

# **“Belt and Road Initiative” -Implication for China-US Relations**

# Issues to cover

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- Background
- Key concepts
- Challenges
- Prospects
- Implication for China-US relations



# Background

On Sept. 7, 2013, at Kazakhstan's Nazarbayev University, Xi proposed “jointly build the “Silk Road Economic Belt” step by step to gradually form overall regional cooperation.”

On October 3, 2013, Chinese President Xi Jinping proposed to ASEAN that China would be willing to work together with

ASEAN to build the “Maritime Silk Road (MSR) in the 21st century”.

From 2015, A simple catch-phrase: “One Belt and One Road”.



## Two most popular term for China's diplomatic achievement

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**There are two Chinese strategic considerations behind this concept:**

- ◆ to shape a new pattern of diplomatic relations with neighbouring countries,
- ◆ To promote the connectivity of Asian, European and African continents and their adjacent seas, partnerships among the countries along the Belt and Road.

# Routes



**The Silk Road Economic Belt** focuses on bringing together China, Central Asia, Russia and Europe (the Baltic); linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with Southeast Asia, South Asia and the Indian Ocean.

**The 21st-Century Maritime Silk Road** is designed to go from China's coast to Europe through the South China Sea and the Indian Ocean in one route, and from China's coast through the South China Sea to the South Pacific in the other

**Five principles of peaceful  
coexistence**

**Cooperation**

**Harmonious and  
inclusive**

**Market Operation**

**Mutual Benefit**

- **Policy coordination**
- **Facilities connectivity**
- **Unimpeded trade**
- **Financial integration**
- **People-to-people bond**

**Multilateral cooperation mechanisms:** *Shanghai Cooperation Organization (SCO), ASEAN Plus China (10+1), Asia-Pacific Economic Cooperation (APEC), Asia-Europe Meeting (ASEM), Asia Cooperation Dialogue (ACD), Conference on Interaction and Confidence-Building Measures in Asia (CICA), China-Arab States Cooperation Forum (CASCF), China-Gulf Cooperation Council Strategic Dialogue, Greater Mekong Sub-region (GMS) Economic Cooperation, and Central Asia Regional Economic Cooperation (CAREC)*

- **international forums and exhibitions** at regional and sub-regional levels hosted by countries along the Belt and Road, as well as such platforms: *as Boao Forum for Asia, China-ASEAN Expo, China-Eurasia Expo, Euro-Asia Economic Forum, China International Fair for Investment and Trade, China-South Asia Expo, China-Arab States Expo, Western China International Fair, China-Russia Expo, and Qianhai Cooperation Forum*

# What has been done?

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- **Leadership and Implementation Mechanism**
- **Cooperation agreement**
- **Financial institutions:** *AIIB, Silk Road Fund, New Development Bank of BRICS, and planning SCO Development Bank*
- **Think tanks** as media and academic support
- **Culture:** *Tourism promotion, International Education Cooperation, Silk Road Expo, Civilization Dialogue*
- **Investment and Trade:** *bilateral/multilateral FTA, upgrading Sino-ASEAN FTA, Sino-ASEAN Cooperation Fund, RCEP, FTAAP*



# Challenges

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- Various international and domestic responses
- Other Initiatives: Geopolitical competitions
- Lack of effective implementation mechanisms
- Not enough policy support for private sectors
- Absence of investment risk assessment and guarantee of overseas interests
- Impact of the South China Sea disputes

# What next?

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- **“Sample” effects**
- **Laws, regulations, policy in place**
- **Transparency, professionalism, standardization**
- **Mechanism of guaranteeing investment service**

# Implication for China-US Relations

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→ [China \(/topics/china\)](#), [International \(/topics/international\)](#), [Tom Dispatch \(/topics/tom-dispatch\)](#)

## China Is Building a New Silk Road to Europe, And It's Leaving America Behind

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### **COLUMN-China's Silk Road challenges U.S. dominance in Asia: Kemp**

Mon, Nov 10 2014

([John Kemp](#) is a Reuters market analyst. The views expressed are his own.)



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## US's concern

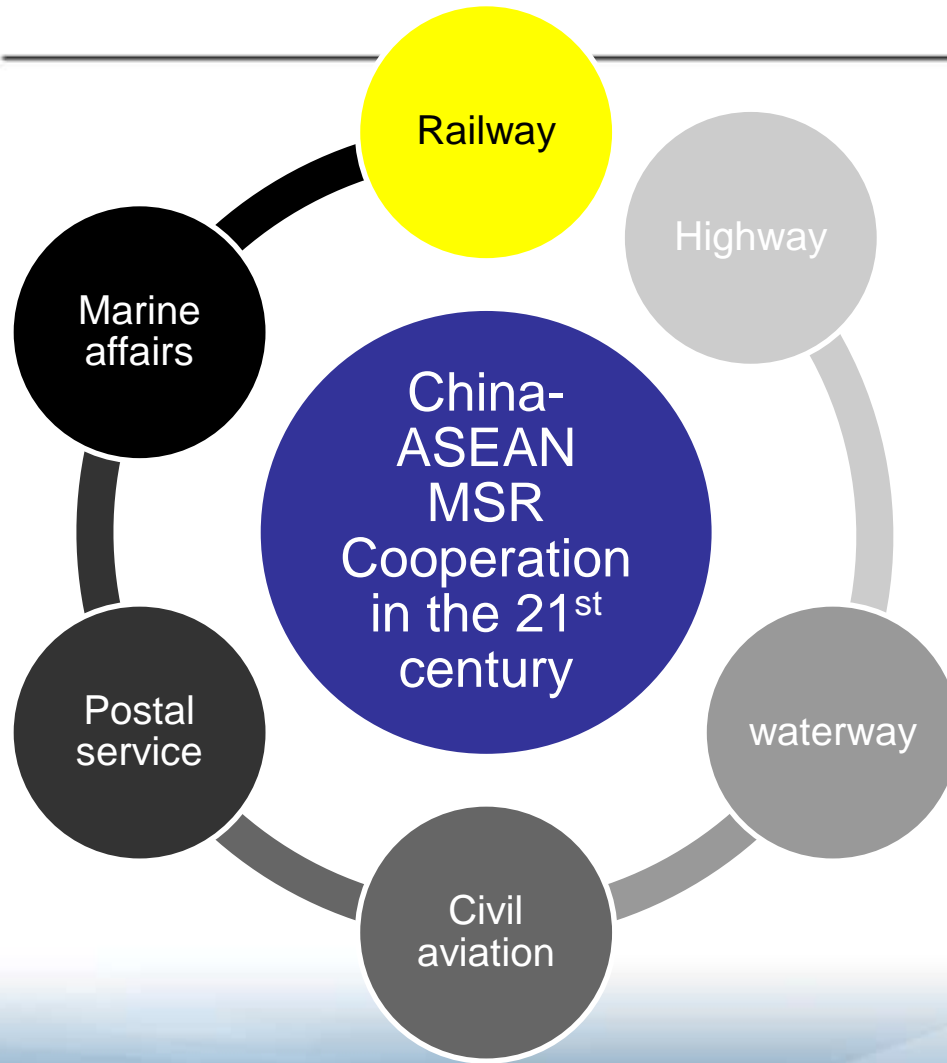
- The world is defecting to the East?
- New Banks and New Dreams
- When Dragon Embraces Bear
- So Long to the Unipolar Moment ?

## China's concern

- TPP? (open multilateral institutions: FTAAP, CICA, AIIB)
- US bilateral Alliance system; support SCS littoral states so as to balance China:

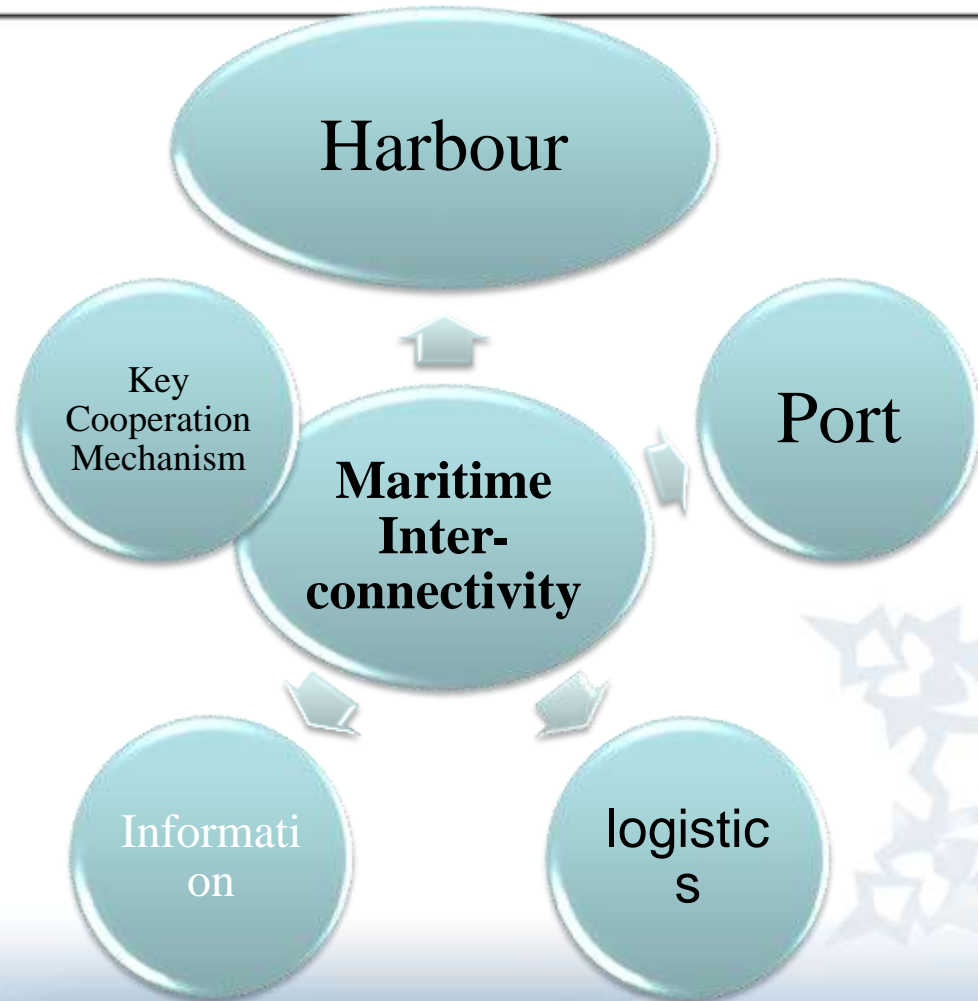
Thank you

# Sectors



**China-ASEAN  
Port City Network**

**China-ASEAN  
maritime  
transportation  
cooperation  
project and other  
key projects**



# A broader picture

