired power plants constructed overseas between 2001 and 2016, **58 percent used low-efficiency, sub-critical coal technology.** Together, they would release nearly 600 million metric tons of carbon dioxide a year, equivalent to 11 percent of total U.S. emissions in 2015.

Sands '19: Vietnam does coal over cheap green tech bc of China

Sands, Gary. "How China's Belt and Road Initiative Could Lead Vietnam Away from Renewable Energy and towards Coal - Institute for Energy Economics & Financial Analysis." *Institute for Energy Economics & Financial Analysis*, 11 July 2019, ieefa.org/how-chinas-belt-and-road-initiative-could-lead-vietnam-away-from-renewable-energy-and-towards-coal/. Accessed 4 Sept. 2019. //CM

While **Vietnam** clearly **needs the electricity, its choice to turn to coal-fired generation runs counter to any government-led efforts** to clean up its environment **and is no longer the cheapest alternative**, according to IEEFA. The institute "considers more private investment in cheaper zero-emissions energy to be a smarter path forward, rather than blindly agreeing to investment in outdated and expensive coal-fired plants backed by governments intent on filling their own coffers ". Unlike many countries, **Vietnam has enormous potential for wind and solar power generation**, with some 1,600 to 2,700 hours of sunlight per year and average wind speeds of 7-11 metres per second between Quy Nhon and Ho Chi Minh City. **Despite its potential, renewable energy has struggled to gain traction in Vietnam**. Total installed wind power capacity is only around 190 megawatts from four wind farms onshore and near shore. Solar energy is seriously lagging behind much of the region, with a mere 8 megawatts of installed capacity, though interest among developers is growing fast, and small-scale rooftop solar power projects are being developed. **Vietnam clearly has an ideal opportunity to tap into its abundant wind and solar potential, but greater levels of green investment are being constrained by relatively low payments to households or businesses** generating electricity through renewable means, **power purchase agreements that involve high local risks**, the perceived credit risk of EVN, the sole purchaser of electricity, **and a general lack of technical expertise among local developers**. In recent years, **there has been an abundance of international assistance on offer for Hanoi to help tackle these difficult issues**, from bankable power-purchase agreement templates to partial guarantees, **yet Vietnamese regulatory authorities may find it far easier to again succumb to the money on offer from Beijing and renewable energy projects will be displaced by dirtier coal. Unless and until belt and road funding for coal-fired power is withdrawn** or Hanoi changes its approach, **Vietnam will remain a laggard in the development of renewable energy** in the region **and continue to put its environment and people in jeopardy.**

Impact

Zadek '19: BRI increases warming 3 degrees

Zadek, Simon. "Decarbonizing the Belt and Road: A Green Finance Roadmap." *Vivid Economics*, Tsinghua University, Sept. 2019, www.vivideconomics.com/wp-content/uploads/2019/08/Decarbonizing-the-Belt-and-Road-%E2%80%93Final-Report-English-1.pdf. Accessed 4 Sept. 2019. //CM

BRI investment from China is estimated to total $651.8 billion by 2030 in the 17 key B&RCs74 – 2% of all annual Gross Capital Formation in these countries – but leverage (crowding in investments from other sources and countries) can increase this to $2.45 trillion (7.8% of total GCF). Although the direct GDP growth effects of BRI investment are expected to be very modest (increasing annual economic growth in the chosen B&RCs by roughly 0.24 percentage points per annum to 2030), this set of countries is still expected to experience high base growth up to 2030. R**apid growth will come with large investment needs and carbon implications -** the BRI can be a catalyst to help steer future investment and ensure greener growth pathways by setting best practices and guidelines**. Adopting historical growth patterns across all B&RCs [Belt & Road Countries] can drive dangerous temperature increases**, potentially **enough to induce nearly 3 degrees of warming even if the rest of the world takes 2-degree compliant action. In 2015, the full set of 126 B&RCs (excluding China) only accounted for 28% of global emissions. However, this share could grow to 66% by 2050** if the rest of the world decarbonises but the B&RCs achieve commensurate historical growth patterns77. **This repeat of history in the B&RCs would lead to annual global emissions of almost double what scientists believe to be required to remain below 2 degrees, despite action in the rest of the world. The global challenge is even larger if B&RCs follow the most carbon intense growth paths** observed in history. In this case, the 126 B&RCs could put global emissions on a pathway to a nearly 3-degree scenario even if the rest of the world adheres to 2DS levels of emissions. Hence encouraging greener growth and alternative development pathways in the B&RCs is essential for avoiding dangerous levels of warming in the future.

Wright '18: A half degree of warming floods out 5 million people

Fuller-Wright, Liz. "A Half Degree More Global Warming Could Flood out 5 Million More People." *Phys.Org*, Phys.org, 9 Mar. 2018, phys.org/news/2018-03-degree-global-million-people.html. Accessed 4 Sept. 2019. //CM

The 2015 Paris climate agreement sought to stabilize global temperatures by limiting warming to "well below 2.0 degrees Celsius above pre-industrial levels," but a recent literature review found the 2 degree limitation "inadequate" and concluded that limiting global warming to no more than 1.5 degrees would "come with several advantages." **To quantify what that would mean for people living in coastal areas**, **a group of researchers employed a** global **network of tide gauges to create probabilistic, localized sea-level projections that assess** differences in the **frequency of storm surges and other extreme sea-level events across three scenarios**: global **temperature increases of 1.5, 2.0 and 2.5 degrees Celsius**. They used long-term hourly tide gauge records and extreme value theory to estimate present and future return periods of extreme sea-level events through the 22nd century. They concluded that by 2150, **the seemingly small difference between an increase of 1.5 and 2.0 degrees C**

would mean the inundation of lands currently home to about 5 million people, including 60,000 who live on small island nations. The study was published online in Environmental Research Letters on Feb. 2, 2018 by researchers at Princeton University working with colleagues at Rutgers and Tufts Universities. **In addition, they found that higher temperatures will make extreme events much more common**. In New York City, for example, they estimate that "100-year floods" will become annual events under a 1.5 degree rise and twice-annual events with a 2.0 degree rise.

Fox '18: 10 to 25% Crop yield reduction per degree

Fox, Maggie. "Climate Change May Cause Insects to Gobble More Crops, Study Finds." *NBC News*, NBC News, 30 Aug. 2018, www.nbcnews.com/health/health-news/global-warming-may-cause-insects-gobble-more-crops-study-finds-n905186. Accessed 4 Sept. 2019.

Insects are going to love it when the world turns hotter in the coming years. Not only will they spread more disease — they will eat more crops, researchers reported Thursday. That's because as temperatures rise, insects become more active and reproduce more, which makes them hungrier, the researchers reported in the journal Science. These increasingly voracious insects will hit North America and Europe right in the breadbasket, the researchers predicted. **Wheat, corn and rice crops will all be damaged — to the tune of 10 percent to 25 percent for every 1 degree** Celsius (1.8 degrees F) **that average global temperatures rise, according to the report.** "Crop losses will be most acute in areas where warming increases both population growth and metabolic rates of insects," they wrote. "These conditions are centered primarily in temperate regions, where most grain is produced." There is no doubt that the global climate is warming and no real debate about one big cause: human activity. The effects are already being seen with heat waves, droughts, floods and stronger storms as ocean currents and atmospheric patterns are disrupted.

Schindell '18// a half degree increase from 2.5 to 3 would cause 153 million premature deaths from air pollutions

Drew Schindell, 2018, "Quantified, Localized Health Benefits of Accelerated Carbon Dioxide Emissions Reductions," NASA, https://dukespace.lib.duke.edu/dspace/bitstream/handle/10161/17534/PubMed_reprint_Health_Impacts_Accel_Cuts.pdf?sequence=2&isAllowed=y, accessed 9-6-2019 //TP

Societal risks increase as Earth warms, but also for emissions trajectories accepting relatively high levels of near-term emissions while assuming future negative emissions will compensate even if they lead to identical warming [1]. Accelerating carbon dioxide (CO_2) emissions reductions, including as a substitute for negative emissions, hence reduces long-term risks but requires dramatic near-term societal transformations [2]. A major barrier to emissions reductions is the difficulty of reconciling immediate, localized costs with global, long-term benefits [3, 4]. However, 2°C trajectories not relying on negative emissions or 1.5°C trajectories require elimination of most fossil fuel related emissions. This generally reduces co-emissions that cause ambient air pollution, resulting in near-term, localized health benefits. **We therefore examine the human health benefits of increasing ambition of 21st century CO_2 reductions** by 180 GtC; **an amount that would shift a 'standard' 2°C scenario to 1.5°C or could achieve 2°C without negative emissions.** **The decreased air pollution leads to 153±43 million fewer premature**

deaths worldwide, with ~40% occurring during the next 40 years, and minimal climate disbenefits. More than a million premature deaths would be prevented in many metropolitan areas in Asia and Africa, and >200,000 in individual urban areas on every inhabited continent except Australia.