

# THE NEW SILK ROADS AND EUROPE



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# THE NEW SILK ROADS AND EUROPE

## PLAN :

- 1. THE GEOPOLITICAL BEAM IS LEANING TOWARDS THE EAST AGAIN ...**
- 2. THE « *NEW SILK ROADS* » (OBOR / B.R.I.) IS CONCRETIZING THE NEW ASIA POWER ASCENT (CHINA)**
- 3. IS THE PRESENT EUROPE READY TO CHALLENGE CHINA DURING THE NEXT 35 YEARS ? (2015-2049)**

# 1. THE GEOPOLITICAL BEAM IS LEANING TOWARDS THE EAST AGAIN

**EUROPE**

still >

**Asia :**

in density/hab. (equal level),  
PPP and nominal GDP *per inhabitant*

**ASIA**

>

**Europe :**  
in area,  
population,  
PPP and  
nominal GDP,  
unemployment

**WHY ?**



**EUROPE 47** (Council of Europe in Strasbourg City, *Russia excluded*) : **ASIA** : 50 countries (*Russia included*)

Area : 6,7 million km<sup>2</sup>

**Population : 650 million inhabitants**

Nominal GDP : 18 500 billion dollars

**PPP GDP : 23 500 billion dollars**

Density / inhabitant : 100 inhab./km<sup>2</sup>

Nominal GDP per hab. : 30 000 \$/ inhab.

**PPA GDP per inhab. : 36 000 \$/ inhab.**

Unemployment : 8 %

Area : 43,8 million km<sup>2</sup>

**Population : 4,47 billion inhabitants**

Nominal PIB : 35 000 billion dollars

**PPP GDP : 57 000 billion dollars**

Density / inhabitant : 100 inhab./km<sup>2</sup>

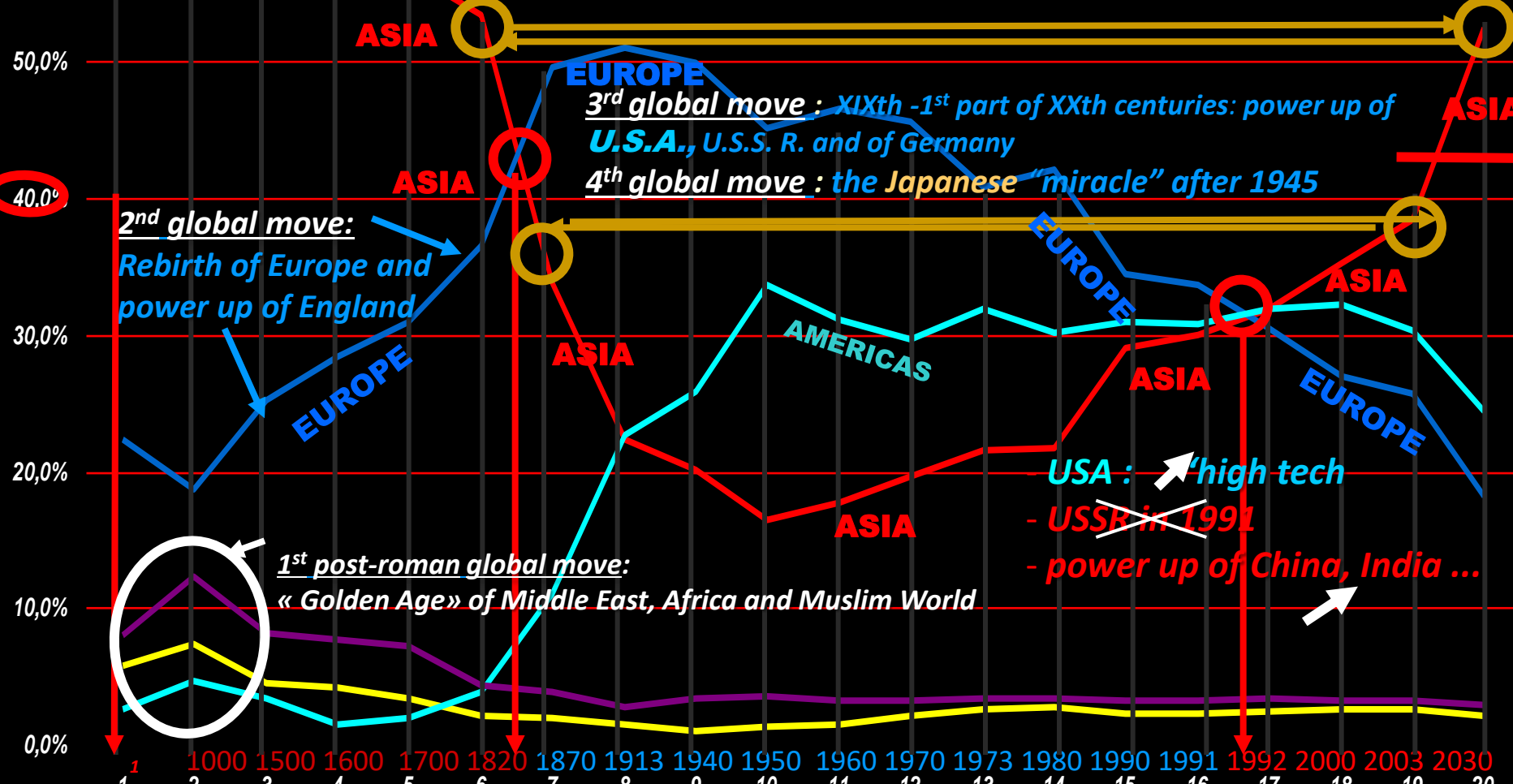
Nominal GDP per inhab. : 7 700 \$/ inhab.

**PPA GDP per inhab. : 13 000 \$/inhab.**

Unemployment : 4%

**→ WHY ? : 5<sup>th</sup> present global move : REBIRTH OF ASIA, BOTH TODAY'S AND TOMORROW'S WORLD**

60,0% **ASIA** Until 1820 approximatively, the land or maritime "Great Silk Roads" made the Euro-Asian continent representing about 60% of the world's wealth and could be renewed again from 2030, producing a new imbalance of trade in favor of East and Asia ....



Source : <http://siteresources.worldbank.org/ICPINT/Resources/Ahmad.doc>

# THE NEW SILK ROADS AND EUROPE



\* **IMBALANCED UE-CHINA TRADE RELATIONS, QUANTITATIVELY**

# \* IMBALANCED UE-CHINA TRADE RELATIONS, QUANTITATIVELY (2)

## European Union, Trade with China

Total goods: EU Trade flows and balance, annual data 2006 - 2016

Source Eurostat Comod. - Statistical regime 4



Source : [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113366.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113366.pdf)

## Total goods: EU Trade flows and balance

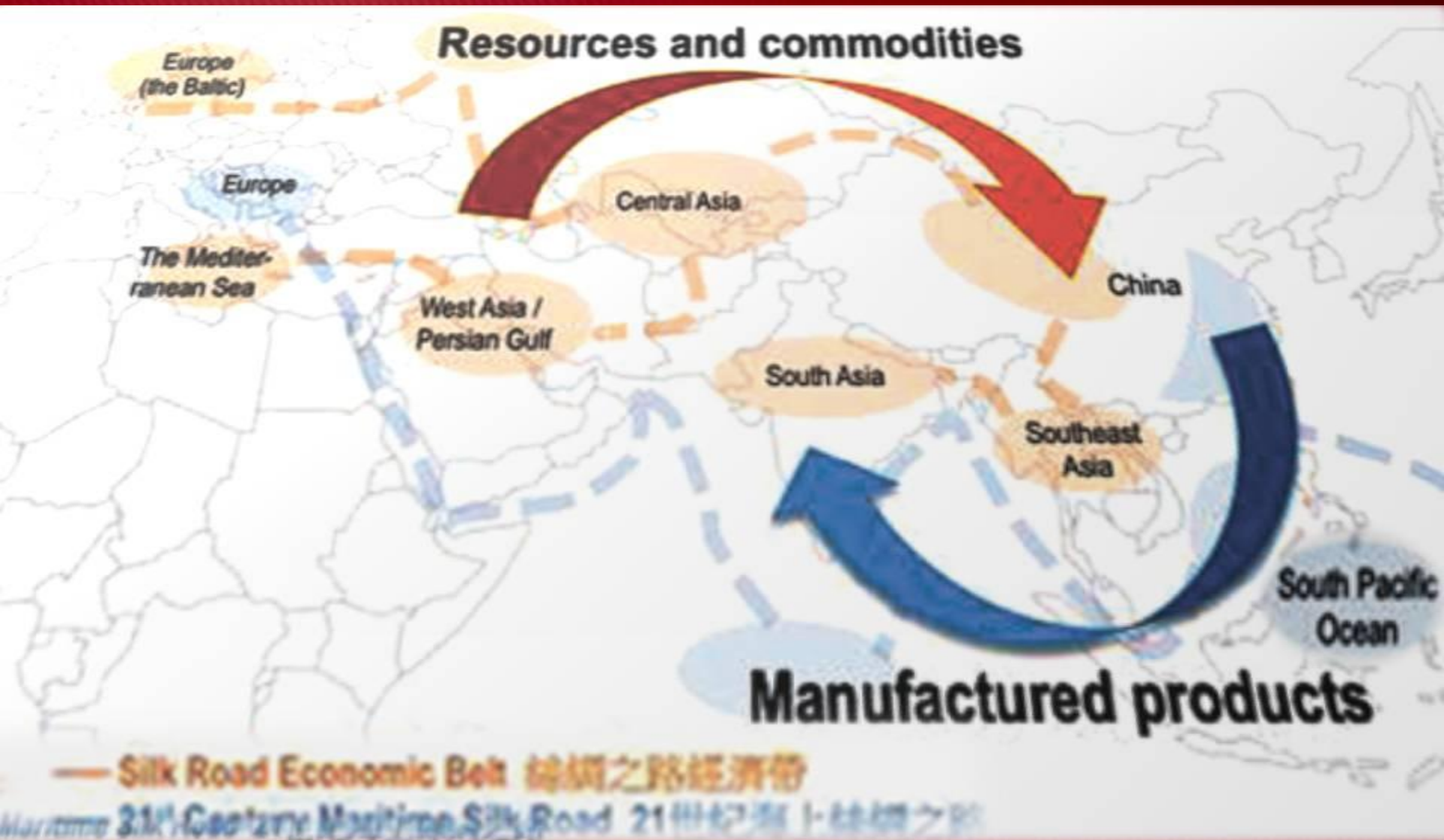
Source Eurostat Comod. - Statistical regime 4

Period	Imports			Exports			Balance	Total trade
	Value Mio €	% Growth*	% Extra-EU	Value Mio €	% Growth*	% Extra-EU	value Mio €	Value Mio €
2006	195,816		14.3	63,696		5.5	-132,121	259,512
2007	233,863	19.4	16.1	71,823	12.8	5.8	-162,040	305,686
2008	249,102	6.5	15.7	78,301	9.0	6.0	-170,802	327,403
2009	215,274	-13.6	17.4	82,421	5.3	7.5	-132,853	297,695
2010	283,931	31.9	18.5	113,454	37.7	8.4	-170,477	397,385
2011	295,055	3.9	17.1	136,415	20.2	8.8	-158,641	431,470
2012	292,113	-1.0	16.2	144,205	5.7	8.6	-147,908	436,318
2013	280,150	-4.1	16.6	148,115	2.7	8.5	-132,035	428,265
2014	302,149	7.9	17.9	164,623	11.2	9.7	-137,526	466,772
2015	350,640	16.1	20.3	170,357	3.5	9.5	-180,283	520,997
2016	344,642	-1.7	20.2	170,136	-0.1	9.7	-174,506	514,779

% Growth: relative variation between current and previous period

% Extra-EU: Imports/exports as % of all EU partners i.e. excluding trade between EU Member States

\* **IMBALANCED** UE-CHINA TRADE RELATIONS, **QUANTITATIVELY**



**And so : an 'IMBALANCED' DIAMOND  
OF A NEW EURO-ASIAN 'EQUILIBRIUM' 3 plates / 4 in ASIA,**




**EUROPE**  
(27, 46 countries ?)




**4 big geo-continental plates :**

*What Euro-Asian project ?*

**RUSSIA**  
Euro-Asian Union (since 2015)




**CHINA**




**OBOR / B.R.I. project (2013-2049)**

**INDIA** 'MAUSAM Project'  
(since 2014) + 'Digital Silk roads' project ?



**EURASIA**



**MUSLIM WORLD**  
included in OBOR / B.R.I.  
+ **AFRICA** (and China coop.)



« Asie 21 » (LaRouche),  
« New Silk Road Initiative » (2011)



« Eurasia Initiative » (2013)  
"Silk Road Express" (SRX)



JICA, Tōkyō Fond.  
UBRJ (2013)



## 2. CONSEQUENTLY, THE « *NEW SILK ROADS* » (OBOR / B.R.I. PROJECT) IS CONCRETIZING THE NEW POWER UP OF ASIA (CHINA)

**NON-EXHAUSTIVE PANORAMA IN ECONOMICAL SECURITY ASPECT :**  
**« CONNECTING » LAND AND MARITIME CORRIDORS**



**69 motivated countries (*but not Japan, not Northern Korea, not USA*) :**

**Link : Hong Kong Trade Development Council based on Chinese Academy of Social Sciences**

Source : <http://www.montroseassociates.biz/article.asp?aid=103>

# CONNECTING EUROPE AND ASIA ...

... NOT FORGETTING  
the «Intermediate Regions» ...

Example of the « *New Silk Roads* » project (« *One Belt, One Road* » [OBOR]),  
introduced by the Chinese Authorities at the end of March 2015 in Boao City  
(Hainan, Southern China)

# FEW NEW SILK ROADS (OBOR / B.R.I., CHINESE PROJECT) APPARENT INNOVATION: PASSING BY RUSSIA ...

« INNOVATION » :  
Russia concerned

Russia concerned and co-managing the line (DB, RZhD, China ...)

New Eurasia Land Bridge Economic Corridor  
(USED AT LEAST 80% OF AVAILABLE RAILWAYS)

China - Mongolia - Russia Economic Corridor  
<http://www.trans-eurasia-logistics.com/>  
[https://en.wikipedia.org/wiki/Trans-Eurasia\\_Logistics](https://en.wikipedia.org/wiki/Trans-Eurasia_Logistics)

China - Central Asia - West Asia Economic Corridor

2 China-Iran railways projects:  
Kashgar-Khaf and Ürümqi-Teheran

China - Pakistan Economic Corridor

Bangladesh - China  
India - Myanmar Economic Corridor

China - Indochina Economic Corridor  
Kunming - Kayaukpyu (Myanmar),  
Kunming-Singapore via Bangkok

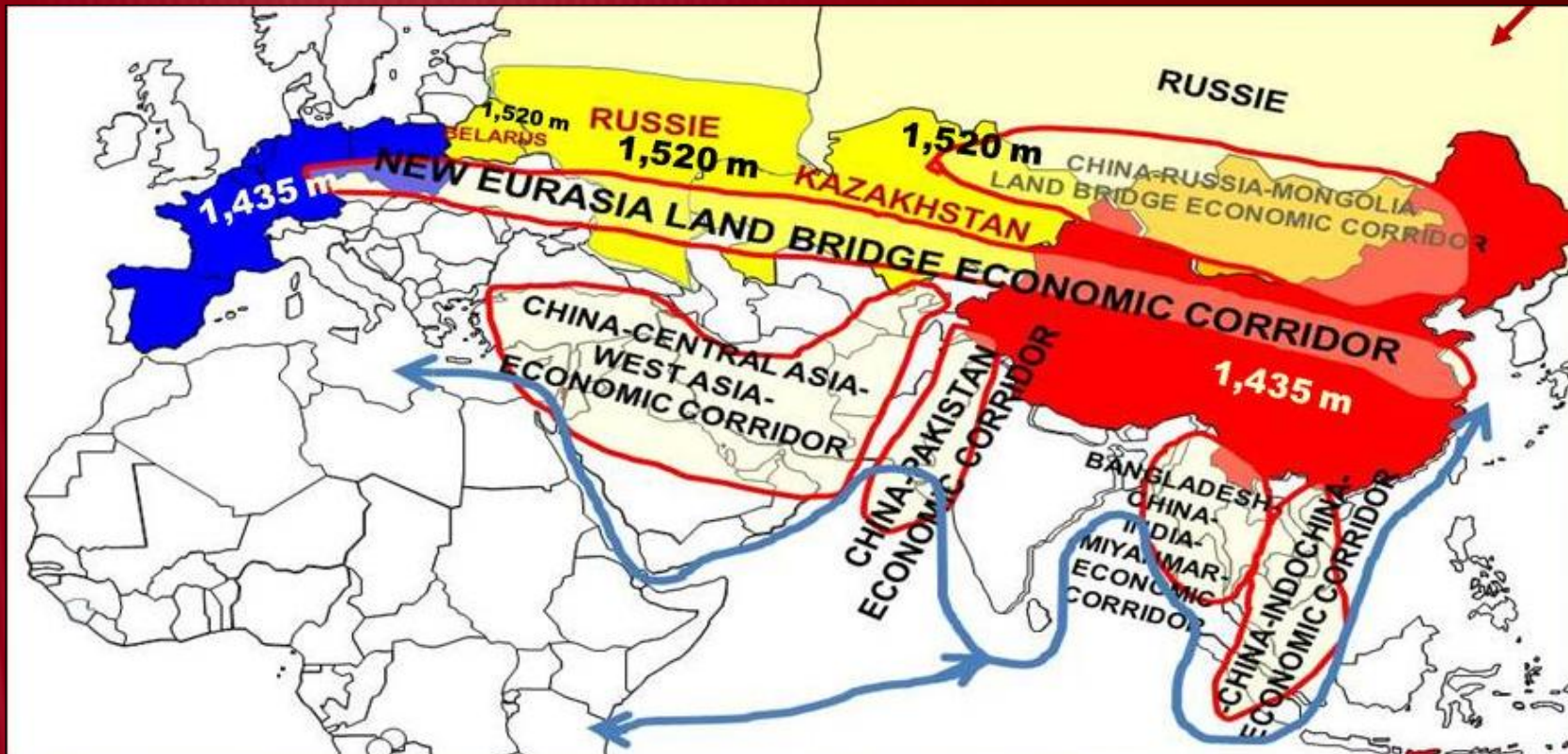
Links :

- [http://www.cbbc.org/cbbc/media/cbbc\\_media/One-Belt-One-Road-main-body.pdf](http://www.cbbc.org/cbbc/media/cbbc_media/One-Belt-One-Road-main-body.pdf),
- <http://thediplomat.com/2016/03/one-belt-one-road-one-heritage-cultural-diplomacy-and-the-silk-road/>

## WHY PASSING BY THE «NEW EURASIAN LAND BRIDGE ECONOMIC CORRIDOR» ?

Because crossing through three countries between China and Europe :  
**KAZAKHSTAN, RUSSIA, BELARUS**

**Apparent easing of formalities, in spite of two gauge changes**

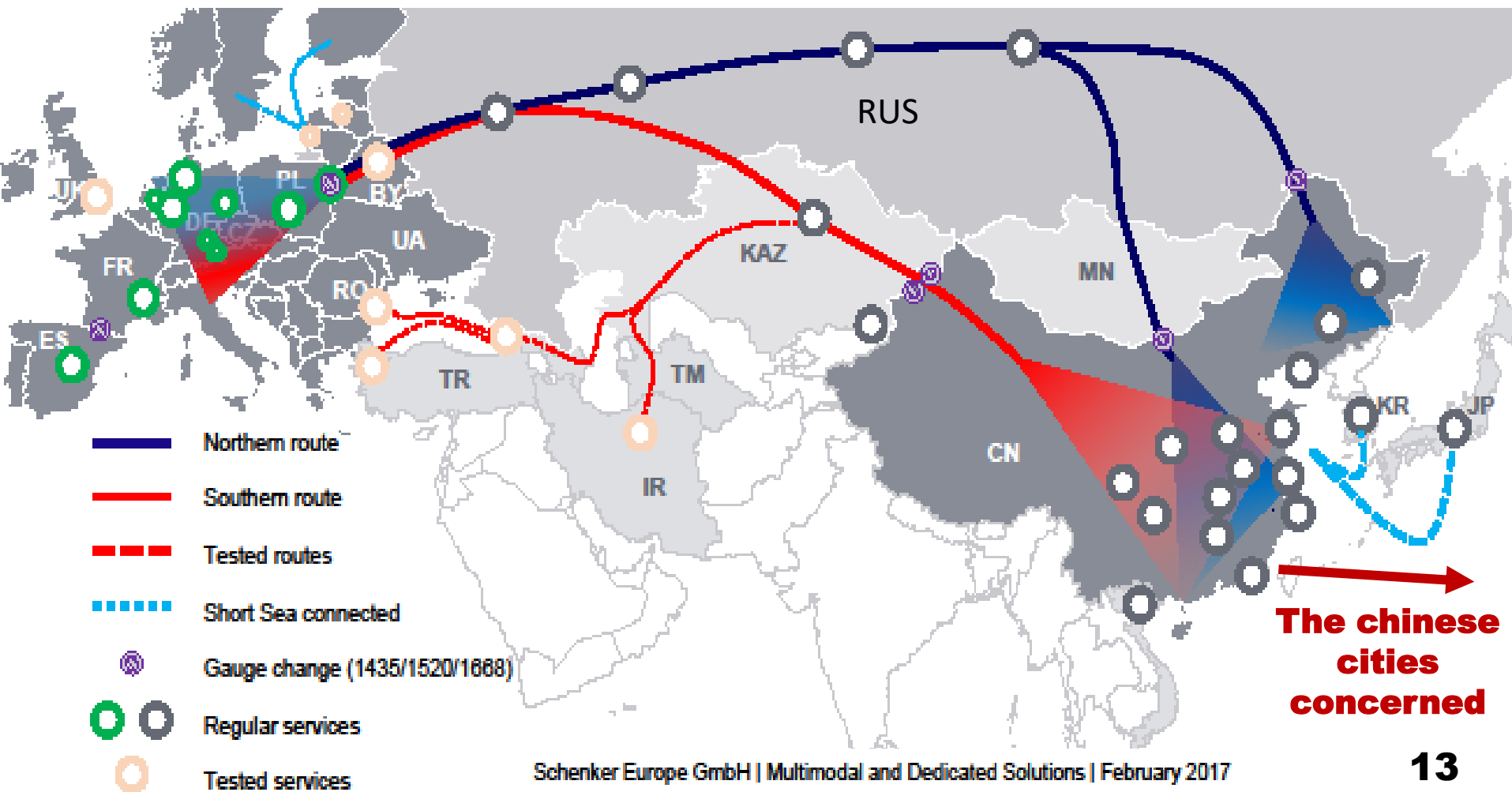


**RUSSIA IS THEREFORE GEOGRAPHICALLY IMPACTED FROM THE QUARTER TO THIRD PARTS OF THE TOTAL OF THE "NEW EURASIAN LAND BRIDGE ECONOMIC CORRIDOR" OF THE "NEW (RAILWAY) SILK ROADS"**

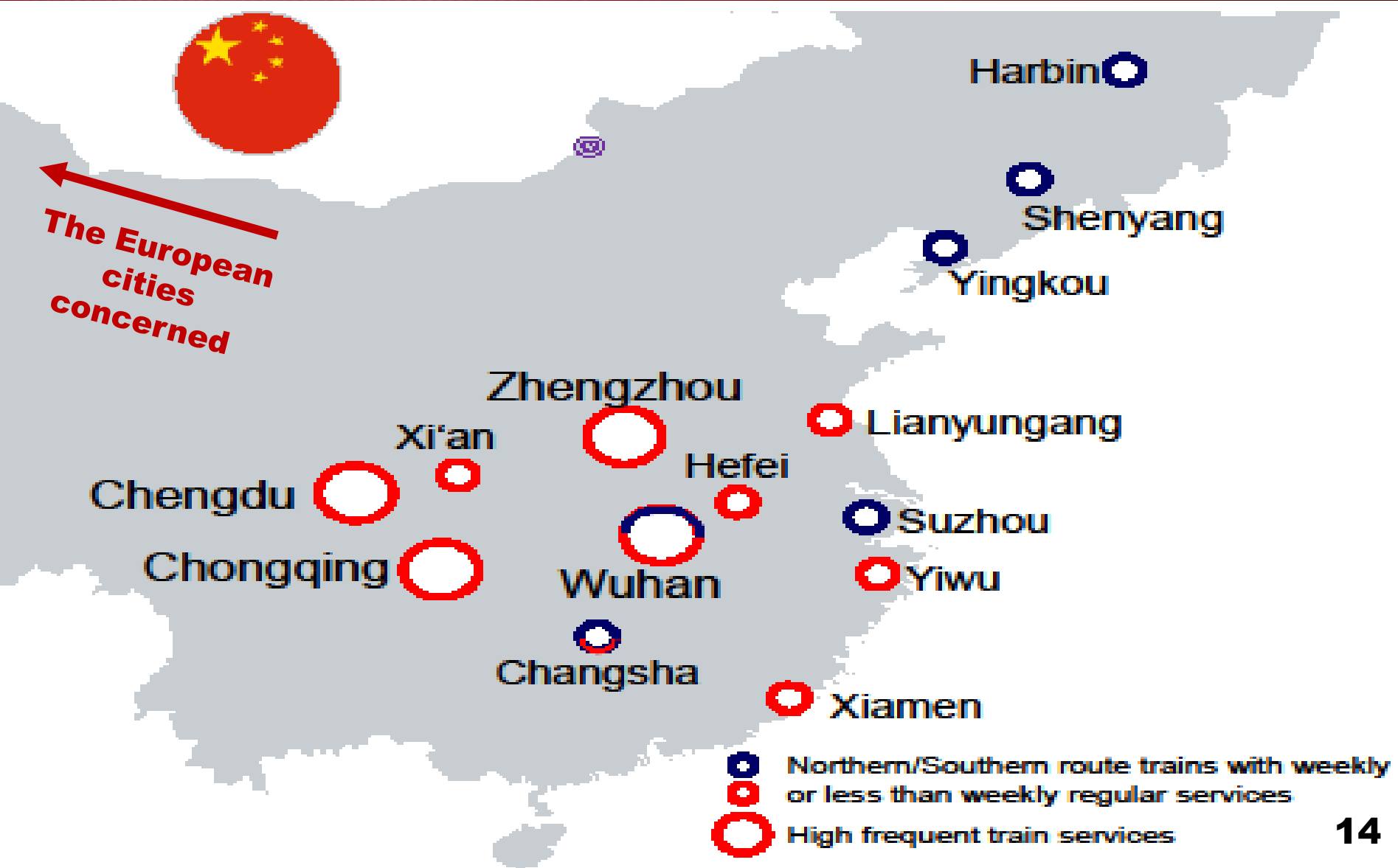
**PRESENTLY : MOST OF CHINESE FRET RAILWAY CONVOYS ARE PASSING BY RUSSIA,  
THROUGH THE «NEW EURASIAN LAND BRIDGE ECONOMIC CORRIDOR»  
(USED AT LEAST 80% OF AVAILABLE RAILWAYS)**

DB Schenker's network of Land Transport is well connected by New Silkroad rail system

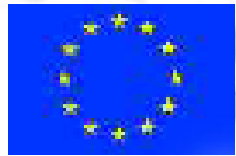
**DB SCHENKER**  
ILLUSTRATIVE



**PRESENTLY (2017) : THE CHINESE CITIES CONCERNED :**  
**14 FRET RAILWAY DEPARTURE TERMINALS FROM CHINA TO EUROPE**



**PRESENTLY (2017) : THE EUROPEAN CITIES CONCERNED FOR THE CHINESE RAILWAY FRET ARRIVING IN EUROPE ...**  
**19 TERMINALS, maybe 36 in 2020 ...**



Europe



**... WITHOUT FORGETTING THE MULTI-MODAL (RAILWAY-MARITIME) ARCTIC CORRIDOR  
MORE AND MORE PRACTICAL NOWADAYS AND IN THE FUTURE,  
*IN SPITE OF THE ECOLOGICAL RISK ...***

**Extracts :**



*“While Chinese interest in the project is uncertain, firms from China are already making hefty investments in Finland. **China’s Sunshine Kaidi New Energy Group invested \$1.13 billion in a new wood-based biodiesel plant in the northern city of Kemi. More Chinese investments are on the way.**”*

*“The notion of shipping goods by land from Asia to Europe is not very practical and [is] expensive,” said David Dollar, a senior fellow at the Brookings Institution in Washington, DC. **“Last year there were 20,000 containers from China that went by rail to Europe. You can put 20,000 containers on one ship.** So I think shipping will continue to be the overwhelmingly economical way to ship goods.”*



# THE NEW SILK ROADS AND EUROPE

## 3. IS THE TODAY'S EUROPE READY TO CHALLENGE CHINA DURING THE NEXT 35 YEARS ? (2015-2049)

- **Waiting for a European response for balancing more the future deals, challenge and risks ...**



## a) The rationale of the question ...

The aim of the promoters of the Chinese project "OBOR" (2013-2049) is to achieve a "***win-win***" spirit, assuming a balance and fluidity in trade between Europe and Asia (China). **These qualities expected for trade do not exist at present, to the detriment of Europe** ; Knowing that the situation is likely to worsen in the future if the current European Union fails in challenging of the size of the Chinese OBOR project (cross-border routes, land-based and maritime ones) *presently* thought to build the *future* (the recovered superpower of China) using the experience of the *past*.

**The economic gap, separating the two commercial entities whose interconnection does not cease to increase, is obvious** : the European Union's deficit is increasing year by year (*see slides 5-7*) for manufactured products ; only a slight surplus is existing in the services sector. Access to the Chinese market is also challenging : China imposes prohibitive tariffs ranging from 15% to more than 45% on 1,400 product lines (beverages, fruit, leather goods, textiles and clothing, natural or cultured pearls, cars, railways, etc.), whereas EU applies such rights only on 45 product lines.

**The service market is also severely restricted in China, with several segments being monopolized by State-owned enterprises (SOE), the same finding being made for access to public procurement**, which is closed to Europe, while Chinese companies regularly gain public procurement in Europe. **The gap is also prominent for foreign direct investment (FDI)**, where China is more restrictive than any other G20 or OECD countries, while Chinese FDI in Europe is completely free.

## **b) Meanwhile, an official « *Position paper* » is expected from EU Commission on « **NEW SILK ROADS** »/OBOR-B.R.I. Chinese project**

(project even not mentioned inside the EU Commission document on *ruling globalization* (cf. link [https://ec.europa.eu/commission/sites/beta-political/files/reflection-paper-globalisation\\_fr.pdf](https://ec.europa.eu/commission/sites/beta-political/files/reflection-paper-globalisation_fr.pdf) - May 2017)

**European *think tanks* are working about the item ; such contributions are interesting and useful for a preparative aim :**

- [http://www.ecfr.eu/page/-/ECFR174\\_Absorb\\_and\\_Conquer.pdf](http://www.ecfr.eu/page/-/ECFR174_Absorb_and_Conquer.pdf) («AN EU APPROACH TO RUSSIAN AND CHINESE INTEGRATION IN EURASIA»),
- [http://www.ecfr.eu/page/-/China\\_analysis\\_belt\\_road.pdf](http://www.ecfr.eu/page/-/China_analysis_belt_road.pdf) («One Belt, One Road”: China’s great leap outward»),
- [http://www.ecfr.eu/page/-/ECFR127-The\\_European\\_interest\\_in\\_an\\_investment\\_treaty\\_with\\_China\\_\(both\\_graphics\).pdf](http://www.ecfr.eu/page/-/ECFR127-The_European_interest_in_an_investment_treaty_with_China_(both_graphics).pdf),
- <http://bruegel.org/wp-content/uploads/2016/09/WP-05-2016.pdf> («China’s Belt and Road initiative : can Europe expect trade gains ?»),
- [http://www.iai.it/sites/default/files/2016\\_etnc\\_report.pdf](http://www.iai.it/sites/default/files/2016_etnc_report.pdf) ("Europe and China’s New Silk Roads"),
- [https://www.ceps.eu/system/files/EUCHINA\\_FTA\\_Final.pdf](https://www.ceps.eu/system/files/EUCHINA_FTA_Final.pdf) ("TOMORROW’S SILK ROAD ASSESSING AN EU-CHINA FREE TRADE AGREEMENT"),
- [http://eeas.europa.eu/archives/docs/china/docs/eu-china\\_2020\\_strategic\\_agenda\\_en.pdf](http://eeas.europa.eu/archives/docs/china/docs/eu-china_2020_strategic_agenda_en.pdf) (2013),
- [https://www.clingendael.nl/sites/default/files/Europe\\_and\\_Chinas\\_New\\_Silk\\_Roads\\_0.pdf](https://www.clingendael.nl/sites/default/files/Europe_and_Chinas_New_Silk_Roads_0.pdf),
- [http://www.ssoar.info/ssoar/bitstream/handle/document/47931/ssoar-indrastraglobal-2016-picciau-The\\_One\\_Belt\\_One\\_Road.pdf?sequence=1](http://www.ssoar.info/ssoar/bitstream/handle/document/47931/ssoar-indrastraglobal-2016-picciau-The_One_Belt_One_Road.pdf?sequence=1) ...

**Emmanuel MACRON is undoubtedly one of the first European Heads of State, if not the first, to mention the "*Silk Roads*" in an official address** (on 29 August 2017, at the opening of the Conference of Ambassadors), moreover, within the framework of a chapter devoted to multilateralism – cf. link <http://www.elysee.fr/videos/new-video-44/>.

**c) But the EU will not be able to settle for too long, compared to the progress of the Chinese project OBOR / B.R.I.**

Through the EU-China "*convergence platform*" managed by the UE Commission, the (supposedly in operation ?) EU-China investment fund of ... 20 billion euros ("only"?), the EU must **now and imperatively** take up the Chinese geopolitical and financial challenge and to define real joint investment and financing projects (eg **Chinese and European banking pools working together**), for :

- **Joining China** (on third countries, along the "NEW SILK ROADS", for example with CRRC, the Chinese manufacturer of rolling stock equipments with a turnover higher than those of ALSTOM, SIEMENS BOMBARDIER together, for building "Digital" Silk Roads to which China also strongly believes in, concerning sustainable development, NRE, tourism, protection of cultural inheritance along the Great Silk Roads and the countries concerned by OBOR ...);
- **Joining China** for the enlargement / modernization of infrastructures in Europe, which seems to be of great interest to it (Venice, Genoa, Valencia, Marseilles, Barcelona later, no doubt, *in short the Mediterranean perimeter as **a stepping area to Africa***) ; **so EU-CHINA joint investments and financing could be very useful and relevant, not only at the sole "China-France-Africa" level**, which is already too restrictive of the scale of the "African challenge" ...

**d) There is no shortage of opportunities for cooperation - an example :  
OBOR-B.R.I.' S WILLINGNESS TO CONTRIBUTE  
FOR SUSTAINABLE DEVELOPMENT :**

## **GREENING THE NEW SILK ROADS**

***“President XI Jinping calls for cooperation on fighting desertification”  
(Kubuqi Forum, China, Inner Mongolia, 29 July 2017)***

### **Chinese Governmental Notice about ‘Greening the New Silk Roads’ :**

On 24 April 2017, the Chinese Ministries for Environmental Protection, Foreign Affairs, Trade and the National Development and Reform Commission (NDRC) jointly issued a Notice on ‘Greening of the Silk Roads’ (“OBOR - BRI” Chinese project). **Among other things, this Notice seeks to promote Chinese exports of environmental services and products by providing a framework for cooperation.**



Link : <http://m.kubuqiforum.org/news/17.html>,  
[http://news.xinhuanet.com/english/2017-07/29/c\\_136483066.htm](http://news.xinhuanet.com/english/2017-07/29/c_136483066.htm),  
<http://world.huanqiu.com/exclusive/2017-07/11052439.html>,  
[http://www.zhb.gov.cn/gkml/hbb/bwj/201705/t20170505\\_413602.htm](http://www.zhb.gov.cn/gkml/hbb/bwj/201705/t20170505_413602.htm)

# **GREENING THE NEW SILK ROADS ... FINAL ILLUSTRATION OF A «*WATER STRESS*»**



**ARAL SEA, MOYNAQ CITY  
(KARAKALPAKSTAN, Republic of UZBEKISTAN, CENTRAL ASIA),  
18 000 inhabitants, 885 km North-West of Tashkent City**

Photographer : Arian SWEGERS, 29 April 2008 – free use through 'Creative Commons Attribution 2.0 Genericlicense'.

## Other examples of possible opportunities for cooperation :

### \* « **THE CHINESE RAILWAYS TO THE CONQUEST OF THE WORLD** »

#### That also concerns the high-speed railways :

<b>China's high-speed railway exports</b>				
Country	Route	Distance (km)	Estimated cost (US\$b)	Status
Turkey	<b>Ankara-Istanbul</b>	533	<b>1.3</b>	Completed in 2014
Thailand	<b>Bangkok-Nakhon Ratchasima</b>	250	<b>5</b>	Construction to begin in Dec
Indonesia	<b>Jakarta-Bandung</b>	150	<b>5</b>	Awarded in Sep 2015
Russia	<b>Moscow-Kazan</b>	770	<b>20</b>	<u>Chosen; now in design stage</u>

**On Moscow-Kazan:** The German initiative consortium (SIEMENS, DEUTSCHE BANK, DEUTSCHE BAHN and other German companies) is proposing to the RJD (the "Russian SNCF") a financing of 2.7 billion euros, apparently about 14.3% of the total cost of the section) for the construction of the TGV line and provides up to 800 million euros (about 944 million dollars) for the pilot project ; which confirms the information of the link [https://www.rbth.com/news/2016/11/15/german-businesses-may-finance-moscow-kazan-high-speed-railway\\_648017](https://www.rbth.com/news/2016/11/15/german-businesses-may-finance-moscow-kazan-high-speed-railway_648017).

Bangladesh	<b>Dhaka-Jessore</b>	169	<b>3.1</b>	Awarded
Hungary	<b>Budapest-Belgrade</b>	350	<b>1.6</b>	Awarded the Hungarian section
Laos	<b>Vientiane-Yunnan</b>	427	<b>6</b>	Broke ground
<b>Bidding war continues</b>				
India	<b>Mumbai-Ahmedabad</b>	500	<b>14.7</b>	India signed agreement for technical and financial assistance from Japan
Malaysia	<b>Kuala Lumpur-Singapore</b>	350	<b>10.5</b>	Planning/Bidding stage
US	<b>Los Angeles-San Francisco</b>	558	<b>68</b>	Broke ground; selecting builder

Link on 26 September 2016 : <http://www.scmp.com/business/companies/article/2022439/china-developing-500km/h-trains-lead-export-high-speed-rail>

## Other example of opportunities for cooperation :

**«Actility, the French company leader in LPWA is connecting the Great Silk Roads in China»**

### Extracts :

"Actility (<https://www.actility.com/>) traces its course. **The French company leader in the large-scale infrastructure industry LPWA has been selected to equip a first tranche of the Great Silk Road project in China. A first phase of a \$ 100 billion project initiated by Chinese President XI Jinping himself.**

"After raising \$ 75 million in April 2017, LPWA (1), Actility has announced its first major project in China. ThinkPark China, a joint venture set up in March 2017 with Ginko Ventures (Foxconn), **will acquire a 23-square-kilometer test network in Beilin District, Xi'an, the historic starting point of the Great Silk Roads.**

"This project, in partnership with the Beilin District of Xi'an and the Shaanxi Radio and Television Network, is part of the Chinese President Xi's "Belt and Road Initiative". A \$ 100 billion project to create a modern version of the ancient Great Silk Roads from a land and sea perspective. Objective : to break down economic barriers between countries, stimulate trade and increase growth in Asia and globally.

"(...) **Another major axis in test for this first area of 23 km<sup>2</sup> : the environment.** "China is working hard on LPWA to carry out quality analyzes of air, pollution ... The sensors will also be used for these environmental monitoring" (...).

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(1) LPWA : Low-Power Wide-Area Network : for « Internet of Things ».



# **(PROVISIONAL) CONCLUSION**



***« Let a part of the population get rich first  
to let enrich the rest of people »***

**DENG Xiaoping  
(1904-1997)**



THANKS YOU VERY MUCH FOR YOUR ATTENTION !

谢谢!

**OPEN FAN  
TO  
THE «NEW SILK ROADS»**

**« We build too many walls and not enough bridges »**

**Isaac NEWTON  
(1642-1727)**

English physicist, philosopher, astronomer, alchemist and mathematician

**« Before getting rich, you first have to build roads »**  
(Chinese saying)





**« TO PERSEVERE IN HARMONY AND TOLERANCE »**

**Oriental Arts Exhibition at Paris Branly Museum – December 2011**

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