

China's Belt and Road Initiative Is a Bullet Train

by William Jones

Oct. 21—While the U.S. public has only recently become acquainted with the Chinese Belt and Road Initiative (BRI) because of the almost total neglect of the project by the myopic U.S. media, the BRI has already shown itself to be the most comprehensive development project since the post-war Marshall Plan. But the BRI has already gone far beyond the Marshall Plan in the magnitude of investment and number of countries benefiting from it.

No doubt the initial, hostile reaction to the project on the part of the Obama Administration was based on the hope that China had neither the means nor the will to carry out such a gigantic venture, and that it would soon peter out. It were wrong on both counts. When China took the initiative to build new financial institutions, such as the Asian Infrastructure Investment Bank (AIIB), to help promote the Belt and Road, Obama attempted to strong-arm governments to stay out of it. The net result of his efforts was paltry. Among the largest economies, only Japan still keeps its distance from the AIIB. Like the AIIB, the BRI is alive and well, and growing rapidly.

The prestigious Chongyang Institute for Financial Studies at Renmin University recently published a [report](#) on the development of the BRI over the first three years of its existence. The results are astounding.

Transportation Grid for All Eurasia

The initial proposal was to build two major intercontinental thoroughfares, with rail, high-speed rail, telecommunications, electric power transmission lines, energy pipelines, and major industrial projects set up along the way. One route would go across Eurasia, and the other would be a southern route, combining rail and sea transport to India and Africa. Present plans have already broken the bounds of the initial conception.

There are at present six major land routes in various degrees of construction: a Eurasian Landbridge through Kazakhstan and Russia to Europe, and corridors designated as China-Mongolia-Russia, China-Central Asia-West Asia, China-Pakistan, Bangladesh-China-India-



Xinhua/Liu Yu

Test run on the Ankara-Istanbul high-speed railway built by the China Railway Construction Corporation, Jan. 4, 2014.

Myanmar, and China-Indochina. In addition, the “21st Century Maritime Silk Road” will have two distinct sea routes, one from China’s ports to Europe through the South China Sea and the Indian Ocean, and the other from China’s ports through the South China Sea to the South Pacific.

While the project has been initiated by China, it is aimed to benefit all of the nations along the way and is open to *all* countries to participate.

Indeed, President Xi himself has been the key promoter of this project since he initiated it in September 2013 in a speech in Kazakhstan at Nazarbayev University. Since then, the Chinese President has visited 37 countries (eighteen in Asia, nine in Europe, three in Africa, four in Latin America, and three in Oceania) where he has promoted the idea of the Belt and Road and has received a very warm response in all these countries. During his visit to the Middle East earlier this year, it was clear that the project would have a tremendous, beneficial effect on the economies in that war-torn region.

The BRI has also provided the framework for both multilateral and bilateral agreements between China and its neighbors, and has helped to invigorate the activities of the numerous regional associations that have grown up: the Shanghai Cooperation Organization, Eurasian Economic Union, the China-Central Europe Economic Cooperation Organization, ASEAN+China, the Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM), and others.

Along the Belt and Road, China has signed free trade agreements with 11 countries and bilateral investment agreements with 56. In all, China has signed agreements on Belt and Road policy with most countries in Central Asia and the Caucasus, and has issued joint statements on policy planning for building the Belt and Road with a number of regional or subregional bodies such as the European Union, the 16 Central and East European countries, the Greater Mekong Subregion, and the Africa Union.

The Eurasian Landbridge, the China-Mongolia-Russia Corridor, and the China-Central Asia-West Asia Economic Corridor will chart a path that will bring in-



The container ship Indian Ocean, operated by China Shipping Container Lines, at the Gulf of Suez, Egypt, May 18, 2015.

Xinhua/Pan Chaoyue

creased trade and development to the Persian Gulf and the Southwest Asian countries.

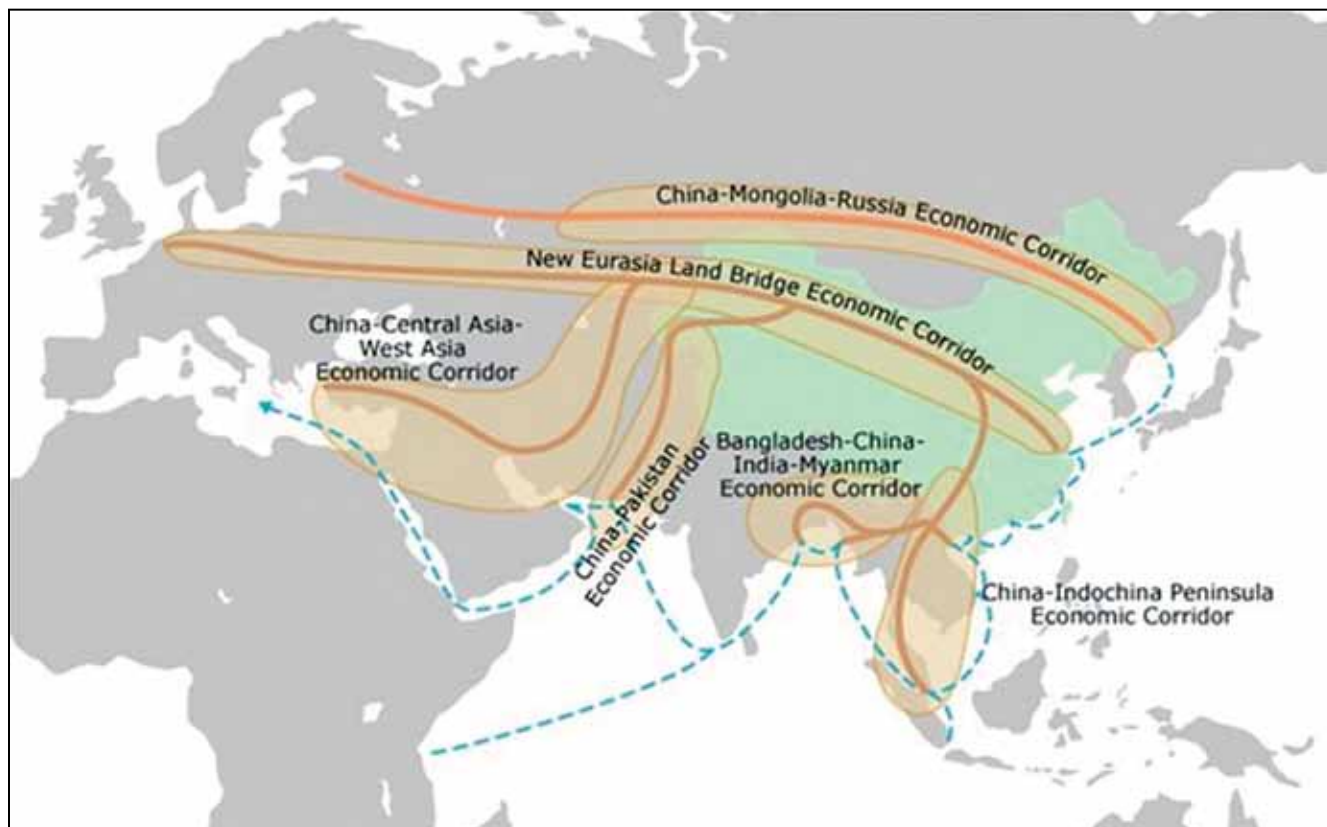
The China-Pakistan Economic Corridor, the China-Indochina Peninsula Economic Corridor, and the Bangladesh-China-India-Myanmar Economic Corridor will help extend economic benefits to the countries of South and Southeast Asia and Africa.

Transportation Is Key

Building transportation grids, particularly railroad grids, is absolutely fundamental in creating a development corridor. Along these transportation routes will be built telecommunications networks and power generation and energy grids, transforming them into corridors of development and connectivity.

As of June 30, 2016, 39 freight rail lines between China and Europe were operational, some extending into Africa. Between President Xi’s announcement of the BRI in September 2013 and June 30, 2016, Chinese state-owned enterprises—such as China Railway Group Limited and China Communications Construction Company Limited—have signed construction contracts for 38 large demonstration projects involving transport infrastructure covering 26 countries, and focusing on key land routes, port cooperation, and improvements in existing infrastructure. China has also launched 15 new airport projects and 28 airport expansion projects in the Chinese provinces along the Belt and Road.

The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa



Hong Kong Development Trade Council

In addition to roads and rails, China is also providing much of the telecommunications along the routes. Telecom providers such as China Unicom, China Telecom, and China Mobile are speeding up cross-border transmission projects. In addition, the China-led TD-LTE networks for 4G mobile phones (also known as LTE-TDD) are operational in 30 countries, including China, the United States, Japan, India, Saudi Arabia, Russia, and Australia.

More Trade and Investment ‘Along the Way’

The BRI has also greatly facilitated the increase of trade. From June 2013 to June 2016, China recorded \$3.1 trillion in commodity trade along the Belt and Road, which accounts for 26 percent of China’s total trade volume. As of June 2016, China had invested \$51.1 billion total in these countries, accounting for 12% of Chinese overseas direct investment.

An important element in creating these development corridors is the establishment of industrial development zones and economic cooperation zones. As of

June 30, 2016, five pilot zones for border opening-up and development have been established, in Dongxing near the border with Vietnam, Ruili near the Myanmar border, Erenhot on the border with Mongolia, Manzhouli on the Russian border, and the Port of Mongla, Bangladesh, on the Bay of Bengal.

Fifteen other *cross-border* economic cooperation areas are also now functioning in China—in Liaoning bordering North Korea (1), Jilin bordering North Korea and Russia (2), and Heilongjiang bordering Russia (2), all in northeast China; in Guangxi bordering Vietnam (2) and Yunnan also bordering Vietnam (4) in the south; and in Xinjiang on the Kazakhstan border (4) in the northwest.

As of June of this year, China had reached agreement on 52 trade and economic cooperation zones within 18 countries along the routes of the Belt and Road, with a total investment of \$16.5 billion. Among the thirteen zones that have been evaluated thus far, three are in full operation: the China-Belarus Industrial Park, the Thai-Chinese Rayong Industrial Zone, and the

Indonesia-China Integrated Industrial Parks. Other zones are in various stages of development in Cambodia, Vietnam, Pakistan, Zambia, Egypt, Nigeria, Ethiopia, and Hungary, as well as four planned zones in Russia. China has also signed cooperation agreements on “capacity sharing” in manufacturing with more than 20 countries along the Belt and Road.

Energy Projects

Over this initial three-year period, China has increased the pace of export of energy infrastructure to countries along the Belt and Road. From October 2013 to June 30, 2016, China’s state-owned enterprises participated in the construction of 40 overseas energy projects, including power plants, electricity transmission facilities, and oil and gas pipelines, covering nineteen countries.

In 2014, construction of the Tajikistan part of the Central Asia-China Gas Pipeline and the Russian part of the Russia-China Gas Pipeline was set into motion. In 2015, Chinese nuclear power companies launched cooperation projects in Romania, Britain, Pakistan, and Argentina. Chinese hydropower companies also worked on projects in Angola, Brazil, Nepal, Pakistan, and Argentina. During the first half of 2016, China signed deals for 16 energy projects with countries along the Belt and Road.

Financing Development

The progress of the Silk Road Initiative has been greatly facilitated by the creation of new financial institutions devoted specifically to financing infrastructure investment. The Asian Infrastructure Investment Bank (AIIB), founded on December 2015, is the most important of these banks. With 57 member countries so far and an authorized capital of \$100 billion, it has approved \$509 million in investments in its first four projects, focusing on power, transportation, urban development, and other projects in Bangladesh, Indonesia, Pakistan, and Tajikistan.

The BRICS New Development Bank, established



Xinhua/Gao Bin

Technicians at work on the Ankara-Istanbul high-speed railway built by China Railway Construction Corporation, Jan. 6, 2014.

in July 2015 and headquartered in Shanghai, has an authorized capital of \$100 billion and has already issued a first round of loans for so-called “clean energy” projects in China, India, Brazil, and South Africa.

The \$40 billion Silk Road Fund had already been set up by the Chinese Government in December 2014 and has announced three sets of investments—to develop hydropower plants in Pakistan and other South Asian countries; to assist ChemChina, a Chinese chemical company, in acquiring Italian tire maker Pirelli; and to develop the Russia-based Yamal liquefied natural gas (LNG) project in the Russian Arctic region.

But the bulk of the funding for the Belt and Road is still being provided by the Chinese state development banks. China Development Bank has set up a Belt and Road project pool that encompasses more than 900 projects from over 60 countries in transportation, energy, resources, and other sectors. China’s Export-Import Bank is financing more than 1,000 projects involving roads, railways, ports, power resources, pipelines, communications, and industrial parks in 49 of the countries along the Belt and Road. The China Export and Credit Insurance Corporation has supported export, domestic trade, and investment with a total value of \$2.3 trillion, covering thousands of exporters and hundreds of medium- and long-term projects encompass-

ing high technology export and large electro-machinery and equipment export.

Promoting the Development of Science

In addition to the industrial parks, the BRI is also intent on promoting the development of science in the countries along the routes. By June 2016, China had signed memoranda of understanding for scientific and technological cooperation in the areas of space, energy, and ecology with 56 Belt and Road countries. China has also established 38 science and technology centers in the form of smart industrial parks, joint laboratories, international technology transfer centers, and industrial cooperation and incubation centers.

The rapid development of the Chinese space program includes the construction of a space station, to be finished by 2022. It will also be open to the countries of the Belt and Road for the purpose of encouraging space exploration among those nations. Foreign astronauts will be invited to work on the Chinese space station, and several countries have already provided experiments for the Chinese Tiangong-2 space laboratory.

While the trans-Atlantic region still suffers from the turmoil of a bankrupt financial system, the Belt and Road Initiative is creating hope and optimism. What the developing sector failed to achieve during the four decades following the first calls for a New and Just Economic Order at the UN General Assembly in the 1970s, is now being accomplished, thanks to the success of one major developing country, China, which succeeded in working its way out of poverty and is now willing to share its secrets with the rest of the world.

Some people in the West have seen this as a threat. But, as Chinese leaders have been quick to point out, this is a win-win situation for everyone. If the Western nations—as some are beginning to do—view the BRI as an opportunity rather than a crisis, if they are prepared to break the stranglehold of the “too big to fail” banks over policy making and join in the project of rebuilding their collapsing infrastructure, they could transform the Silk Road project into a World Land-bridge. With this we could change the course of history and join with China in eliminating poverty from the human condition.

The New Silk Road Becomes the World Land-Bridge

The BRICS countries have a strategy to prevent war and economic catastrophe. It's time for the rest of the world to join!

This 374-page report is a road-map to the New World Economic Order that Lyndon and Helga LaRouche have championed for over 20 years.

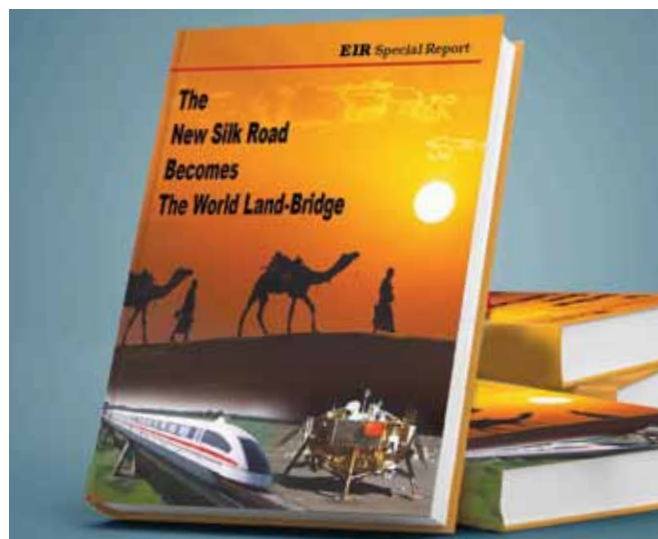
Includes:

Introduction by Helga Zepp-LaRouche, "The New Silk Road Leads to the Future of Mankind!"

The metrics of progress, with emphasis on the scientific principles required for survival of mankind: nuclear power and desalination; the fusion power economy; solving the water crisis.

The three keystone nations: China, the core nation of the New Silk Road; Russia's mission in North Central Eurasia and the Arctic; India prepares to take on its legacy of leadership.

Other regions: The potential contributions of Southwest, Central, and Southeast Asia, Australia, Europe, and Africa.



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