The Silk Road: Everything old is new again



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"We have an important role to play before the world. Cultural differences between countries should be understood and respected. The greater integration of China in the world involves building a new trade and knowledge road." With these words, Yang Zhenwu, president of the *People's Daily* newspaper, the official publication of the Chinese Communist Party, informed an audience of 172 journalists from 60 countries of the Chinese government's intent to revive the ancient Silk Road, the largest commercial network of the ancient world.

The *People's Daily* hosted the 2015 Media Cooperation Forum September 21–22 in Beijing to encourage deeper international understanding of and cooperation with the "One Belt, One Road" initiative. Chinese President Xi Jinping in October 2013 had announced the country's intent to reactivate the Silk Road as vital for sustainable expansion of the economies of China and other countries. A maritime route is also part of the initiative. In Sri Lanka, which has joined the project, the Chinese are already building a port in Colombo as one of the maritime bases.



If the Silk Road project indeed becomes reality by 2025, China will expand its trade potential in areas that contain 4.0–4.4 billion people and nearly a third of the world's wealth. The project is already well underway. The investments planned total some US$40 billion, in addition to about US$54 billion in loans to be granted for construction of logistics centers in Central Asia and beyond.

One large logistics center is already rising in Kazakhstan, where President Jinping first announced the Silk Road project. In several Chinese provinces, among them Gansu, Shaanxi, Henan, Jiangsu, and Shandong roads, railways airports, and storage areas are also being constructed.



Dauren Diyarov, director general of Kazakhstan's Kazinform Agency, reported that his country has signed more than 250 agreements with China and 48 projects have already been launched, with US$70 million invested.

In addition to significantly expanding the universe of potential consumers of Chinese products, another Silk Road goal is to access the natural resources abundant in some countries through which the road will pass, in exchange for investments in infrastructure as such investments in China itself wind down.

In the Province of Henan, which ranks 5th in its contributions to Chinese GDP, investment of US$100 million in a major logistics center with water, air, and land connections has begun. Guo Gengmao, secretary of the Chinese Communist Party Central Committee in Henan, says that distribution routes are planned to link China to European countries by rail, which would make "Henan the main logistics center for the new Silk Road."

There is not yet much detailed information about the Silk Road. What is known is that the road will cut across China from east to west. The gateway to Central Asia and Europe would be in the Xinjiang region. Goods would mainly be transported via highways and railroads; for instance, part of the project is a Madrid-Yiwu rail link that will be the longest in the world.





Chinese effort
Chinese officials and journalists of 60 countries discuss in Beijing the importance of the revival of the Silk Road.

The maritime route—90% of China's trade is by sea—will start in the east, cross the Strait of Malacca, touch on Bangladesh, Sri Lanka, and Pakistan, and move through the Red Sea to reach Athens, Greece. From there, it will connect with such countries as Italy, Egypt, Portugal, and even Sweden.

Although some countries oppose the project, the Chinese claim that 50 others have already shown interest in participating. But the obstacles are many. The new route will cross countries that are roiled by wars and fierce fights for power. In the poor countries it traverses, especially on highways security against terrorist and smuggler attacks is a huge challenge.

Although the two countries are jointly building a huge gas pipeline to link them, Russia is not supporting the Silk Road initiative, which would give China immense economic and political influence.

The U. S. is expected to use its own economic and political weight to discourage other countries from participating. After eight years of negotiations, in October 12 countries approved the largest free trade agreement in the world, the Trans-Pacific Partnership (TPP); the countries signing account for 40% of world GDP. China is not one of them, though it has close trade ties with many TPP members. However, it now has serious competition, led by the United States, in these markets.

"When more than 95% of our potential customers live outside our borders, we cannot let countries like China write the rules of the global economy," said U.S. President Barack Obama, after the TPP agreement was approved. The agreement, a victory for President Obama, seeks to strengthen ties with countries in Asia where the U. S. and China compete for greater political and economic influence. Partners to the agreement, which must still pass through the U.S. Congress, are Japan, Chile, Canada, Vietnam, Malaysia, Singapore, Brunei, Australia, New Zealand, Peru, Mexico, and the U. S.