

## RONNIE C. CHAN

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The Belt and Road Initiative was mentioned by President Xi Jinping of China in 2013 while he was visiting Kazakhstan. He was talking about the terrestrial belt, and then the next year, in Indonesia I believe it was, he mentioned the Sea Road. It used to be called One Belt, One Road, and later they called it the Belt and Road Initiative or BRI. A lot of people are not so clear about the term, especially in English, because that was a mistake in translation made by the Chinese. The Belt is a terrestrial belt that spans all the way from East Asia, from Japan, Korea and China, all the way to the eastern part of Eastern Europe.

The Road in the Chinese language can be a sea road, but of course in English you do not have a road in the sea, so perhaps we should call it a sea route, but it does not matter. The Road is a sea link.

The second point is that this is nothing new – 2,000 years ago, mankind already had the Silk Road. What we are talking about today is basically geographically exactly the same area that was there 2,000 years ago, and President Xi Jinping mentioned in 2013 that this was a new Silk Road. Therefore, I suppose there is nothing new under the sun, and this is just another effort by mankind over a long period of time. This was brought up by China, but from day one, President Xi Jinping stated that this was not something for China alone. This is way too big for any one country. This is something that is indeed for the international community. China, wealthy as it may be, does not have all the necessary funding for such a huge endeavour.

It is an endeavour that crosses 50 or 60 countries, and not just the countries along the Silk Road today; given transportation, technology and communications, anyone can participate in this effort. Hence, for example, the AIIB, the Asian Infrastructure Investment Bank, was started by China, but some of the top executives are American, European and people from all over the rest of Asia. This is truly an effort that needs the participation of the international community.

Where I think it has gone wrong, if it went wrong, was that populists, on the Internet in particular, have blown this way out of proportion, and then of course foreign countries, some of which do not like either China or Xi Jinping, wanted to make it into a grand strategy. Geopolitically, it does not make sense as a grand strategy, but economically it makes a lot of sense. Let us confront this head on – that is, why is China bringing this up? What is there in it for China?

It is for everybody who wants to participate, and by the way, all the major nations signed up with the AIIB except two, the US and Japan; I hope they will join very soon. Obviously, there is something in it for China. Nobody in the international arena does things because of altruism – it must be for their own good. This is very good for China in the short run, because China is over inventoried and has overcapacity. China needs to sell steel, cement and many other things elsewhere.

Secondly, in the medium term, China needs energy security. This is very critical for China; it needs food security as well, but energy security is number one. Regarding the long term, all those countries along the belt, the terrestrial belt, are basically Muslim countries, and China does have some internal issues with the Islamic community, but for the most part, there are only problems in one province, Xinjiang. Therefore, China needs to make friends with all the Muslim countries west of it all the way to the eastern part of Eastern Europe.

Thirdly, unless there is economic development in the terrestrial belt of Central Asia – Kazakhstan, Kyrgyzstan, Uzbekistan, all the way up to Georgia, Azerbaijan, Armenia and so forth – they will not be able to trade with China. China needs to help them first, together with any other countries that want to participate in building the infrastructure necessary for those countries to develop economically.



Finally, it is also good to make friends – after all, every year the US, at the UN and in Geneva, picks on China for its human rights record. I do not know why they do not pick on Saudi Arabia, but anyway, they pick on China, and it is very useful to have more friends.

My last comment before turning to the three speakers is that, 100 years later, 200 years later, 500 years later, all the geopolitical and geo-economic interactions might be accepted for what they are, or they might be forgotten, but whatever happens, one underlying element will not be forgotten, and that is cultural exchange. The Silk Road accomplished something geo-economically and a little bit geopolitically, but the cultural exchange has perhaps affected the world more than anything else.

I am very honoured to be here with these three distinguished speakers. Chun-Ying Leung was former Chief Executive of Hong Kong; under the British it was called the Governor, and after 1997 the top leader of Hong Kong is called the Chief Executive, and I suppose business is very important to us. Mr. Leung was the third Chief Executive of Hong Kong after 1997, and after his term was up, he became Vice-Chairman of CPPCC, the Chinese People's Political Consultative Conference, which ranks him as one of the national leaders of China.

Shiv Vikram Khemka is my other good friend. His family is truly amazing – they hail from India, but his parents are mostly in London, although whenever I am in London his parents are travelling and cannot see me. However, he has lived for 25 years in Russia. He speaks Russian fluently, and many other languages as well, and he is doing business all along the terrestrial belt. India, of course, straddles both the Belt and the Sea Road. He is also doing some business in Russia and China as well, so is truly very qualified to speak on this subject.

Last but not least, we have Dr. Bayu Krisnamurthi, the former Vice Minister of Trade of Indonesia. Indonesia, as we know, is a big country in Southeast Asia – they account for 40% of the population and 40% of the GDP of the entire Asian region. Dr. Bayu is a leader in many fields, including agriculture, trade and so forth, so we are very happy that he can be with us.