

The Potential of the New Silk Road for Europe

by Wang Weidong

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I would first like to thank Mrs. Zepp-LaRouche for her invitation. It is a great pleasure for me to exchange ideas with today's guests from many countries about the Belt and Road Initiative (BRI).

The term "Silk Road" is inextricably linked with Germany. It was invented in 1877 by the German geographer Ferdinand von Richthofen and has long since become common knowledge. But the development of the Silk Road goes back to more than 2,100 years ago. During the Han Dynasty, Chinese official Zhang Qian was sent to Central Asia twice, and thus opened the door to friendly relations between China and the Central Asian countries. At the same time, he opened a cross-connection from East to West, which linked up to the trade routes to Europe as the Silk Road. Chinese goods such as silk, porcelain and tea flowed through that road into all parts of the world, while Confucianism and Chinese culture were spread throughout the Silk Road. This was a major chapter in the history of exchanges between East and West.

Today, 2,100 years later, we find ourselves in an era of constant challenges and growing risks. Unilateralism and protectionism seriously threaten peace and stability in the world, and not a single country can be spared. The right response to that is to set into motion interregional cooperation of even greater magnitude, at even higher and even more numerous levels. When President Xi Jinping proposed in 2013 the initiative of international cooperation on building the New Silk Road, his aim was to enhance connectivity and consolidate pragmatic cooperation so as to meet the risks and challenges of mankind hand in hand, and to promote common development for mutual benefit.



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Purposeful Prosperity

How successful has the Belt and Road Initiative been in these first six years? The project has increasingly gained in international support and approval. So far, more than 160 countries and international organizations have signed 195 government agreements with China. The United Nations, the G20 and APEC have already included the BRI and its key points in their final documents.

In these six years, there have been more than \$6 trillion in trade with countries and the BRI, and more than

\$90 billion in direct investments into the countries concerned, and many cooperative agreements have been set up locally at the same time. So, with that, the BRI has provided a new platform for international trade and investment, and created new leeway for the growth of the global economy.

In these six years, China, together with the participating countries, has founded 82 industrial parks, and they have brought the host countries more than \$2 billion in tax revenue, and created about 300,000 jobs. That cooperation has improved the living conditions of the local populations and created a better business climate and more and more development opportunities. According to a World Bank report, once all the transportation projects of the BRI have been completed, trade should increase by 2.8%-9.7%, and 7.6 million people will have been freed from extreme poverty. So, these accomplishments show clearly that although the BRI began in China, its positive effects have radiated throughout the whole world.

A few days ago, during his state visit to Greece, our President Xi personally visited the port of Piraeus, a project that had been followed with great attention by all sides. Despite critical voices from EU government circles, this project is highly appreciated both by the Greek Government and by workers and local residents. When the Chinese investor arrived here eleven years ago, the port was still in a deep crisis. Since China's entry, however, it has developed rapidly and dynami-

cally. In the worldwide ranking of container trans-shipment, it has already moved up from 93rd place eleven years ago to 32nd place. More than 5,000 new jobs have been created since then. The port of Piraeus is today the largest port in the Mediterranean and one of the fastest growing container terminals in the world. Its development prospects for the future are also promising.

Now, as concerns the cooperation between China and Germany, both countries have already reaped tremendous benefits from their first, early successes. In spite of criticism from government circles and from the EU, they have been very well received by other countries.

Now, if you consider the city of Duisburg, for example, the port was in a severe crisis when Xi Jinping first arrived here. But in the meantime, it's gone from place 93 some years ago, to place 33 this year, and about 3,000 new jobs were created in the port of Duisburg. And in Piraeus, the port is the largest in the Mediterranean region, and it's become the largest for container traffic. And it looks very promising for the future.

Regarding the cooperation between China and Germany, they have, as I said, had much success in the beginning. Now the rail link between China and Europe is the most effective project we can say, in that respect. The shipping time has decreased by about 30% compared to ocean shipping, and the costs are only one-fifth of what air freight costs. So, the benefits are obvious. As of today, more than 17,000 trains have run on the line, and including 40% between China and Germany. The connections pass through more than 50 cities and 15 countries, and ensure a balanced utilization in both directions.

Again, looking to the city of Duisburg as an example, since Xi Jinping's paid a visit there in March 2014, the rail traffic has increased between China and Europe, and it has also favored investments by Chinese companies, so that the number of Chinese companies in Duisburg today has gone from 40 to over 100. In the logistics branch alone, around 3,000 new jobs were created.

Another very important hub of the BRI is the city of Hamburg, and we could say that rail transport between China and Europe has become the longest connection of cooperation on the Eurasian continent, and it's given new impulse to regional economic growth.

A New Era Beckons

This year, we have the 70th anniversary of the founding of the New China, and the diplomatic relations between China and Germany were established 47 years ago. Under the motto, "Cooperation for Mutual

Benefit," relations between China and Germany are being further developed and have reached an unprecedented breadth, depth, and intensity. Bilateral relations in the economy and trade have steadily grown. Germany has maintained its position for more than 43 years now as China's largest trading partner in Europe, while China has become Germany's largest trading partner worldwide. And ever since China introduced a new series of reforms and opening-up, German companies like BASF, BMW, and Allianz have been among the prime beneficiaries.

Looking to the future, one might ask what are the opportunities for both countries, China and Germany, from the New Silk Road? Now, in April of this year, President Xi set out his ideas at the second Belt and Road Forum for International Cooperation; he presented his ideas for high-quality joint expansion of the New Silk Road. In May, when Chancellor Merkel visited the port of Hamburg, she strongly stated the obvious benefits of the BRI for the development of Hamburg and its port. The German Chamber of Commerce and Industry has listed the BRI as a priority, and it promotes working toward a better understanding of the huge opportunities for German companies. Over the past year, I, for example, have often received invitations to events about the New Silk Road. So, the interest is constantly on the rise.

If we look to the third decade of the 21st century, the BRI will enter into a new phase, in which China and Germany, or Europe, will be able to further expand their cooperation. First of all, that means to help define the rules. Germany is a founding member of the Asian Infrastructure Investment Bank, the fourth-largest shareholder, and the largest non-regional investor. In the framework of the AIIB, Sino-German cooperation in jointly financed projects, has proven to be extremely fruitful.

So, Europe, including Germany, is one of the leading voices and forces in establishing rules and standards for the cooperation. So, they have steadily improved and they will continue to do so in the future, and Germany will, of course, be invited to take part to make a contribution.

Secondly, it means opening new third markets. Many German companies have already begun to capitalize on cooperation with third countries, for example, Siemens and Voith have opened overseas markets together, with more than 100 Chinese companies. The port of Duisburg is actively involved in setting up a Sino-Belarusian industrial park and it's negotiating greater logistical coop-

eration with Chinese companies. Working together in third markets is a model for the kind of international cooperation characterized by openness, tolerance, pragmatism and effectiveness. It embodies, in fact, the golden rule of the BRI, which is, “be part of the discussion, be part of the design, and the benefits.” And moreover, it helps the parties involved to unleash new driving forces through the effects of synergy, and to gain mutual advantages according to the formula $(1+1+1) > 3$.

Thirdly, it means promoting environmental development. We used to always pollute first and repair the damage afterwards. In the wake of economic development, however, China no longer wants to stick to that old way of doing things. Therefore, in developing the New Silk Road, the utmost importance is given to ecological compatibility, and environmental protection. The idea is to build a green Silk Road, and we will continue to adhere to the concepts of openness, ecology and honesty. And, in view of the next phase, we have introduced a series of measures for financing, anti-corruption, and environmental production. The German side is, of course, invited to join in and to bring its rich experience to this.

Building Bridges, or Walls?

The world is now at a crossroads, and it must make a choice. Do we want walls or bridges? Multilateralism

or unilateralism? The joint development of the New Silk Road is there to support an open global economy, and worldwide partnerships. But despite the great interests, economically, the official position of the EU and some Western European government remains reserved, if not negative. The mainstream media and the so-called think-tanks always consider the initiative critically, and are often full of fake news.

Nonetheless, we hope that more countries and companies, Germany, of course, will also take an active part in the initiative.

Finally, I would like to take this opportunity to thank Mrs. Zepp-LaRouche and the Schiller Institute. On the one hand, unlike most Western think tanks, you have a profound understanding of the importance of the BRI initiative for global cooperation, for the future of humanity, or in various ways, such as economic, cultural and cultural globalization perspectives, but unlike the others, do not criticize the initiative over and over again and often only from a geopolitical or ideological calculation. On the other hand, you have offered guests from different countries a good platform for exchange and dialogue. I would like to express my sincere thanks for this.

Finally, I wish all the friends present all the best.
Thank you for your attention!