

CHINA'S BELT AND ROAD INITIATIVE*

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The One Belt, One Road Initiative (OBOR), later shortened to The Belt and Road Initiative, can be said to have been launched with a speech that Chinese President Xi Jinping made at the Nazarbayev University in Astana, Kazakhshtan, on September 7 2013.³ At this event, President Xi said that “To forge closer economic ties, deepen cooperation and expand development space in the Eurasian region, we should take an innovative approach and jointly build an economic belt along the Silk Road”. Furthermore, President Xi stated that “This will be a great undertaking, benefiting the people of all countries along the route. To turn this into a reality, we may start with work in individual areas and link them up over time to cover the whole region.”⁴

1. An Open-access Model

President Xi laid out five steps necessary for creating such an economic belt, which are: the improvement of the communication of policy, the improvement of road connectivity, the promotion of unhindered trade, money circulation enhancement and to increase understanding between the various different peoples in the region.⁵

The Belt and Road is based on 6 corridors:⁶

- New Eurasian Land Bridge, running from Western China to Western Russia;
- China – Mongolia – Russia Corridor, running from Northern China to Eastern Russia;
- China – Central Asia – West Asia Corridor, running from Western China to Turkey;
- China – Indochina Peninsula Corridor, running from Southern China to Singapore;
- China – Pakistan Corridor, running from South-Western China to Pakistan;
- Bangladesh – China – India – Myanmar Corridor, running from Southern China to India;

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³ The State Council Information Office of the People's Republic of China: President Xi's statements on the Belt and Road Initiative. <http://www.scio.gov.cn/31773/35507/35520/Document/1548585/1548585.htm> [accessed April 17, 2018]

⁴Michelle Witte (2013). Xi Jinping Calls for Regional Cooperation Via New Silk Road. *The Astana Times*, 11 September 2013, <https://astanatimes.com/2013/09/xi-jinping-calls-for-regional-cooperation-via-new-silk-road/> [accessed April 17, 2018]

⁵Ibid.

⁶Ruff, A (2017). China's New Silk Road project and South Asia, *The Independent*, 21 December 2017, <http://www.theindependentbd.com/arcprint/details/128977/2017-12-21> [accessed April 17, 2018]

Figure 1.

Mapping the One Belt One Road initiative



Source: <http://www.gospelherald.com/articles/70821/20170606/one-belt-one-road-obor-initiative-could-be-largest-global-economic-platform.htm>

The Belt and Road Initiative may be described as an open-access model. An official government statement affirms that “The Initiative is open for cooperation. It covers, but is not limited to, the area of the ancient Silk Road. It is open to all countries, and international and regional organizations for engagement, so that the results of the concerted efforts will benefit wider areas.”⁷

2. Key Components of the Initiative

An important component of the Belt and Road Initiative is the concept of the 21st-century Maritime Silk Road, which is usually described as running from the Chinese Coast over Singapore and India to the Mediterranean.⁸ However, in fact it has been envisaged that it may even extend as far south as Australia and the Oceania region.⁹ This concept was announced on the world stage for the first time when President Xi addressed the

⁷National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People’s Republic of China, with State Council authorization: Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road, March 2015, Available at: http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html [accessed May 10, 2018]

⁸Ibid.

⁹ Collinson, E., & Van Nieuwenhuizen, S (2017). Australia and the Belt and Road Initiative: A Survey of Developments 2013 September 2017, *Australia-China Relations Institute*, 31 December 2017, <http://www.australiachinarelations.org/content/australia-and-belt-and-road-initiative-survey-developments-2013-september-2017>, [accessed May 10, 2018]

Indonesian Parliament on 2 October 2013.¹⁰ He stated that “Southeast Asia has since ancient times been an important hub along the ancient Maritime Silk Road. China will strengthen maritime cooperation with ASEAN countries to make good use of the China-ASEAN Maritime Cooperation Fund set up by the Chinese government and vigorously develop maritime partnership in a joint effort to build the Maritime Silk Road of the 21st century.”¹¹

Furthermore, another project strongly connected to the abovementioned initiatives is the Polar or Ice Silk Road. This involves the development of new arctic shipping lanes as a result of the effects of global warming, which has led to acceleration of the snow and ice melting in the Arctic region.¹² The Chinese government’s whitepaper „China’s Arctic Policy” states that, „The Silk Road Economic Belt and the 21st-century Maritime Silk Road (Belt and Road Initiative), an important cooperation initiative of China, will bring opportunities for parties concerned to jointly build a “Polar Silk Road”, and facilitate connectivity and sustainable economic and social development of the Arctic.”¹³ In relation to the economic potential of such a development, the white paper states that “...with the ice melted, conditions for the development of the Arctic may be gradually changed, offering opportunities for the commercial use of sea routes and development of resources in the region.”¹⁴

Another component of the Belt and Road Initiative is the Digital Silk Road. Chen Zhaoxiong, China’s vice-minister for industry and information technology said that, “We will actively promote the digital Silk Road to construct a community of common destiny in cyberspace”.¹⁵ This includes expanding broadband access, promoting digital transformation, encouraging cooperation in the area of e-commerce and international standardization.¹⁶ One manifestation of the Digital Silk Road concept is China extending its own satellite–navigation system BeiDou to countries participating in the Belt and Road initiative.¹⁷

¹⁰ Klemensits, P. (2017). China and the 21st Century New Maritime Silk Road, *Belt&Road Center Hungary*, 23 October 2017, <http://beltandroadcenter.org/2017/10/23/china-and-the-21st-century-new-maritime-silk-road/> [accessed May 10, 2018]

¹¹ Speech by Chinese President Xi Jinping to Indonesian Parliament, ASEAN-China Centre, 3 October 2013, Available at: http://www.asean-china-center.org/english/2013-10/03/c_133062675.htm [accessed May 10, 2018]

¹² The State Council Information Office of the People’s Republic of China (2017.) *President Xi’s statements on the Belt and Road Initiative*, 17 April 2017, <http://www.scio.gov.cn/31773/35507/35520/Document/1548585/1548585.htm> [accessed May 10, 2018]

¹³ *Ibid.*

¹⁴ *Ibid.*

¹⁵ Moody, A. & Yu, C. (2017). Digital Silk Road forges strong links, *China Daily*, 5 December 2017, http://www.chinadaily.com.cn/business/4thwic/2017-12/05/content_35207841.htm [accessed May 10, 2018]

¹⁶ Viney, S. & Pan, N. & Fang, J (2017). One Belt, One Road: China heralds ‘Digital Silk Road’; foresees internet-era power shift soon, *ABC News*, <http://www.abc.net.au/news/2017-12-05/china-presents-foundations-of-digital-silk-road-at-internet-meet/9223710> [accessed May 10, 2018]

¹⁷ Smith, C. (2018). A digital Silk Road, *The Economist*, <http://www.theeconomist.com/article/14433/edition2018digital-silk-road> [accessed May 10, 2018]

3. The Belt and Road Initiative and Europe

In Europe an important initiative within the context of the broader Belt and Road Initiative is the 16 + 1 Forum, which comprises Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, and the Former Yugoslav Republic of Macedonia.¹⁸ Participating at these summits as observers have been Austria, Belarus, Greece, Switzerland, the European Union and the European Bank for Reconstruction and Development.¹⁹ This initiative was launched in 2012,²⁰ with the aim of intensifying the links between China and states in Central and Eastern Europe in such areas as investment, transportation, finance, education, culture and science.²¹ This involves a yearly summit, which was held in Budapest last year, and which took place this year in Sofia in the month of July.²²

In the Central and South Eastern Europe region one noteworthy project which can be seen in the broader context of the Belt and Road Initiative is the acquisition of Greece's Port of Piraeus by the state-owned Chinese Ocean Shipping (COSCO). COSCO became the operator of two of Piraeus' cargo piers in 2008,²³ and later in 2016 acquired a majority stake in the Piraeus Port Authority.²⁴ This has led to an enormous boost in output and efficiency, and has generally been seen as a great success story,²⁵ with the port becoming one of the fastest-growing and biggest in the Mediterranean.²⁶

Additionally, a major infrastructure project in the making is the Belgrade-Budapest Railway. This joint China-Hungary-Serbia cross-border project is 350 km in length, and is designed for both cargo and passenger trains that will be able to reach a speed of

¹⁸ Meeting of China-CEEC Business Council and Business Organizations Latvia (2017). About 16 + 1, <http://ceec-china-latvia.org/page/about> [accessed May 10, 2018]

¹⁹ ERT International/AMNA (2017). Greece observer at the 6th CEEC Summit in Hungary, *ERT International*, <http://int.ert.gr/greece-observer-at-the-6th-ceec-summit-in-hungary/> [accessed May 10, 2018]

²⁰ Zalán, E. (2017). Hungary-Serbia railway launched at China summit, *Euobserver*, 29 November 2017, <https://euobserver.com/eu-china/140068> [accessed May 10, 2018]

²¹ Meeting of China-CEEC Business Council and Business Organizations Latvia (2017). op. cit.

²² Noinvite (2018). Beijing Says that the Meeting with Eastern European in Sofia is not Postponed, Sofia News Agency, 13 March 2018, <http://www.novinite.com/articles/188663/Beijing+Says+that+the+Meeting+with+Eastern+Europe+in+Sofia+is+not+Postponed> [accessed May 10, 2018]

²³ China Daily USA (2013). "Greece announces deadline for port, railway privatization tenders", *Daily USA*, 13 August 2013, http://usa.chinadaily.com.cn/world/2015-08/13/content_21593259.htm [accessed May 10, 2018]

²⁴ Glass, D. (2018). China Cosco Shipping launches new projects in Greece at start of 2018, *Sea trade Maritime News*, 8 January 2018, <http://www.seatrade-maritime.com/news/europe/china-cosco-shipping-launches-new-projects-in-greece-at-start-of-2018.html> [accessed May 10, 2018]

²⁵ Smotlczyk, A. (2015). "One Port, Two Worlds: China Seeks Dominance in Athens Harbor", *Der Spiegel*, April 9 2015, <http://www.spiegel.de/international/business/china-seeks-gateway-to-europe-with-greek-port-a-1027458.html> [accessed May 10, 2018]

²⁶ Granitsas, A, & Paris, C. (2014). "Chinese Transform Greek Port, Winning Over Critics", *The Wall Street Journal*, 20 November 20 2014, <http://www.wsj.com/articles/chinese-transform-greek-port-winning-over-critics-1416516560> [accessed May 10, 2018]

200km per hour.²⁷ It is envisaged that this railway will aid in the transport of Chinese goods that come to Europe through the Port of Piraeus.²⁸

4. Concluding Remarks

China's Belt and Road Initiative has the potential to greatly influence the global economic order and to bring about a larger degree of connectivity throughout the world. It is evidence of China's rise on the international stage, and also has the potential to be of great importance to Europe. The region of Central and Eastern Europe can be said to play something of a natural role in this initiative, as it has the potential to act as a bridge between China and the greater European region.

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²⁷ Xinhua (2017). Belgrade-Budapest railway construction starts, *XinhuaNet*, 29 November 2017, http://www.xinhuanet.com/english/2017-11/29/c_136787298.htm [accessed May 10, 2018]

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