

The Maritime Silk Road and China's Belt and Road Initiative

Pomorski put svile i kineska inicijativa „pojas i put“

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Summary

China's Silk Road Economic Belt and 21st-Century Maritime Silk Road initiative aims to connect Asia, Africa, Europe, and their near seas. This paper considers China's 21st Century Maritime Silk Road. The Maritime Silk Road is a major component of the "Belt and Road" development framework announced by Chinese President Xi Jinping in late 2013. The "Belt and Road" offered by China, is a platform for China's and partner countries new engines of growth. The Silk Road (One Belt) and Maritime Silk Road (One Road) initiatives are inclusive and seek the same goal of win-win situation through joint construction, by following the same principles and connecting three continents. Beijing has promoted the beginning of a long series of dialogues and projects that have involved more than twenty Countries by now, from the Chinese coast, to Europe, following the Indian Ocean, reaching African markets, and crossing the Suez Canal. The route has been proposed as an economic instrument to help its own growth, but also to modernize ports and infrastructures of the Countries that have been taking part in it. The Initiative does not have political or military aims, as it has always been stated, but it has been pursuing a peaceful plan, addressed to Chinese wealth as much as to the worldwide growth. The programme has indeed been based on a win-win approach, which is one of the five principles of pacific coexistence, included in the UN Charter: mutual respect, equality, keeping promise, mutual benefits, and the win-win approach itself.

KEY WORDS

Belt & Road
Maritime Silk Road
win-win
China

Sažetak

Kineski gospodarski pojas puta svile i inicijative Pomorski put svile 21. stoljeća ima cilj povezati Aziju, Afriku, Europu i obližnja mora. Tema rada je kineski pomorski put svile 21. stoljeća. Pomorski put svile je glavna komponenta razvojnog okvira „Pojas i put“ kojeg je najavio kineski predsjednik Xi Jinping krajem 2013. godine. „Pojas i put“ je kineska platforma za nove pokretače razvoja Kine i partnerskih zemalja. Inicijative Put svile (jedan pojas) i Pomorski put svile (jedan put) su uključive i teže istom dobitnom cilju (win-win) ostvarivom zajedničkom izgradnjom, poštivanjem zajedničkih načela i povezivanjem triju kontinenata. Peking je inicirao niz dijaloga i projekata u koje se do sada uključilo preko 20 zemalja počevši od kineske obale, preko Europe i Indijskog oceana, do afričkih tržišta preko Sueskog kanala. Ruta je zamišljena kao gospodarski alat kojim bi se potaknuo rast i modernizirale luke i infrastrukture zemalja sudionica. Inicijativa nema političke ni vojne ciljeve i uvijek se ističe provedba miroljubivog plana usmjerenog na bogatstvo Kine i svjetski rast. Program se temelji na dobitnom (win-win) pristupu, jednom od pet načela pomirljivog suživota, sadržanom u Povelji UN-a: međusobno poštovanje, jednakost, ispunjenje obećanja, uzajamna korist i dobitni (win-win) pristup.

KLJUČNE RIJEČI

pojas i put
pomorski put svile
win-win
Kina

1. INTRODUCTION / Uvod

Silk Routes have existed for thousands of years connecting Asia, Africa and Europe, and many different empires, kingdoms, reigns, societies & cultures and have enriched them by transporting knowledge, ideas, cultures, religions, languages, material goods including silk, spices, grain, vegetables, fruit, animal hides, tools, wood work, metal work, art work. And the road itself has been influencing the development of the entire region for hundreds

of years. Also uniting them all, with a common thread of cultural, religious and environmental heritage. The name came from one of China's most important exports—silk.

On 7 September 2013, President Xi Jinping proposed the building of the 'Silk Road Economic Belt' during his visit to Kazakhstan. The same year, on 3 October, addressing the Indonesian parliament, he proposed the building of a 'New

Maritime Silk Road'. Both are now collectively called „One Belt One Road“ (OBOR) initiative. At the Boao Forum¹, China released the 'Vision and Action on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road' indicating that the OBOR initiative has officially become one of China's national strategies. According to the Chinese authorities, One Belt refers to the land-based Silk Road, whereas One Road refers to the 21st Century Maritime Silk Road.²

The Silk Road Economic Belt is envisioned as three routes connecting China to Europe (via Central Asia), the Persian Gulf, the Mediterranean (through West Asia), and the Indian Ocean (via South Asia). The 21st Century Maritime Silk Road is planned to create connections among regional waterways.³

This initiative, One Belt and One Road (OBOR), comprises more than physical connections. It aims to create the world's largest platform for economic cooperation, including policy coordination, trade and financing collaboration, and social and cultural cooperation. In March 2015 Chinese government published the „Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road“ white paper, which stated that Belt and Road Initiative is open and inclusive. China welcomes all countries and international and regional organizations to join the initiative, which is internationally recognized and has received positive responses.⁴

2. THE ONE BELT ONE ROAD INITIATIVE (BELT & ROAD) / Inicijativa Pojas i Put

The Belt and Road Initiative is a Chinese proposal whose aim is to promote peaceful cooperation and common development around the world. Cooperation under the Belt and Road (B&R) framework is something in which all countries, big or small, rich or poor, can participate on an equal footing. This cooperation is public, transparent, open, and brings positive energy to world peace and development.⁵

„One Belt One Road“ run through the continents of Asia, Europe and Africa, connecting the vibrant East Asia economic circle at one end and developed European economies at the other, and encompassing countries with huge potential for economic development. That is initiative to connect more than 60 countries (65 at present) with physical, commercial, cultural, and other links (see Fig.1 for a map of the countries).⁶ These countries have a combined population on the order of

4.4 billion, accounting for 60 per cent of the world population, 30 per cent of the world gross product, 40 per cent of the world trade.⁷ The „One Belt“ refers to the „Silk Road Economic Belt“, a recreation of the old land-based Silk Road trade routes from China through Central Asia and on to the Middle East and Europe. This is also called the „Modern Silk Road.“⁸



Source: Map from 'Vision and actions on jointly building the Silk Road Economic Belt and 21st Century Maritime Silk Road' document (March 28, 2015), Chinese Academy of Social Sciences

Figure 1 Countries Covered by the OBOR Initiative
Slika 1. Zemlje uključene u OBOR inicijativu

The Belt and Road is set to promote win-win cooperation for shared development and prosperity, peace and friendship, through enhancing mutual understanding, trust, and exchanges. The Belt and Road advocates peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit.

Consisting of two parts—an overland “belt” connecting China with Central Asia, Russia, South Asia, and Europe and a maritime “road” linking Chinese ports with those in Southeast Asia, South Asia, Africa, the Middle East, and Europe—the Belt and Road Initiative (BRI) envisions a vast network of railways, highways, ports, pipelines, and communication infrastructure spanning the Eurasian continent and facilitating trade, investment, and people-to-people exchange.⁹ (see Figure 2).

In 2015, China announced a plan to develop six economic corridors to advance this initiative (see Figure 3).¹⁰

¹ At the Boao Forum for Asia Annual Conference 2015, Boao, 28 March 2015.

² Challenges to freedom of the seas and maritime rivalry in Asia, European Parliament, Policy Department, Directorate-General for External Policies

³ Tian Jinchen "One Belt and One Road": Connecting China and the world Voices June 2016

⁴ „Learning Material for the 1st International Seminar on Belt and Road Initiative with Global Energy Interconnection“ The Silk Road Academy of Chinese Academy of Social Science, The Institut of Quantitative and Technical Economics of Chinese Academy of Social Science, Beijing – China, November 5-18. 2017.

⁵ To run the concept into reality, relevant departments, with authorization of the Chinese government, issued „Vision and Actions on Jointly Building Silk Road Economic Belt and 21st – Century Maritime Silk Road“ in March 2015. In this document, Chinese Government proposes top level design and sets out a grand blueprint for building the Belt and Road.

⁶ Countries Covered by the OBOR Initiative: • China; • Southeast Asia: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, Vietnam; • South Asia: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka; • Central and Western Asia: Afghanistan, Armenia, Azerbaijan, Georgia, Iran, Kazakhstan, Kyrgyzstan; Mongolia, Tajikistan, Turkmenistan, Uzbekistan; • Middle East and Africa: Bahrain, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syrian Arab Republic, Turkey, United Arab Emirates, Yemen; • Central and Eastern Europe: Albania, Belarus, Bosnia & Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Ukraine.

⁷ P.Hong: „Strengthening national policy capacity for jointly building the Belt and Road towards the Sustainable Development Goals“, Department of Economic and Social Affairs (DESA) United Nations, Prepared for the Belt and Road Forum for International Cooperation, 14-15 May, 2017, Beijing, China

⁸ Enright, Scott & Associates: „One Belt One Road: Insights for Finland“ ,Team Finland Future Watch Report, January 2016.

⁹ M.Clarke, A. Small, J. Keough, et.all: China's Belt and Road Initiative: Views from along the Silk Road“, asia policy, number 24 (July 2017), 65–122

¹⁰ Wong B., *The Belt and Road Initiative*, „HKTD“, 21 January 2016, available at: www.china-traderesearch.hktdc.com.

- *New Eurasia Land Bridge Economic Corridor* (or Second Eurasia Land Bridge); a railway that goes from the Jiangsu province, in the East of China, through Kazakhstan, Russia, Belarus and Poland, until Rotterdam in Holland. On this way, Beijing has invested for a network connecting Chongqing and Duisburg, Wuhan, Mělník and Pardubice, Chengdu and Lodz, Zhengzhou and Hamburg. The train convoys travelling along these routes answer to the “convenience of one declaration, one inspection, one cargo release”

- *China-Mongolia-Russia Economic Corridor*; three countries linked by several bonds, because of their geographic proximity. In 2014, in occasion of the Shanghai Cooperation Organisation Dushanbe Summit, the three countries settled a tripartite system of partnerships, that is China-Russia, China-Mongolia and Russia-Mongolia. During the same meeting, the authorities agreed to work for the One Belt One Road strategy, but also to strengthen the investments about

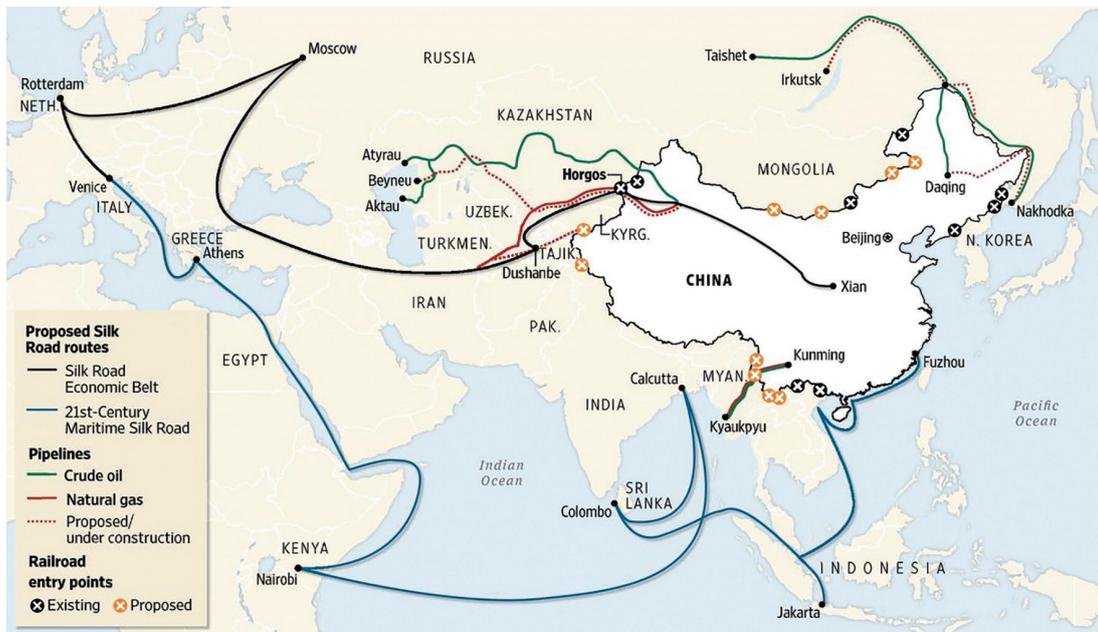
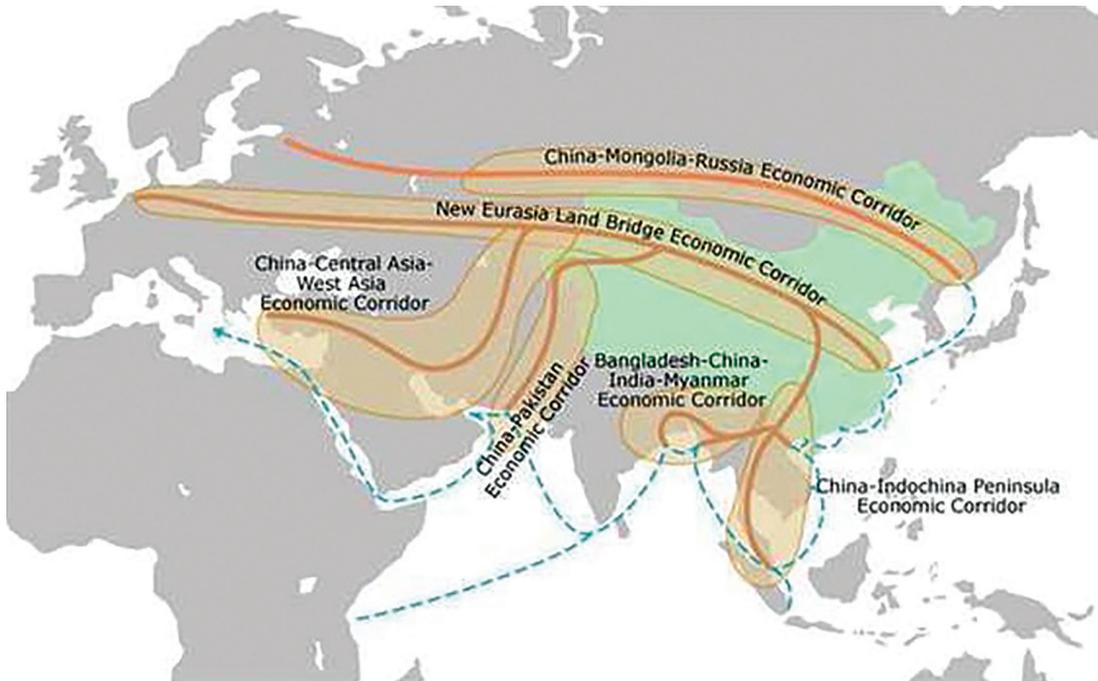


Figure 2 China's Silk Road Economic Belt and 21st Century Maritime Silk Road
Slika 2. Gospodarski pojas Kineskog puta svile i pomorski put svile 21. stoljeća



Source: www.china-trade-research.hktdc.com

Figure 3 Six economic Corridors spanning Asia, Europe and Africa
Slika 3. Šest gospodarskih koridora koji obuhvaćaju Aziju, Europu i Afriku

Russia's Eurasia Land Bridge and the Mongolia's Steppe Road. The following year, in Russia, the three partners adopted the "Mid-term Roadmap for Development of Trilateral Cooperation between China, Russia and Mongolia".

- *China-Central Asia-West Asia Economic Corridor*, from the Xinjiang province in north-western China, through Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Turkmenistan, Iran and Turkey, until the Mediterranean coast in Europe. China has been supporting several projects with all the country along the corridor, such as the "Road to Brightness" in Kazakhstan and the "Energy, Transport and Food" plan in Tajikistan.
- *China-Indochina Peninsula Economic Corridor*, developed in Thailand in 2014, during the Fifth Leaders Meeting on Greater Mekong Sub-regional Economic Cooperation, when Beijing's Premier pronounced "three suggestions" in order to widen the relationship with the region of Indochina. The suggestions were: "jointly planning and building an extensive transportation network, as well as number of industrial cooperation projects; creating a new mode of cooperation for fundraising; promoting sustainable and coordinated socio-economic

development". The five countries have already projected (and partly realized) nine highways crossing their borders.

- *China-Pakistan Economic Corridor*; numerous projects are under construction along the route running from Kashgar, in Xinjiang, to Gwadar, on the coast of Pakistan: highways, pipelines and optic fibre networks. Furthermore, in 2015, China and Pakistan announced the intention of increasing the mutual cooperation, working for example on the Karakorum Highway, for the building of a new airport, a superhighway connecting Karachi to Lahore and one passing close Gwadar Port.
- *Bangladesh-China-India-Myanmar Economic Corridor*; discussed during several meetings undertaken in 2013, the Bangladesh-China-India-Myanmar Economic Corridor Joint Working Group gathered its members for the first time during that same year in China. The representatives of the four Countries have positively considered the future cooperation perspectives and signed mutual agreements to promote the connection, economic, cultural and infrastructural, between the governments

The Belt and Road has identified five priority areas for international development cooperation¹¹:

1. Policy coordination, including building a multilevel intergovernmental macro policy exchange and communication mechanism; coordinating economic development strategies and policies; working out plans and measures for regional cooperation; and providing joint policy support for the implementation of practical cooperation and largescale projects.
2. Facilities connectivity, including improving the connectivity of infrastructure construction plans and technical standard systems among countries along the Belt and Road; forming regional infrastructure network; and promoting green and low carbon infrastructure construction by taking into full account the impact of climate change.
3. Unimpeded trade, including improving investment and trade facilitation, removing investment and trade barriers and ensuring the implementation of the WTO Trade Facilitation Agreement; expanding mutual investment in such areas as agriculture, both conventional and renewable energy, information technology, biotechnology, new materials and other emerging industries.
4. Financial integration, including building a currency stability system, investment and financing system and credit information system in Asia; establishing the Asian Infrastructure Investment Bank and BRICS New Development Bank (which are already in operation); strengthening financial regulation cooperation and coordination; improving mechanism of addressing cross-border risks and crisis; and encouraging commercial equity investment funds and private funds to participate in the construction of key projects under the Belt and Road.
5. People-to-people bond, including promoting cultural and academic exchanges, personnel exchanges, media cooperation, youth and women exchanges and volunteer services; expanding tourism; sharing epidemic information and exchanging of prevention and treatment technologies; increasing cooperation in science and technology by establishing joint labs, international technology transfer centers; and advancing cooperation on youth employment, entrepreneurship training, vocational skill development, social security management, public administration and management.

2.1. Belt & Road areas of cooperation / Belt & Road područja suradnje

The belt and Road initiative calls for policy coordination, connectivity of infrastructure and facilities, unimpeded trade, financial integration, and closer people to people ties. In addition to cooperation in such key areas are also highlighted for the contribution they can make to the prosperity of both economy and culture.

1. Promoting connectivity of infrastructure and facilities. Boosting infrastructure development to enhance transnational and cross-regional connectivity is a priority area for cooperation. China will encourage large and credit-worthy enterprises to build rails, highways, ports, electricity,

¹¹ P. Hong., "Strengthening national policy capacity for jointly building the Belt and Road towards the Sustainable Development Goals", Department of Economic and Social Affairs (DESA), United Nations. Prepared for the Belt and Road Forum for International Cooperation, 14-15 May, 2017, Beijing, China

information and telecommunications facility in the B&R countries.

Aligning quality and technological systems. While respecting the sovereignty and interests of the parties involved, important is to promote cooperation related to standards, measurement, certification and accreditation among B&R countries.¹²

Enhancing transport. China and 15 countries along B&R have signed bilateral and multilateral agreements on facilitation and transport.¹³ Also China opened 356 international transport routes running through 76 land ports, signed 38 bilateral or regional ocean shipment agreements with 47 B&R countries.

Promoting relevant projects. The construction of China-Laos Railway, the Hungary –Serbia Railway, the China- Russia High-speed Railway, the Motorway in Pakistan, the ports of Piraeus, Hambantota and Gwadar and other symbolic projects are well under way.

Connecting energy facilities. China is active in cooperating with relevant countries to promote their energy connectivity, build oil, gas and power infrastructure, and optimize the distribution of energy resources among countries and regions.¹⁴

Building an information network. B&R countries will work to lay cross-border optical cables and build a communication network so as to enhance international telecommunications connectivity.¹⁵

2. Enhancing economic and trade cooperation. B&R countries continue to improve, close economic and trade ties, their trade scale and structure. Driven by industrial transformation and upgrading, increasing domestic demand, and upgrading consumption, China's huge market offers plenty of economic and trade opportunities for B&R countries.

Building the B&R free trade zone network. China supporting more inclusive free trade, and has conducted talks on trade agreements with the economies along B&R.

Facilitating trade. B&R countries will cooperate on their custom clearance systems, and mutual recognition of their respective customs regulations, and mutual help in law enforcement, mutual recognition of inspection results, and networking of electronic certificates. „Single-window“ trials have been launched in international trade, and introduction of integrated procedures for customs clearance and inspection and quarantine work has been stepped up which will realize rapid clearance procedures for import and export.

¹² Chinese government released such documents as the „Action Plan on Connecting the Belt and Road by Standards(2015-2017)“, „Vision and Actions on Jointly Promoting Cooperation of Certification and Accreditation in Building Silk Road Economic Belt and 21st Century Maritime Silk Road“, and the „Belt and Road Vision and Actions for Cooperation in Metrology“ in an effort to accelerate the alignment of relevant standards and work together to formulate international standards or rules of certification and accreditation.

¹³ Including the „Intergovernmental Agreement of the SCO Member States on the Facilitation of International Road Transport“ and the „Intergovernmental Agreement on International Road Transport Along the Asian Highway Network“.

¹⁴ The China-Russia Oil Pipeline, and China-Central Asia Gas Pipeline A/B/C are all operating soundly, construction has started on the China-Central Asia Gas Pipeline D and the east route of the China-Russia Gas Pipeline. China has maintain trade in electricity with Russia and other neighbours and concrete progress has been made in regional power cooperation related to the China-Pakistan Economic Corridor. Chinese Enterprises have joined the exploitation of power resources and grid construction and transformation in the B&R countries.

¹⁵ By the end of 2016. China was connected via submarine cables to America, Northeast, southeast and South-Asia, Oceania, Middle East, North Africa and Europe and via land cables with Russia, Mongolia, Central and Southeast Asia, India and North Europe.

3. Expanding production capacity and investment cooperation. Cooperation in production capacity and equipment manufacturing and mutual investment are two more priority areas of cooperation among the B&R countries. China is major world manufacturer, and highly competitive in several industries, and expanding cooperation consensus with many B&R countries. Based on their consensus, China and its partners have conducted a number of cooperation projects in raw materials, equipment manufacturing, light industry, clean energy, and environment-friendly and high-tech industries. China had set up 17 border economic cooperation zones. The China-Belarus Industrial Park, Thai-Chinese Rayong Industrial Zone and Egypt Suez Economic and Trade Cooperation Zone have become platforms of overseas cluster investment of Chinese enterprises in order to serve as modern international trade platforms for European and Asian business and neighbouring countries as well.¹⁶
4. Expanding financial cooperation. Unimpeded currency circulation, and stronger financing will create a stable financial environment for the B&R Initiative. A network of financial institutions and services is spreading out to support the B&R Initiative through innovative financing mechanisms. The Chinese government encourages development and policy-based finance institutions to take part in B&R financial cooperation activities. Since the Initiative was proposed, the China Development Bank has signed off more than 100 projects in B&R countries. Also China promotes memorandums of understanding to support cooperation on financial supervision.¹⁷
5. Strengthening cooperation on ecological and environmental protection. China is committed to building a green Silk Road. It applies in the areas of ecological progress, environmental protection, pollution prevention and control, ecological restoration.¹⁸
China promoting cooperation on water conservancy with neighbouring countries in the protection and development of cross-border rivers. Also strengthening cooperation in protecting forests and wildlife, protection and use of forest resources, the prevention of fires in border areas, prevention and control of desertification, and wetland protection, and on addressing climate change regarding forestry.¹⁹
China is contributing its plans to global climate governance. It has worked with other countries in the final signing of the Paris Agreement, making an important contribution to the early entry into force of Paris Agreement. Also launching cooperation projects on solar energy, wind energy, methane gas, hydroelectric power and offering training to address climate change.
6. Promoting orderly maritime cooperation. The building of 21st Century Maritime Silk Road relies on maritime

¹⁶ By the end of 2016, China had signed bilateral investment treaties with 53 B&R countries, and with 54 B&R countries had signed double taxation avoidance agreements.

¹⁷ By the end of 2016, the People's Bank of China has signed MOUs with financial regulators in 29 B&R countries.

¹⁸ China signed the „Memorandum of Understanding between the United Nations Environment Programme and Ministry of Environmental Protection of People's Republic of China on Building a Green Belt and Road“

¹⁹ China has signed 35 forestry cooperation agreements with B&R countries. Chinese government has issued „The Guidance on Promoting Green Belt and Road“ to promote ecological progress in the cooperation with foreign countries. Also applying the concept of green financing in building Belt and Road, by publishing the „Guidelines for Establishing the Green Financial System“ in order to direct capital towards environmentally friendly industries.

cooperation – the development of maritime trade, economy and connectivity, the building of a number of ports, and maintenance of a safe and smooth sea passage. That requires cooperation with countries along B&R in other fields including marine science and technology, marine ecological environment protection, marine disaster prevention and reduction, and safety in marine law enforcement.

7. Strengthening cooperation and exchanges in cultural, social and other fields. The Belt and Road, which would have been impossible without the concerted efforts of people from all participating countries, will bring opportunities for trade, tourism, cultural and educational exchanges, and ensure friendly relations between the countries.

Educational and cultural cooperation – Since the launch of the B&R Initiative, China has signed 43 action plans on cultural exchanges on other intergovernmental cooperation agreements with countries along B&R.

Cooperation in science and technology – The Chinese government has signed 46 intergovernmental agreements on scientific and technological cooperation with countries along B&R, covering various fields such as agriculture, life science, information technology, environmental protection, new energy, aerospace, etc.

Cooperation on tourism – To scale up tourist cooperation China is holding Tourist Year events founded in the China Alliance for Silk Road Tourism Promotion, the Maritime Silk Road Tourism Promotion Alliance, with countries along the belt and road, and conducting tourist promotion and exchanges

Cooperation in health care – Prevention and control of contagious diseases, medical system and policies, health care capacity building, personnel training and exchange and traditional medicine is on the most important for China and B&R countries. China and the related countries have published the „China-Central and Eastern European (CEE) Countries Prague Declaration on Health Cooperation and Development“.

People to people exchanges - China has concluded reciprocal visa-free agreements with 55 countries along the B&R, and concluded 19 agreements on simplifying visa procedures, or privilege on visa-free entry, or visa on arrival.

2.2. Financing One Belt One Road / *Financiranje inicijative jedan pojas jedna cesta*

China's leadership has rallied behind BRI, pledging substantial investment, creating new financial institutions such as the Asian Infrastructure Investment Bank (AIIB) and the New Silk Road Fund (SRF), and making diplomatic commitments to countries along the proposed routes. The establishment of supporting multilateral financial institutions, (AIIB) and (SRF), and the publication of an official "blueprint" by the National Development and Reform Commission for the implementation of BRI.²⁰ Beijing has also backed the initiative with a considerable financial commitment, earmarking \$40 billion for the Silk Road Economic Belt, \$25 billion for the Maritime Silk Road, \$50 billion for the AIIB, and \$40 billion for the SRF.²¹

²⁰ National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the People's Republic of China (PRC), "Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road," March 28, 2015 u http://en.ndrc.gov.cn/newsrelease/201503/t20150330_669367.html.

²¹ Richard Ghiasy and Jiayi Zhou, "The Silk Road Economic Belt: Considering Security Implications and EU-China Cooperation Prospects," Stockholm International Peace Research Institute, February 2017, 51 u <https://www.sipri.org/publications/2017/other-publications/silk-road-economic-belt>.

3. 21ST CENTURY MARITIME SILK ROADS / Pomorski put svile 21. stoljeća

One of the major elements of the One Belt, One Road initiative launched by China in 2013 is the concept of the 21st Century Maritime Silk Road. The aim of this mega project is to revolutionize deep-sea trade from Southeast Asia through Africa to Europe, and to put the participating countries on the track of economic development with the help of the infrastructural developments along the coastline. Although the significance of high-speed railways and motorways is unquestionable, maritime transport still plays a primary role regarding the volumes of transport. Therefore, in a global sense, the Maritime Silk Road has an even greater significance than the “economic belt” encompassing continents. The 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. 22 That is, the “Road” is a maritime network of ports and other coastal infrastructure from South and Southeast Asia to East Africa and the northern Mediterranean Sea.

The southern extension of the route offers access to the South Pacific. According to the National Development and Reform Commission of China (2015), the New Silk Road is based on five principles of the United Nations charter: *mutual respect, mutual non-aggression, mutual non-interference, equality and mutual benefit, and peaceful coexistence*. The MSR would play a vital role for development in the seas through regional cooperation based on infrastructure development, financial integration, free trade, and scientific and human exchanges. The same is supported by academic literature and government reports that how the MSR may evolve newer patterns of regional trade and diplomacy.

3.1. Growing The Maritime Silk Road / Razvoj pomorskog puta svile

After China, the second most important region of the Maritime Silk Road is Southeast Asia. To break connectivity bottlenecks, China’s geostrategic objective underpinning the Maritime Silk Road project is to guarantee China’s control over the most important sea trade routes and uninterrupted import of raw material.

The Maritime Silk Road leaving from Fuzhou province traveling along the Malacca Straits and ending up in Europe. The Maritime Silk Road and ASEAN is most affected region of the project.²³

The Malacca Straits and Singapore are of strategic significance, but due to the power of the city state Singapore, Chinese influence may be considered minimal here. One of the key goals is to decrease China’s dependence on the Malacca Strait, which carries almost 90 per cent of China’s sea borne trade and energy supplies. Given this heavy dependence on one route, Beijing faces a “Malacca Dilemma”. Therefore, to avert the risks inherent in this dilemma, Chinese policy aims at building ports in the Indian Ocean Region (IOR). This is witnessed in China’s port facilities in countries such as Myanmar (Sittwe), Pakistan (Gwadar), Sri Lanka (Hambantota) and Bangladesh

(Chittagong). In order to decrease the dependency from the Malacca Straits, China is also interested in the cooperation with Myanmar. The parties have agreed upon the construction of a deep-sea port and an industrial park in Kyaukphyu.

Some concepts even consider connecting the Thai Gulf and the Andaman Sea with a canal realistic. Kra Canal, or the concept of cutting a canal through the Isthmus of Kra in southern Thailand, has been a conception in the minds of visionary thinkers for hundreds of years. For Asia, the Canal will become the hub for rapidly expanding trade and cooperation between India and China, between Japan and Korea, and between Africa and Southwest Asia on the one side, and with all of East Asia on the other.

Indonesia wishes to become a kind of “coastal axis” between the Pacific and the Indian Sea, and Chinese plans are completely adapted to this idea. For China it is enormous business, since Jakarta wants to build nearly 30 ports all over the country in the near future, mainly with the help of Chinese companies.

In South Asia, the main partners are Sri Lanka, the Maldives and Pakistan. Sri Lanka welcomed the “Colombo Port City” project due to the port in Hambantota and the new quarter to be constructed around it.

Pakistan has a central position China’s One Belt, One road initiative. Although the China-Pakistan Economic Corridor – concentrating on the development of the road network – may primarily be regarded as an organic part of the Silk Road Economic Belt, it also means an important link with the new Maritime Silk Road. Pursuant to an agreement made last year, China will implement developments in the port of Gwadar, partly providing an alternative to the trade routes crossing Southeast Asia.

The next strategically significant station of the new Maritime Silk Road is the coast of Africa. Senegal, Tanzania, Djibouti, Gabon, Mozambique and Ghana are all included in the Chinese investment plans. Like other regions, the development of ports, roads and railways are closely connected here as well. China’s enhancing economic presence on the continent may lay the foundation of Africa’s long-term development.

Egypt – due to the significance of the Suez Canal – is also participating in the Maritime Silk Road. The Chinese are primarily interested in upgrading the port of Port Said and increasing the capacity of the canal.

4. DESTINATION OF THE MARITIME SILK ROAD – EUROPE / Destinacija pomorskog puta svile - Europa

The destination of the Silk Road in Europe can be found in the port of Piraeus in Greece and in north Adriatic sea ports.

Greece: Port of Piraeus - Placed out of the Greek capital (just 10 km from Athens), the Port of Piraeus is one of the main ports in Europe. Thanks to its strategical position, it represents a point of connection between Asia, Africa and Europe itself, and the international ships rely on it with different aims.

A second terminal in the Athenian port is nowadays handled by the COSCO Pacific Limited, subsidiary of the Chinese PCT COSCO Group: based in Honk Kong, the company represents

the fifth container operator at a global level. The agreement signed has also taken to China an area of 23.986 m2 inside the Free Zone, where goods are stored between the transfers, and where Beijing has promoted the presence of one of its most significant international companies. The new centre in Athens

²² “Vision and Actions”, March 2015.

²³ Association of Southeast Asian Nations (ASEAN) was established in Bangkok, on 8. August 1967. Founding Fathers were the Foreign Ministers of region leaders Indonesia, Malaysia, the Philippines, Singapore and Thailand. These latter incorporations were Brunei Vietnam, Lao PDR, Myanmar and Cambodia.

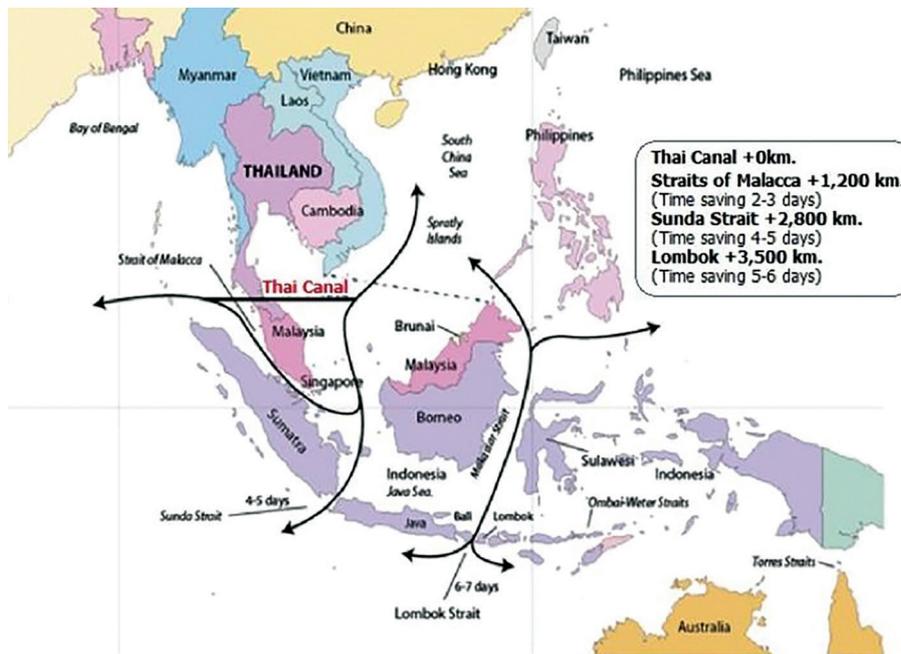


Figure 4 The Kra Canal as the hub for the Indian and Pacific Ocean basins
 Slika 4. Kra kanal kao čvorište za Indijski i Tihoocean

allows Beijing to access to a more efficient diffusion without paying taxes or duties, especially towards Germany, Spain, Italy, France and the United Kingdom.

After the signature of a new deal Beijing has gained the control over 51% of the Piraeus Port Authority until 2052, under the payment of around € 280 million. In addition, according to the agreement, the Chinese group will pay in a second stage other € 88 million to manage a further 16%.²⁴ In this way, Beijing got the benefits not only from the container's industry, but also from the cruise and car terminals. Both key factors in the Greek economy, since it is from the Piraeus that a lot of ships and ferries leave for touristic reasons (18 million passengers would leave Greek shores every year, making it the first port in Europe). But it would also be significant for Chinese future prospects, tourism being a growing sector in China, and with China's citizens more and more travelling abroad.

Entering from the Greek door, China has the possibility to access those regions facing the Mediterranean Sea, but also the inner nations, where Beijing has important interests: first of all, the chance to bring here its products, taking advantage of its proximity to the Suez Canal; secondly the encounter with a highly advanced technology. The aim is obviously to widen the possibility for China to reach more rapidly new markets, as well as to ease the circulation of those goods that it is interested to import.

The Ports of the North Adriatic - Besides the growing role of the Port of Piraeus in Greece, China is looking at another area of Europe, in order to expand its initiative of the 21st Century Maritime Silk Road. Here, China has already started an investment project, taking advantage of a changing and widening area, which is part of a bigger region always in evolution. The European Union, the necessity of being part of a single market, the global financial crisis and the phenomenon of globalization are all elements that have been strongly influencing the role of a port like Venice, which cannot simply be an Italian port anymore, but has instead become a global port itself. And to

²⁴ Vassilopoulos J., *China completely majority purchase of Greece Piraeus port*, "World Socialist Web Site", 2 September 2016, available at: <https://www.wsws.org>.

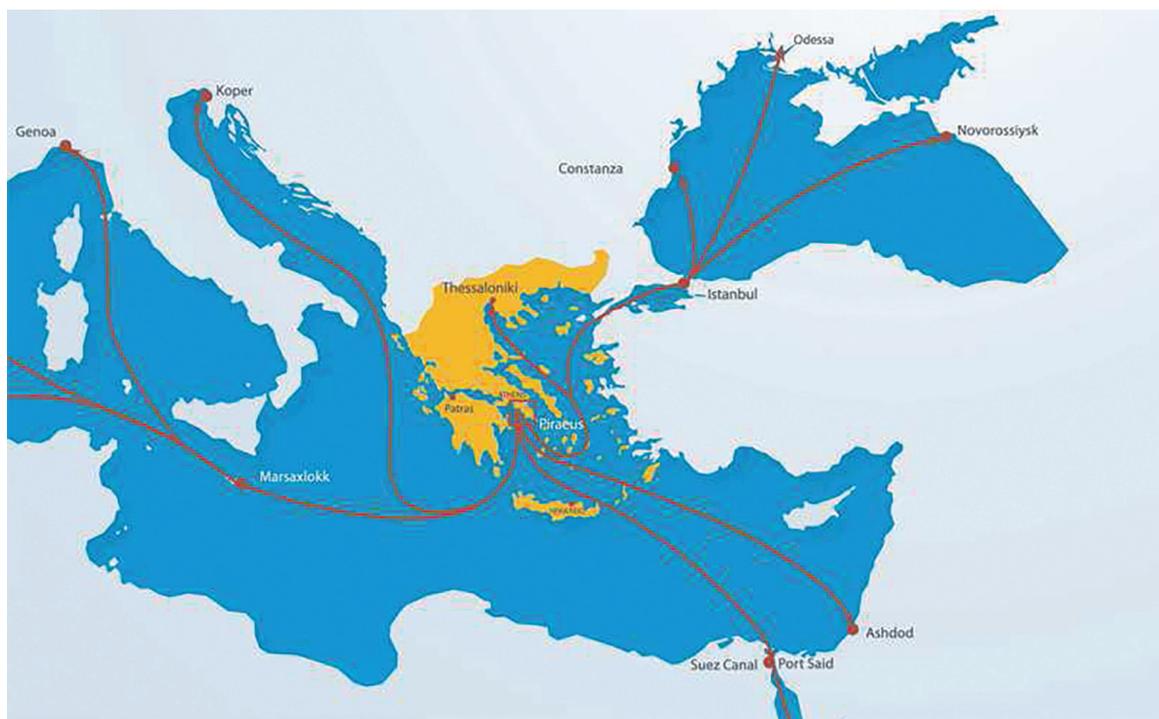
do this, it has to face its capacity of renewing and adapting to the evolving reality. In fact, Venice is only one actor in a wider scene that involves the whole region in the North of the Adriatic Sea, which includes not only Italy, but also Slovenia and Croatia. These countries can indeed benefit from the movement of the international economic barycentre towards East Asia, with the emerging of new economies and the entrance of China in the World Trade Organization in 2001. North Adriatic Sea ports in general, has to face a obstacle, which is objectively constituted by the presence of hills and mountains that divide North Adriatic Sea ports from the rest of the European market, and that would benefit the ports of other nations, preferably chosen by overseas companies. According to a wide strategy, the problem would be solved by the creation of a network – a core network – of nine corridors – core corridors – that should connect the most important ports to their potential distribution centres. Parts of these lanes, there are four concerning Italy and, among them two passing on the Adriatic coast:

- the corridor five, which runs through Gdynia, Katowice, Ostrava/Žilina, Bratislava, Vienna, Klagenfurt, Udine, until Venice/Trieste;
- the corridor six, which runs from Almeria, through Valencia/Madrid, Saragossa/Barcelona, Marseilles, Lion, Turin, Milan, Verona, Padua/Venice, Trieste/Koper, Ljubljana, Budapest, Zahony, until the Ukrainian border.

These same corridors would support the development of the ports themselves, whose potential and capacity will not be given only by their maritime role, but also and most of all by their being part of that European network.

In the same area of the North Adriatic it has been developed the network system of the "multi-port gateways", given by the integration between the five main ports of the region. This strategy asks for the improvement of the maritime structures, as of the hinterland behind them.

As already stated, the North Adriatic can benefit from its position, being the more northern point in the whole Mediterranean Sea, and at the same time so close to the central Europe.



Source: www.railwaypro.com

Figure 4 Greece ports hub
Slika 4. Čvorište grčkih luka

Moreover, thanks to its morphology and being it so narrow, all the five main ports of the region are close enough (between 300 and 500 kilometres) to cities such as Rome, Turin and Basel – docking to Venice and Ravenna ; Vienna, Bratislava and Munich – from Venice, Trieste and Koper; Budapest, Sarajevo, Belgrade and Zagreb – from Trieste, Koper and Rijeka

From here the strategical necessity of cooperation between Italy, Croatia and Slovenia, especially towards the vessels arriving from the Far East. The exploitation of the region would be an advantage for Chinese vessels especially: the route from Shanghai to North Adriatic is indeed 2000 miles shorter than the route until Hamburg (corresponding to an eight days trip), with a high saving in the production of CO₂, so to have a central role in the energetic global strategy. The Adriatic region can win over the North European monopoly only working as a single port with five stopovers, that are Venice, Trieste, Koper and Rijeka, already part of the North Adriatic Port Association, and Ravenna.²⁵

The vision of NAPA is indeed, as it is possible to read on its website, the idea of forming “a European logistics platform, in particular with regard to servicing the markets of the Far East as well as Central and Eastern Europe”. In order to realise the policy pursued in the South Europe (but that will influence all the nations that are part of it), it is then fundamental:

- to improve their capacity of welcoming the huge vessels that are travelling more and
- more across the seas;
- to equip themselves with broad spaces where to improve their logistic infrastructures;
- to modernize their inner communication routes, to be capable of moving the containers by roads, railways and by

water.

In particular, the railway corridors would develop on three routes:

- the first one going from Brenner to Bologna;
- the second one crossing, on one side, Klagenfurt – Udine – Venice – Trieste – Bologna – Ravenna, and, on the other side, Graz – Maribor – Ljubljana – Koper – Trieste;

The goal that these five ports are following is to reach a total capacity of 6 million TEUs every year, which would mean for each of them to handle 1,5-2 million TEUs.

The Port of Koper represents the only possibility to enter the Slovenian Sea and, for this reason, it is central in the national strategy, answering to a national necessity before than an international potential. According to the plan settled by the central administration, the port wants to become a multipurpose centre, focusing on the car and container traffic, this last one already a growing sector, but aiming to reach a total capacity of 35 million of goods every year.

The port of Rijeka, in Croatia, is pursuing a double development:

- on one side, it has been planned the building on Zagreb Pier of a new terminal for the movement of traffic containers. With the realization of a quayside of 680 metres, on a surface of 25 hectares, and a depth of 20 metres, it will be able to handle an annual traffic of 750.000 TEUs. In order to accelerate the circulation and increase its efficiency, the Croatian administration is working on the widening of the national railroad connected to the port, since it has always managed the 50-60% of the port traffic. The rest of it has been moved by road, so that it has been decided to add new lanes to connect the port itself to Zagreb, Split and Ljubljana.
- on the other hand, the project has provided for the Adriatic Gate terminal to be widened as well. On the maritime side it will reach a further surface of 5 hectares, and, on the land

²⁵ The NAPA organization was founded in 2010 following the idea of the President of the Port Authority of Ravenna at the time, which then left it in 2012, after the concession of a big loan for the realization of the offshore-onshore system of Venice. North Adriatic Port Association, *About NAPA*, available at: www.portsofnapa.com.

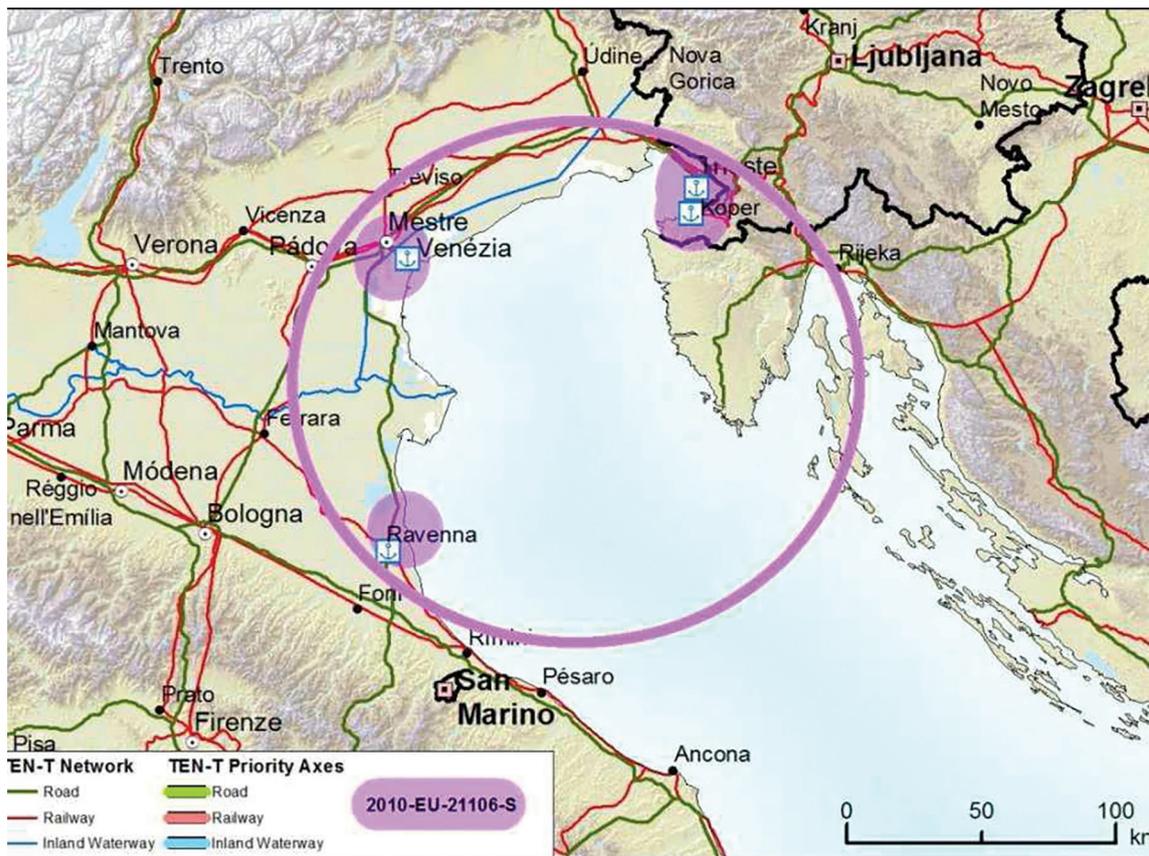


Figure 5 North Adriatic Port Association (Five Ports Alliance)
 Slika 5. Udruga luka sjevernog Jadrana (Savez pet luka)

part, it will be broadened for a whole surface of 17 hectares. The plan will improve the structures part of the port itself, such as the warehouses for the storage of the products, another closed storehouse for the turnaround of the goods, and the car park in front of the area. In addition, it will be built a railway terminal for the transportation of the goods to and from the port.

In the process of improving and modernizing the port area and the routes connected to it, China has entered through the interests showed by the state-owned COSCO. The Chinese partnership would be extremely important for the Croatian government, especially after the worsening of the relationships with Hungary over the refugees' crisis, which has pushed it to look for new investors.

The port of Ravenna has been working for the strengthening of its logistical capacity and the developing of its multipurpose logistic system. According to the plan, the port will be provided with a new container terminal, which will require:

- two channels that will be realized with a depth of 11,50 and 12,50 metres;
- a pier 1000 metres longer, and a floor deep 14,50 metres, so to reach a volume of 600.000 TEUs per year;
- the development of the cruise terminal;
- the improvement of the railway system and of the river routes, with the widening of these last ones. After the realization of the project, the inner water ways will handle touristic and commercial traffic, and not only touristic as it was happening before.

Also Ravenna has been trying to increase its international attractiveness. It has already been interested in recent times

by foreign investments, with the financing of the American company Bunge, but it is now looking for a further support. The same administration has declared to be focusing on the improvement of the port image as a desirable territory for international investors, focusing on its quality and innovation. The international interests, and Chinese in particular, have been high also on the other two ports that will be part of the multi-purpose gateway.

In Trieste, the port administration has been planned to pursue the realization of a logistical platform to handle a major quantity of containers and to increase the port offer through the enlargement of its piers, the building of new container and RO-RO terminals. The current land use was approved in 2015, after six years of discussion, going to substitute the previous one, implemented since 1957; the plan is now attending for a last approval by the region to be operative, after the signature of a draft agreement. According to the plan, the port is expected to be improved in its infrastructures, widening its functions and its spaces, in order to take part in a wider logistical system. The port of Trieste has also attracted the national attention for having been the first maritime area in Italy to adopt the SEA (Strategic Environmental Assessment) and the EA (Environmental Assessment) procedures, generally introduced in port areas. Both of them are addressed to the protection of the environment and the value of a low environmental impact in the modernization of ports.

5. CONCLUSION / Zaključak

China's Silk Road Economic Belt and 21st-Century Maritime Silk Road initiative aims to connect Asia, Africa, Europe, and their near

seas. The Belt and Road Initiative, and the 21st Century Maritime Silk Road in particular, have been launched for more than five years by now. Maritime Silk Road is a regional cooperative regime and it will provide public goods for regional countries. 21st-Century Maritime Silk Road is a process of co-building, sharing and opening. Co-building of 21st-Century Maritime Silk Road means regional countries share the responsibilities of providing public goods while China as a big country may provide bigger share for the public goods and sharing the public goods by the regional countries. As an open regime, 21st-Century Maritime Silk Road welcomes other countries to join the “club” to share the responsibilities and obligation.

China’s 21st Century Maritime Silk Road has been supported by a large number of investors, from national companies and banks, to the governments of the Countries where Beijing has invested, but it has been promoted firstly by the New Development Bank, the Silk Road Fund and the Asian Infrastructure Investment Bank.

The Maritime Silk Road has been helping to ameliorate a large number of ports, signing numerous deals, from East Asia to the high Adriatic sea, and other dialogues have been started all along the worldwide shores. 21st Century Maritime Silk Road represents for China a significant opportunity, and the number of agreements related to it is growth, as the dialogue with the potential partners.

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