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BEIJING REVIEW

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SETTING SAIL

The Maritime Silk Road initiative breathes
new life into an old trade route

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A photograph of a diverse group of people, including men and women of various ethnicities, seated in a lecture hall. They are all smiling and looking towards the right side of the frame, suggesting they are engaged in a presentation or lecture. The audience is seated in rows of red chairs.

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EDITOR'S DESK

The Silk Road Reborn

A national plan guiding the construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road is currently in the works and is expected to be released soon. The One Belt and One Road initiatives, which have attracted worldwide participation, represent some of the leading programs of their kind with respect to the ongoing process of economic globalization.

The 21st Century Maritime Silk Road was first proposed by President Xi Jinping while visiting Indonesia in October 2013. In scale and ethos, the initiative can be seen as a continuation of the legacy of its ancient predecessor, which stretches back some 2,000 years. The scheme was first put forward at a time when strategic partnership between China and its ASEAN counterparts had entered its 10th year. Underlying this concept is to galvanize relations between China and Southeast Asian countries in the pursuit of common prosperity among all concerned.

At present, the scope of the initiative is not limited merely to China and Southeast Asian countries but has expanded to incorporate countries in South Asia, Central Asia, Africa, the Asia-Pacific and Europe, with the long-term goal of economic and trade integration in sight. Therefore, the scheme does not solely pertain to the interests of China and its partners, but represents a blueprint for global economic and cultural exchanges.

The initiative clearly demonstrates China's intention to further open up to the outside world and its desire to engage

in cooperation on an equal footing with partner economies on country-to-country and regional levels, as well as to promote cultural exchanges between the parties concerned.

Against the backdrop of the recent global financial crisis, the need to bolster international cooperation has become increasingly apparent to all. The 21st Century Maritime Silk Road allows regions and countries to together build a strategic platform from which economic growth might be spurred. Additionally, it represents an attempt by China and partner countries to promote the facilitation of communication, understanding, tolerance and cooperation in the global community, with the normalization of peaceful relations being the ultimate goal.

In recent years, owing to its fast-growing economy, China has frequently been identified by some as a potential threat. However, the 21st Century Maritime Silk Road provides positive proof that China's rise will not be achieved at the expense of other countries' interests but that, conversely, the country will hold true to the fundamental principle of mutually beneficial cooperation in terms of international relations and trade.

Just like the ancient maritime silk route, which evolved from economic and trade exchanges between the East and West, the modern successor hopes to emulate its ancestor in furnishing all regions involved in the scheme with more opportunities for growth and prosperity. ■

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FOOD FOR LUCK

Locals are given free porridge to mark the Laba Festival on January 27 in Qiankou Township, Huangshan in east China's Anhui Province.

The festival falls on the eighth day of the 12th lunar month every year and dates back to over 1,000 years ago. In ancient times, the Chinese would cook porridge on this day as a tribute to the God of Agriculture. The festival is also intended to celebrate the harvest and pray for blessings in the upcoming year.

The porridge typically consists of eight ingredients, including rice, peanuts, green beans, red beans and lotus seeds. The ingredients used vary from place to place.



Wonderful and White

A tourist enjoys the scenery in Jilin of northeast China's Jilin Province on January 22.

National Park

China plans to build a national park in the Sanjiangyuan region, the cradle of the Yangtze, Yellow and Lancang rivers in northwest China's Qinghai Province.

A guideline for the park has been completed by a design institute under the State Forestry Administration. The park will cover more than 30,000 square km, including the rivers' sources in Madoi, Zhidui and Zadoi counties. If the plan is given the green light, construction can begin as early as the end of this year.

At an average altitude of 4,000 meters on the Qinghai-Tibet Plateau, the Sanjiangyuan region is a paradise for herders and wildlife, such as the Tibetan antelope.

"Sanjiangyuan boasts an ecosystem comprising of glaciers, meadows and wetlands. It's not common in China, even Asia, and has scientific value," said Wang Enguang, chief engineer with Qinghai's forestry department.

China established the Sanjiangyuan Nature Reserve in 2000. Five years later, a 7.5-billion-yuan (\$1.2-billion) ecological conservation project was launched in the region. In last January, a second-phase conservation project for Sanjiangyuan started with an investment of 16 billion yuan (\$2.54 billion).

Thanks to the efforts, the forest coverage rate in Sanjiangyuan increased from 3.2 percent in 2004 to 4.8 percent in 2012, and is expected to reach 5.5 percent by 2020.

Careers in Social Work

The Ministry of Civil Affairs (MCA) on January 26 named 42 prominent social workers to encourage more people to take up the profession.

The professionals work with mental health patients, individuals, families, groups and communities, said MCA social work division head Wang Jinhua.

There are 159,000 registered social workers and assistant social workers in

COLORFUL SHOW

A visitor looks at a water-color painting at China Water Color Art Show, which kicks off on January 23 in Beijing



China, and more than 400,000 people are engaged in social work.

In 2014, 2.35 billion yuan (\$382.8 million) was invested in social work, up 40.7 percent year on year.

There are more than 30,000 registered social organizations in China as of 2014, said MCA spokesperson Chen Rifa, adding that of that number about 5,000 committed violations in 2014.

Overseas Talent

China has expanded its program to attract overseas talent by adding 55 introduction plans to the latest brain-gain list.

Overseas personnel introduced by the plans will enjoy preferential policies in visa applications, residence permits, settling in China as well as exit/entry convenience equal with members of the influential Thousand Talent program initiated in December 2008, the *People's Daily* reported on January 25.

More overseas personnel have come to China thanks to the talent introduction programs. Since 2008, the Thousand Talent program has introduced more than 4,100 overseas staff, with local governments attracting more than 30,000, according to official figures.

By the end of 2013, more than 1.44 million overseas Chinese students had returned to China, with returnees in 2013 five times the number in 2008.

The newspaper cited biologist Shi Yigong with Tsinghua University and physicist Pan Jianwei with the University of Science and Technology of China, both among the first group of Thousand Talent program scientists to come back to China, the backbone of the country's innovation.

New rules on foreigners' permanent residence in China are in the pipeline and expected to take effect before the yearend, which will further highlight preferential policies.

Pay Rise

Over 40 million civil servants and employees of government-sponsored institutions will be given, on average, a monthly salary increase of about 300 yuan (\$48), a senior official said on January 23.

"The increase is not big," said Li

Zhong, spokesman of the Ministry of Human Resources and Social Security, at a press conference, who added previous media reports of a 60-percent pay raise were not accurate.

The adjustment coincides with efforts to unify the pension system for private-sector employees, civil servants and employees of government-sponsored institutions, according to the spokesman.

Pension reform aims to replace the current system, which sees non-public employees paying into their own pensions while civil servants and staff of government-sponsored institutions enjoyed pensions without contributing anything.

The adjustment plan, which will see the first basic salary increase since 2006, also aims to optimize the salary structure by merging some additional allowances or merit payments into the basic salary, Li said.

The basic salary had constantly accounted for a decreasing proportion of civil servant's incomes since 2006, which Li said was unreasonable.

Sky Burial Legislation

Tibet Autonomous Region will make a law to better protect sky burials, a traditional ritual that has drawn controversy after guides began leading tour groups to view the ceremony.

Sky burial is a Tibetan and Mongolian tradition in which bodies are fed to vultures and other predatory birds. It is regarded an act of generosity and a ritual that allows the soul to ascend to heaven.

The Tibet Regional People's Congress,

"It will be the first time for Tibet to regulate sky burials using legislation, which shows respect and offers protection for the millennium-old tradition."

Samdrup, an official with the Standing Committee of the Tibet Regional People's Congress



Twenty Twenty

A child gets an eye test at a juvenile visual protection base in Chengdu, Sichuan Province, on January 28.

It is the first non-profit juvenile visual protection base in the city and it aims to help young people better protect their eyesight.

Figures from the National Health and Family Planning Commission show that more than 25 percent of primary students and more than 50 percent of middle school students are near-sighted in China.



JANG HONGJING

the local legislature that concluded its annual session on February 23, passed a bill to better regulate sky burials, covering issues like management of the site, environmental protection and qualifications of ritual hosts.

Online Population

China's netizen population, the world's largest, reached 648 million at the end of 2014, 16 million more than in June,

according to an industry expert.

Jin Jian, Deputy Director of the China Internet Network Information Center (CNNIC), said that online economy accounts for 7 percent of the nation's GDP, up from 3.3 percent in the previous year.

Chinese consumers are eager to spend online. Internet retail sales totaled 331 billion yuan (\$52.54 billion) in the first 10 months in 2014, up a stunning 55.6 percent over 2013.

Media Awards

President of Xinhua News Agency Cai Mingzhao (left) presents award of news teams in developing countries to Al Jazeera English at the awarding ceremony for the World Media Summit (WMS) Global Awards for Excellence in Beijing, on January 27.

The WMS Global Awards for Excellence was the first comprehensive global news awards covering multiple media formats—spanning traditional print, photography, video and integrated media.

The awards are designed to be authoritative, credible and globally influential. They are open to news organizations, professionals, teams and organizations from around the world.



SHEN YEHUA

WeChat Advertisement

WeChat, now China's most-used instant messaging smartphone app with about 468 million monthly active users, has kicked off an advertising program on its content-sharing platform.

Advertisements for Coca-Cola Co., BMW Brilliance Automotive Ltd. and smartphone maker Vivo Communication Technology Co. Ltd. were shown on the night of January 25 in the Moments timeline of WeChat, which is run by Tencent Holdings Ltd.

The advertisements look like Facebook's News Feed, and users are given the right to opt out of the advertisements if they are not interested.

Tencent said that "a rather intelligent technology" is used to push the ads to their targeted audiences or, in other words, different WeChat users will

receive different advertisements.

The advertising program marked a major step in WeChat's commercialization. The app, which was launched in January 2011, has established itself as a super gateway connecting its huge user pool with other third-party services, such as online shopping and taxi hailing. However, the advertising program marks the most straightforward method to date of earning revenue.

Beijing-Moscow Rail

The first high-speed rail link between Beijing and Moscow will run for more than 7,000 km and span three countries—China, Kazakhstan and Russia, according to the Information Office of the Beijing Municipal Government. The office made the revelation in a post on Sina Weibo, a Twitter-like microblog-



LANTERN SURGE

A worker produces lanterns in Wuyi County, east China's Zhejiang Province, on January 26. Market demand for lanterns surges before the Spring Festival, China's New Year, which falls on February 19 this year

ging service, on January 21.

The Beijing-Moscow high-speed rail project was proposed by Chinese Premier Li Keqiang during his visit to Russia last October. Li said that China was ready to advance the establishment of a Eurasian high-speed transport corridor linking Beijing and Moscow.

Local newspaper *Beijing Times* reported that about 1.5 trillion yuan (\$242 billion) was expected to be invested in building the new line that would cut train travel time from Beijing to Moscow to two days. Currently, a one-way trip takes six days.

The China-Russia high-speed corridor will be a key project in the Silk Road Economic Belt China has proposed. The proposed trade route covers China and Central Asian Countries, aiming to deepen the connection between China and those countries.



Cheaper Gas

A car fills up at a gas station in Shanghai, on January 26, when the National Development and Reform Commission, China's top economic planner, announced the 13th consecutive cut on retail prices of gasoline and diesel since July 2014.

China's domestic fuel prices are reduced when international crude prices change by more than 50 yuan (\$8) per ton within a 10-working-day period.

Bad Loans

The non-performing loan ratio of China's commercial banks rose to 1.29 percent in the fourth quarter of 2014, official data showed on January 23.

The ratio was up from 1.16 percent at the end of September 2014, the China Banking Regulatory Commission (CBRC) said. Commercial banks' bad debt ratio stood at a five-year high of 1.3 percent in the second quarter of 2010.

Despite the rise in the bad debt ratio, Wang Zhaoxing, Vice Chairman of the CBRC, said that the risk in China's banking sector is "under control" with the banks' capital adequacy ratio and provision coverage ratio both at healthy levels.

At the end of November 2014, Chinese commercial banks' capital adequacy ratio, which reflects a lender's capacity to cushion potential losses with its capital, stood at 12.93 percent, up 0.75 percentage point from one year earlier.

Aussie Acquisition

Australian private equity group Blackstone has sold a piece of real estate overlooking the landmark Sydney Harbor Bridge and the Sydney Opera House for AU\$415 million (\$327 million)



From Red to Black

Bullet trains prepare to depart the Beijing South Railway Station, the starting point of the Beijing-Shanghai High-Speed Railway in the north, on January 26.

In 2014, the total ridership on the Beijing-Shanghai high-speed line exceeded 100 million.

A surge in passenger traffic turned the high-speed rail route profitable for the first time in 2014, its third year of operation.

to Chinese property giant Dalian Wanda Group. The transaction is expected to close in March.

Wanda bought Gold Fields House in Sydney's business district from Blackstone's portfolio company, Valad.

Gold Fields House had been owned by Blackstone since 2011 when it bought up the interests of Australian property group Valad, its first major Australian acquisition. The property was built in the 1960s and has been used as offices.

GDP Farewell

Shanghai, China's largest business hub, has abandoned GDP growth targets to emphasize the quality and efficiency of the economy. Mayor Yang Xiong said on January 25.

LITTLE LAMB, LARGE INCOME

A veterinarian vaccinates a lamb in Qinglong Manchu Autonomous County, Qinhuangdao, north China's Hebei Province, on January 25. Animal husbandry has greatly increased local income



Shanghai will continue to optimize its economic structure and focus on innovation, Yang revealed in a government work report at the annual meeting of the municipal legislature.

The report shows Shanghai's ambition to become an international center for technological innovation. It said that research and development expenditures will account for above 3.6 percent of the city's GDP in 2015. Aircraft engines, scientific research of the human brain and artificial intelligence will be the main focus.

Hello Moto

Motorola announced its return to China's mobile phone market on January 26, two years after abandon-

ing the world's largest smartphone market.

Motorola Mobility, the American mobile device subsidiary of Chinese IT company Lenovo, unveiled three smartphones in Beijing that day to appeal to a market that sees intense competition between Apple, Samsung and homegrown brands Xiaomi and Huawei.

Motorola Mobility, headquartered in Chicago, quit selling phones in China as well as some other markets in the Asia-Pacific region and Europe in 2013, after it was bought by Google Inc.

Lenovo acquired the company from Google for \$2.9 billion early last year and has since prepared to re-launch the brand in more emerging markets.

Company officials said that coming back to China and other emerging markets will help Motorola Mobility become profitable.

Landmark U.S. Deal

China CNR Corp. Ltd., a leading manufacturer of locomotives in China, announced a subway export contract with the United States on January 26. It is the country's first foray into the U.S. rail transit market.

China CNR will sell 284 subway trains worth \$670 million to the transportation regulator in Massachusetts to equip Boston's Red and Orange subway lines, according to the announcement.

The subway trains are designed to run 102 km per hour and up to 129,000 km a year on regular maintenance for at least 30 years.

The Chinese company also plans to tap markets in New York, Washington and other U.S. cities. It will set up a R&D base in the United States to promote localized production by recruiting and training locals.

The United States contract means that, throughout the value chain, China's rail companies now cover the world's six continents.

China has been accelerating attempts for overseas investment in its rail technology, with cooperative talks with 28 countries underway.



POLAND

Survivors are overcome with emotion upon their arrival at the former Auschwitz concentration camp in Oswiecim on January 26 to attend a ceremony marking the 70th anniversary of the liberation of the camp by Soviet troops on January 27, 1945



BRAZIL

Children play in the water at Madureira Park during a heat wave in Rio de Janeiro on January 25



THE PHILIPPINES

Police transport the dead bodies of soldiers killed in a clash with Muslim rebels in the town of Mamasapano on January 26 as renewed violence threatens a peace accord between the government and rebels



SAUDI ARABIA

U.S. President Barack Obama talks with Saudi Arabia's new King Salman bin Abdulaziz Al Saud after arriving in Riyadh on January 27 to offer his condolences over death of King Abdullah bin Abdulaziz



GREECE

Syriza party leader Alexis Tsipras poses for photographers after taking an oath at the Presidential Palace in Athens on January 26



THE UNITED STATES

Workers clear snow at Times Square in New York City on January 26 following an overnight blizzard that swept across the city and surrounding areas

↓ CYBERSPACE REGULATOR

Lu Wei has been elected to the inaugural Coordination Council of the NETmundial Initiative for advancing Internet governance worldwide. He is the only member representing governments and intergovernmental organizations in Asia and Oceania in the agency.

Lu, 55, is minister of the Cyberspace Administration of China, which is in charge of China's cybersecurity and Internet policy. A former journalist, he assumed the current post in May 2014 after having served as vice president of Xinhua News Agency, vice mayor of Beijing and vice minister of the State Council Information Office.



The NETmundial Initiative was launched in August 2014 by a coordinated action of the World Economic Forum, the Internet Corporation for Assigned Names and Numbers and the Brazilian Internet Steering Committee. The inaugural Coordination Council will be in place for a period of 18 months to ensure the development of the initiative during its startup phase.

Can Smog Control Target Be Met?

Caijing Magazine
January 19

The Beijing Municipal Environmental Protection Bureau announced on January 4 that the city's PM2.5—airborne particles smaller than 2.5 microns in diameter that can enter the blood stream directly if inhaled—declined by 4 percent last year, with the number of days where heavy pollution was experienced dropping by 13 year on year.

The rate of decrease for the major air pollutant PM2.5 falls short of the 5-percent target laid out for last year in the city's Clean Air Action Plan 2013-17. If the rate is projected onto the next three years, the target of reducing PM2.5 by 25 percent by 2017 against 2012 level becomes unattainable.

Severe air pollution in China has pushed the government to launch a war against smog. In recent years, measures such as cutting down on coal use have been implemented across the country. China's capital Beijing has taken the most forceful measures including restrictions on car purchasing and removing heavily pollutant factories out of the city.

In intensity and scale, the measures taken by Beijing have dwarfed all efforts made elsewhere in China in the area of air pollution control. Despite all this, however, the municipality still failed to meet its goal for last year. Therefore, it is up in the air whether or not other cities can successfully reach their respective goals. What is certain is that the difficulties and pressures lying ahead will be of an unprecedented magnitude.



Heritage Protection Gains Urgency

Outlook Weekly
January 19

In recent years, the importance of cultural heritage protection has been increasingly driven home. There are three ways in which culture is preserved: through written documents, cultural relics and the oral tradition. Of the three, cultural heritage is arguably more evocative and vivid than its other two counterparts and sails closer to historical reality, as history is inevitably embellished and exaggerated in the telling. It could be argued that cultural artifacts serve to compensate for some of the disadvantages of written documents.

Contemporary Chinese society lacks the appropriate level of awe for cultural relics that stand witness to history, which may account for the destruction of cultural relics in some areas. The evaluation system for officials should not overly focus on economic growth. In recent years, although officials' awareness of heritage protection has been improved, some have co-opted the field as a means of boosting their local economy, often to the detriment of what they were originally sworn to protect. For example, historical streets have been transformed into commercial hubs to earn profits. In reality,

"We cannot afford to be penny wise and pound foolish, lest we meet one goal and lose another. We should also not live beyond our means or be more interested in the here and now while ignoring our long-term interests."

Xi Jinping, Chinese President, stressing the importance of environmental protection on January 22

"The point of making a safe and controllable IT environment is to better protect national security rather than ousting foreign firms."

Zuo Xiaodong, Vice President of the China Information Security Research Institute, on the recently published first security standard for the cloud-computing industry of China



though, relatively few historical streets are fit for the purposes of either recreation or tourism.

Economic development and cultural heritage protection do not run contrary to one another but are equally important and indeed interdependent in nature. During the construction of the Three Gorges Dam—the world's largest hydropower facility—from 1994 to 2009, both goals were taken into consideration and a balance was struck between the two.

Simplifying Hospital Registration

Worker's Daily
January 22

In China, registering to see a specialist in a large public hospital often proves to be an arduous process. Although the government has wheeled out measures to tackle this problem, such as enabling registration via the phone and Internet, the difficulties inherent in the process have not been significantly abated.

Some old problems remain: Medical resources are inadequate; the popular belief that larger hospitals offer better-quality treatment than smaller ones leads to patients swarming to the former regardless of the severity of their illness; and the prevalence of registration ticket touts has made it even more difficult for pa-

tients to secure a registration number.

As patients' complaints mount, it is clear that more needs to be done by both hospitals and the health authorities. In addition to improving the quality of large public hospitals, more use should be made of their smaller, less busy counterparts. Private capital should be encouraged to invest in the area of medical services so as to boost supply of medical resources.

A more forceful crackdown should be imposed upon ticket dealers through measures such as restricting repeated registration. Those who fail to register after multiple attempts should also be accorded priority. Furthermore, patients who have already undergone basic treatment in community or private hospitals should be given preference in registering in big hospitals.

Finally, people should be guided to seek treatment for minor ailments in community hospitals in order to reduce pressure on their larger counterparts.

UNIVERSITY REFORM EXPLORER

Chen Shiya, a physicist, has been appointed the second president of the South University of Science and Technology of China in Shenzhen, south China's Guangdong Province, replacing Zhu Qingshi who recently retired. The university, known as the first autonomous institution of higher learning in the country, has established a council to oversee its operations, providing an alternative to the prevalent system of appointing officials to run universities.



Chen, 59, earned a PhD in mechanics from Peking University in 1987. He conducted mechanics research at Los Alamos National Laboratory of the United States from June 1987 to February 1990 as a post-doctoral fellow. From July 2002 to June 2004, Chen served as a professor and chair of Johns Hopkins University's Mechanical Engineering Department. He was elected as an academican of the Chinese Academy of Sciences in December 2013, one month following his appointment as vice president of Peking University.

Chen is widely recognized for his achievements in statistical theory, computation of fluid turbulence, mesoscopic physics and Lattice Boltzmann computational methods.

“The government should reduce the intervention in industrial restructuring and focus on creating an innovative environment for economic transformation to increase efficiency and social fairness.”

Li Wei, head of the State Council's Development Research Center, on the government's role as China enters a period of slower but steadier growth

“Although the target is lower than that for 2014, it will still take a lot of hard work to meet.”

Huang Libin, a senior official with the Ministry of Industry and Information Technology, announcing an 8-percent growth target for China's industrial output in 2015 on January 27

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第十一届中国国际茶业博览会

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A NATURAL HARBOR: The Shihu Harbor in Quanzhou, Fujian Province, bustles with business on May 12, 2014. The harbor has a history of more than 1,500 years and was one of the starting points of China's ancient Maritime Silk Road



COVER STORY

A SECOND WIND FOR AN ANCIENT ROUTE

The 21st Century Maritime Silk Road initiative is expected to bring benefits to countries and regions along the route **By Yin Pumin**

China's going-out development strategy is manifested most through the One Belt and One Road initiatives. The Silk Road Economic Belt and the 21st Century Maritime Silk Road, both put forward by Chinese President Xi Jinping in 2013, signify China's commitment to further opening up its economy

and revitalizing the ancient Silk Road in a mutually beneficial fashion, experts say.

Cooperation potential

The Maritime Silk Road dates back to 2,000 years ago, when ancient merchants

sailed from China's eastern coast, passing Southeast Asia, the southernmost tip of India and East Africa, all the way to the Persian Gulf and the Red Sea, strengthening economic ties and cultural communication of the regions along the route.

The new Maritime Silk Road is expected

to further communication and cooperation between China and the countries and regions along the route through trade, investment, cultural and currency exchanges.

"Compared with the Silk Road Economic Belt, the Maritime Silk Road is of more significance," said Mei Xinyu, a senior researcher at the Chinese Academy of International Trade and Economic Cooperation, a think tank affiliated with the Chinese Ministry of Commerce. "The route originates from China's backyard, where it has relatively matured economic and trade ties with ASEAN members. The new concept will help upgrade trade ties."

Wang Xiaopeng, an expert on maritime and border studies at the Chinese Academy of Social Sciences (CASS), said that the initiative could help China and its partners build strategic trust and manage disputes through breakthroughs in the economic sphere.

"Politicians in those countries will have to get bilateral ties back on track, because they can't afford the consequences of missing out on opportunities provided by China's growth," Wang said.

"All in all, the initiatives are two programs of the grand going-out strategy adopted by China in recent years," said Xu Hongcai, Director of the Department of Information under the China

Center for International Economic Exchanges, a Beijing-based think tank.

The initiative to build the 21st Century Maritime Silk Road was proposed by President Xi during his visit to Indonesia in October 2013 to deepen economic and maritime links and integrate all the existing cooperation mechanisms among the countries along the route.

"With China playing a more important role in global trade, the new Maritime Silk Road will be a new type of trade route linking China and the rest of the world in a new globalized era," said Han Feng, Deputy Director of the CASS' National Institute of International Strategy.

Zheng Yongnian, Director of the East Asian Institute of the National University of Singapore, said that the new Maritime Silk Road will open new ship routes for increasing the flow of goods, information, tourists, students, businesses, technologies and scientific knowledge between China and many other countries.

"It will open the door for China to go to the rest of the world, after more than 30 years of reform and opening up and inviting foreign business in," Zheng said, adding that going out will be a major theme for Chinese capital in the coming years.

Chang Jian, Barclays' chief China econo-

mist, said that the initiative will create trade and investment opportunities in infrastructure and construction, including transportation, ports, pipelines, power generation and environmental projects, as well as stimulating energy and resource exchanges, consumption and tourism.

"We think the initiative is underpinned by a mutually beneficial approach and a strong desire from China to export excess capacity, invest abroad and diversify its foreign exchange reserves. China has competitive edges in capital and expertise, while many Asian countries face large financing gaps," Chang said.

She said that the establishment of the China-led Asian Infrastructure Investment Bank (AIIB) in October last year demonstrated the regional desire to cooperate. With authorized capital of \$100 billion, the AIIB will be up and running before the end of 2015.

The Asian Development Bank estimates infrastructure financing demand in Asia will be around \$8 trillion between 2010 and 2020. The latest HSBC global research report also said that China's infrastructure sector has the capacity to meet the needs of Asia and further abroad. It also said China's overseas investment should also generate demand for its exports and help take up the economic slack.

"Since the investment will be in roads, ►►

Proposed Reach of the New Maritime Silk Road



railways, ports and airports, it should benefit all parties, due to lower trade costs. Investing in infrastructure along the Belt and Road routes will serve to develop new export markets for China, generate better longer-term returns on its foreign reserves, and act as another channel through which China can internationalize its currency, complemented by the likely boost to trade flows," the HSBC report said.

Chang said that more than 30 potential partner countries had expressed interest so far, accounting for more than 60 percent of world's population and 30 percent of global GDP.

"We think the new Silk Road plan offers a structured platform to leverage comparative advantages, improve economic cooperation and increase synergies across the region. New growth areas will be cultivated and new competitive edges could emerge through strengthening value-added, innovation, investment and market activities," Chang said.

She said that by building interdependent relationships based on shared economic interests, the initiatives would deepen political linkages, improve mutual understanding and foster long-term stability in the region.

"The agreement to set up the AIIB by countries that have territorial disputes with China suggests lower geopolitical risk and a lower probability of military conflicts," she said.

However, the HSBC report warns that details of the allocation and management of the Silk Road fund are yet to be determined and financing and operational risks could endanger the Belt and Road strategy.

As most Chinese enterprises are still at an early stage of overseas investment, there is ample room for improvement in areas such as due diligence, environmental protection and working standards, according to the report.

Southeast Asia-oriented

The willingness of China and ASEAN members to build the 21st Century Maritime Silk Road will inject impetus into upgrading the ASEAN-China Free Trade Area over the long term, industry experts say.

ASEAN Community Affairs Development Director Danny Lee said the creation of the new Maritime Silk Road is a very good concept and will bring new opportunities for China and ASEAN to cooperate in many sectors, such as trade, infrastructure and cultural exchange.

Lee, a Singaporean who joined the ASEAN

Secretariat in February 2011, said there is historical and practical basis for ASEAN and China to cooperate under the framework of Maritime Silk Road vision.

"The now ASEAN member nations and China built good and frequent trade cooperation 600 years ago, evidenced by the great voyage to Southeast Asia by Admiral Zheng He (1371-1433) during the Ming Dynasty (1368-1644)," he said.

Since ancient times, Southeast Asia has been an important hub along the historical Maritime Silk Road.

Lee said that nine countries out of the 10-member ASEAN are maritime nations and ocean trade with China is vital for the development of ASEAN members.

China and the ASEAN countries have labeled the past 10 years the "Golden Decade" for their relations and have coined the term "Diamond Decade" for the next 10 years, which they hope will feature more practical cooperation and regional economic integration.

China is the largest trade partner of the ASEAN nations, while the ASEAN ranks as China's third-largest. Their bilateral trade amounted to \$443.61 billion in 2013, around 5.7 times that of 2003.

Also in 2013, ASEAN received \$8.6 billion of direct investment from China, a significant 60.8-percent increase year on year and representing 7.1 percent of total capital inflow to ASEAN. The two sides are determined to push this figure to \$500 billion by 2015 and \$1 trillion by 2020.

Chen Yingming, Executive Vice President of the Shanghai-based China Port and Harbors Association, said that as a majority of ASEAN nations have long coastlines and important regional ports, the new Maritime Silk Road will help link growth centers like Shanghai, Singapore and Penang in Malaysia, as well as develop new regional hubs, such as Jakarta in Indonesia and Danang in Viet Nam.

"From a long-term perspective, the new Maritime Silk Road will fully support trade, state and private investment, industrial productivity and the service industry," Chen said.

Lee said infrastructure in ASEAN countries,



especially the ports which are essential for the international trade, are very poor and need to be upgraded.

"China has strong experience and technology in infrastructure construction as well as the capital, and ASEAN hails China's initiatives in establishing the AIIB," Lee noted.

He said that ASEAN is set to build a single market economic community spanning the 10-nation bloc by 2015 and ASEAN can benefit from building the Maritime Silk Road as it will spur the economic development of ASEAN.

"Besides, the Maritime Silk Road can also promote people-to-people exchanges and enhance understanding between China and ASEAN as well as countries among ASEAN itself," Lee said.

Luo Renjian, a researcher with the Institute of Transportation Research under the National Development and Reform Commission, said regional connectivity is a top priority for China and ASEAN members, with Thailand, Malaysia, Indonesia and Viet Nam already upgrading their pipelines, port facilities, and land and sea telecommunications.

"With growing shipping activities between China and ASEAN members, big multinational corporations, especially from developed mar-



BROUGHT TOGETHER BY TRADE: Visitors select commodities at an exhibition booth during the 11th China-ASEAN Expo in Nanning, southwest China's Guangxi Zhuang Autonomous Region, on September 16-19, 2014

kets, could move manufacturing facilities to Southeast Asia to take advantage of cheaper labor and raw materials, and then sell the products back to China at a profit," said Luo.

Opportunities for all

In mid-December last year, the Maldives officially joined China's 21st Century Maritime Silk Road initiative.

"Looking from a purely economic standpoint, the Maritime Silk Road will be a platform to exchange cultural values as well as be an asset for academic and research-orientated initiatives, whereby both countries can share expertise," said Ali Hameed, former Vice Foreign Minister of the Maldives.

"I believe strongly that the time is ripe for the ancient silk route to be reborn again and to develop a bridge of connectivity, friendship and mutual development between China and the Maldives," he added.

The Maldives was always an important stop along the ancient Maritime Silk Road. "China welcomes its active participation in the new maritime initiative," Xi said during his visit to the country in September last year.

Xi has pledged support for Chinese

investors in the Maldives, and is considering investment in a bridge to link Malé, the country's capital, and its international airport.

In fact, China is already involved in many major maritime projects in South Asia. In Sri Lanka, state-owned China Harbor Engineering Co. (CHEC) has started a large project to help the country reclaim land for a new business district in Colombo. CHEC also signed a memorandum of understanding with Sri Lankan port authorities on the joint operation of Hambantota Port.

"In fact, the Maritime Silk Road initiative provides equal opportunities for all Asian countries, including China itself," said Liu Shuguang, a professor with Qingdao-based Ocean University of China.

Since the announcement of building the 21st Century Maritime Silk Road, China's coastal provinces have been trying to become the key hubs along the new Maritime Silk Road.

Fujian is one of the areas that have been actively engaged in developing its ports, particularly the one in Quanzhou, a city recognized by UNESCO as the starting point of the maritime road, said Zheng Xincong, Mayor of Quanzhou.

"Although the authorities are still doing research to decide which provinces will be involved, Quanzhou is in full swing to upgrade the ancient port," Zheng Xincong said, adding that improving the port's customs clearance is high on the agenda of the local government.

With current cargo capacity of over 1.7 million TEUs, or 20-foot equivalent units, the Quanzhou Port has embarked on a large infrastructure development program to increase total capacity.

The port, at an important location on the sea transport network, has opened about 130 shipping routes, establishing trade with 28 countries and regions that include Indonesia and the Philippines.

Meanwhile, as a city with long history of trade, Quanzhou is also planning to further strengthen its advantageous industries, including costume, tea and ceramics, to develop the city into an export-oriented trade center.

Apart from Fujian, south China's Guangxi Zhuang Autonomous Region and Hainan Province are also making efforts to develop a maritime industry.

Chen Wu, Governor of the Guangxi Zhuang Autonomous Region, said the Maritime Silk Road idea brings a golden opportunity to Guangxi, considering ASEAN has been Guangxi's largest trade partner for 13 consecutive years.

The region will enhance joint exploitation

of the maritime space of the Beibu Gulf with Viet Nam and work on a tourism project that allows people to travel between Guangxi and the ASEAN countries on cruise ships, according to Chen Wu.

Luo Baoming, Party chief of Hainan, said the province is well-positioned to be a part of the new Maritime Silk Road project, given that it serves as the southern gate of the country, administering about 2 million square km of the South China Sea.

Sansha, China's youngest and southernmost city, could become a hub and supply base, Luo said. With its tropical climate and beautiful scenery, Sansha can jointly develop tourism with neighboring countries and gradually develop into a world-class travel spot and prompt economic ties with Southeast Asian countries, Luo said.

Luo added that the Yangpu Economic Development Zone, located on the northwestern coast of the province, has the potential to turn into the logistical and industrial base for the road.

The Yangpu zone has one 35,000-ton berth, one 20,000-ton berth and three 3,000-ton berths, with three 20,000-ton berths under construction, according to the zone's official website.

Liu with the Ocean University of China suggests that different provinces should set up distinct projects to match their strategies.

"The Maritime Silk Road initiative triggered active responses from a number of provinces, but these provinces should plan in accordance with their own situations, rather than blindly following suit," he said.

"For instance, since Fujian has developed trade relations with South Pacific countries, the province should focus on facilitating maritime exchanges with that region," Liu said.

Because Guangxi Zhuang Autonomous Region is in the Pan-Beibu Gulf Economic Rim, which involves such countries as Viet Nam and Malaysia, Guangxi might concentrate on cooperation with those countries, he said.

"Meanwhile, more efforts should be made to improve infrastructure in the coastal provinces, such as ports and railways, in a bid to connect overseas market with China's inland regions," Liu added. ■

COVER STORY

CHINA'S NEW DIPLOMATIC HORIZON

A new geopolitical vision for China will see more active global engagement

By Robert Lawrence Kuhn



The author is an international corporate strategist and political/economics commentator in the United States

An “inflection point” in mathematics occurs when there is a change of curvature, say from concave to convex, at a particular point on a curve. There is now, at this particular point of time, an inflection point occurring in China’s diplomacy, as the country changes from reactive to pro-active in its international relations. Future historians may characterize this transformation as one of the defining geopolitical trends of the first half of the 21st century.

I am pleased to see China’s emergence but too many outside the country are not—they worry, openly or privately, about what a strong China may do. The so-called “China threat” is real in that many believe it to be real. But do these people know the real China?

Late Chinese leader Deng Xiaoping (1904-1997) once said that China should “keep a low profile and bide our time.” His directive is often misinterpreted as advising that China, like a growing lion, should lie low while strengthening itself so that eventually it can pounce. In fact, Deng wanted China to focus on building its own economy so that, in addition to enhancing the standard of living of the Chinese people, China could never again be bullied by foreign powers and would finally take its rightful place among the great nations of the world.

Has China’s “time” now come? Chinese President Xi Jinping has given his clearest direc-

tive for China’s foreign policy and it is certainly more engaged with the world. Speaking to senior officials at the 2014 Central Conference on Work Relating to Foreign Affairs, Xi described China’s new diplomacy.

Articulating the “strategic objectives and principal tasks of foreign affairs work,” Xi stressed safeguarding China’s core interests, crafting a conducive international environment and hastening the nation’s emergence as a great power. China, he said, should “make friends and form partnership networks throughout the world” and “strive to gain more understanding and support from countries all over the world” for the Chinese dream [of the renewal of the Chinese nation]. Moreover, China should “develop a distinctive diplomatic approach befitting its role of a major country” in an increasingly multipolar world.

Xi recognizes that China cannot compete for global leadership by power alone. Economic and military strength, while necessary, are not sufficient. There must also be a moral or ethical component to China’s development: China must ride the high road, offering an alternative geopolitical vision that is in some sense superior to that of the West. China, Xi asserted, should “see to it that equal importance is attached to justice and benefits, stress faithfulness, value friendship, carry forward righteousness, and foster ethics.”

A few days after the conference, at a study session of the Political Bureau of the Central Committee of the Communist Party of China on regional free trade, Xi called for China to “participate and lead, make China’s voice heard, and inject more Chinese elements into international rules.” To effect such historic change to the world order, Xi is reshaping the diplomatic landscape with new global thinking of “active engagement.”

The One Belt and One Road initiatives [the Silk Road Economic Belt and the 21st Century Maritime Silk Road] are Xi’s new plan for multinational development and exemplify his strategic thinking. Actualizing the initiatives by appealing broadly to the roughly 50 countries that have signed on, Xi created the \$40-billion Silk Road Fund to complement the more general \$100-billion Asian Infrastructure Investment Bank.

Speaking to the Sixth Ministerial Conference of the China-Arab States Cooperation Forum in Beijing in June 2014, President Xi enumerated principles of working together that apply broadly to the 21st Century Maritime Silk Road (from Xi’s book *The Governance of China*). “Looking back on the history of exchanges between the Chinese and Arab peoples, we immediately think of the land Silk Road and the maritime spice route. Our ancestors ‘crossed the desert for months on end on post-horses,’ and ‘sailed the oceans day and night,’ putting themselves at the forefront of friendly exchanges between different nations in the ancient world,” he said.

Philosophically, to promote the Silk Road spirit, Xi described four fundamental principles: boosting mutual learning between civilizations, respecting each other’s choice of development path, focusing on mutually beneficial cooperation and advocating dialogue and peace.

Practically, to implement the Silk Road spirit, Xi called for Chinese and Arab sides “to be both farsighted and down-to-earth” and suggested a “1+2+3” cooperation pattern: “1” refers to cooperation in energy, the whole industrial chain of oil and natural gas; “2” refers to “two wings”—one being infrastructure and the other being trade and investment, including Chinese investment in energy, petrochemicals,



JOINING HANDS: The First China-Arab Towns Forum opens on June 17, 2014, in Quanzhou, southeast China's Fujian Province, one of the major ports along the ancient Maritime Silk Road

agriculture, manufacturing, and services in the Arab states; "3" refers to using three advanced technologies—nuclear energy, space satellites and new energy—as breakthrough levers.

For China to fulfill its potential as a global leader, it must gain the world's respect for its principles and philosophies, not only for its economy and military. This involves appreciation for China's self-determined "road of development" and for its political system.

This is a larger topic but such appreciation can develop only with a kind of convergence, where China's political system continues to reform, with increasing transparency and freedom, and where foreigners come to understand that pragmatic competence managing China's complex society trumps idealistic ideologies of multi-party democracies.

For China not to view the United States as its adversary, not as a threat to its system and government, Washington will have to accept that the Western democratic model may not be ideal for all nations at all times (the recent Middle East should teach this lesson). The United States must appreciate that China must continue to determine and develop its own system.

In my dream of a post-adversarial world,

China would assume increasing responsibility for world peace and prosperity. In seeking the moral optimum, China may have to tear up old scripts, which may be in China's own best interests.

For its part, the United States should reject the Cold War mentality of "containing China," as resisting China's rise would be both archaic and self-defeating. Of course there would remain areas of contention—balance of trade, human rights and territorial disputes—but different political systems should not be one of them. Politico-economic theories constructed in the 18th and 19th centuries have little utility in the 21st century, where all nations seek optimized models of free markets and government regulation that by nature can be neither generalized nor static.

I believe that it is in the national interests of China and the United States to work together such that their foreign policies begin to converge. Surely there are nationalistic issues, and conflicts can compound when parochial media focus on disputed borders. But border disputes do not determine national wealth, and national dignity is not ultimately measured by maps. The real achievements of nations—increasing citizens' standard of living—are not the zero-sum

games of jousting over slivers of land or sea but are the synergistic accretions of advanced education, knowledge creation and technology utilization.

I do not advocate that China follows the U.S. model; it must pursue its own self-interests, which stress improving the standard of living and the country's increasing prominence and prestige. To secure the former, China requires international stability. To enable the latter, China must take the moral high ground in international affairs.

China becomes a leading nation by asserting, not by resisting, moral leadership, even if problems are complex. I applaud China for assuming more responsibility in promoting global stability. In today's world, the real conflict is not between opposing political systems but rather between the forces of modernity, competence and development and those of ignorance, exploitation and oppression.

As such, China's increasing engagement with global diplomacy should be celebrated. ■

COVER STORY

'MARSHALL PLAN' COPYCAT ALLEGATIONS MISLEADING

The development initiatives championed by China will benefit all nations involved
By Liu Ying



The author is a researcher with the Chongyang Institute for Financial Studies at Renmin University of China

Chinese President Xi Jinping in 2013 proposed the construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road to foster common development between China, Europe and Asia. To promote the initiatives, China has set up the \$40-billion Silk Road Fund and spearheaded the establishment of the \$100-billion Asian Infrastructure Investment Bank.

Since the One Belt and One Road initiatives were proposed, they were interpreted by some observers as the Chinese answer to the historical U.S. initiative called the Marshall Plan. Officially known as the European Recovery Program, the Marshall Plan invested \$17 billion in the rebuilding and bolstering of European economies after World War II (WWII). However, this interpretation ignores essential differences between the two.

Politically, the Marshall Plan aimed at boosting the United States' influence in Europe after WWII in order to confront the Soviet Union-led camp. Thus, its fundamental role was to serve the U.S. Containment Strategy. But the Chinese initiatives do not target any third party or exclude any specific country. They are not politicized, instead advocating cooperation for common development. Thus far, among the more than 60

countries along the proposed Belt and Road, over 50 have responded positively.

The U.S. economy experienced rapid growth during WWII, and the Marshall Plan aimed to export excess U.S. production capacity by developing the European economies. There have been claims that the Chinese initiatives have the same purpose of exporting China's excess production capacity. But it would be more accurate to say that the economic stimulus effects of the construction of the belt and road will benefit other countries alongside their routes much more than China itself.

Moreover, the Marshall Plan not only weakened the economic policy autonomy of aid recipient countries but also came with additional requirements. Through a series of institutional arrangements, it helped lower tariff barriers for U.S. products to enter European countries and expand their market share as well as establish the dominant role of the U.S. dollar in global trade. By contrast, the One Belt and One Road initiatives aim to enhance connectivity among participating countries in terms of policy, infrastructure and trade networks, facilitate monetary circulation and increase the understanding of their people. They represent the mutually beneficial cooperation between developing countries.

In the Marshall Plan, the United States was in a dominant position while the European countries receiving U.S. aid were subordinate. But the Chinese initiatives are based on the equality and mutual benefit of all participants. Both the Asian Infrastructure Investment Bank and the Silk Road Fund are open and inclusive. Their investment will also be denominated in U.S. dollars rather than the Chinese currency, the yuan. Actually, the One Belt and One Road

initiatives are platforms created by China for countries along their routes to share development opportunities. They are proposed by China but are not under its sole control, demonstrating China's willingness to take on more responsibilities as a major country and play a more active role in global governance.

The Marshall Plan helped the reconstruction of the war-torn economies of comparatively industrialized European countries. But the One Belt and One Road initiatives aim to drive the economic development of participating countries—most of which are still at the initial stage of industrialization, marked by weak development foundations and poor infrastructure. Therefore the task of the Chinese initiatives is much more challenging.

The One Belt and One Road initiatives are meant to forge a community of destiny of participating countries, which pursues all-inclusive development through improving connectivity and building a broad market spanning Asian and European economies with an Asia-Pacific free trade area as part of it. In the implementation process, the individual needs of each participating country will be given full consideration.

China has already become the largest trading partner of more than 120 countries and regions around the world and the largest export market of about 70 countries and regions. As such, the implementation of the One Belt and One Road initiatives will not only promote China's economic growth and transition but also contribute to the development of the world economy. ■

COVER STORY

VISIONS OF THE MARITIME SILK ROAD

Beijing Review presents a series of edited excerpts of essays written by foreign experts from countries that will be affected by the 21st Century Maritime Silk Road initiative. Each of our contributors offers a unique perspective on the opportunities and obstacles inherent in this ambitious, collaborative and far-reaching initiative.

Mohamed Noman Galal (former Egyptian Ambassador to China and a scholar on Chinese studies)

The 21st Century Maritime Silk Road and the new Suez Canal project launched by Egypt in 2014 can work together to promote Arab-Chinese trade and cultural relations. These relations date back to the ninth century. If history could guide the future relations, one could anticipate that the new Maritime Silk Road will contribute immensely to the development of these relations to a new and unprecedented level. The Chinese and the Arabs represent two pillars of the 21st-century global economy—both in terms of economic relations and cultural interaction.

The new Suez Canal is under construction and should be fully functional within two years. This new Suez Canal will provide a waterway for big tankers and ships to cross from the Red Sea to the Mediterranean, carrying goods from Asia to Europe and vice versa. Additionally, it will also feature economic zones and cultural centers on its banks. Along with the new Maritime Silk Road from China to Europe, it will be a pillar for the enhancement of trade and communication. Thus the prospects of the new initiative on



the Arab-Chinese relations will be immense.

The New Maritime Silk Road and the Silk Road Economic Belt, which was also proposed by President Xi while visiting Kazakhstan in September 2013, along with the new Suez Canal, will be three mainstays to world trade and the global economy. They will strengthen Chinese economic, trade and cultural relations with the whole world. Thus, they will represent a new civilization based on Chinese traditions, concepts, principles and values as well as its vision for international relations.

The new global civilization will be promoted in the 21st century by China and Egypt as one that is based on harmony, cooperation and reconciliation rather than wars and cut-throat competition that prevailed in the 19th and 20th centuries under Europe and America. This new civilization will be a reflection of the Arab Muslim intrinsic ingredient of a peaceful approach and Chinese traditional culture based on the concept of harmony. It should be noted that neither the Egyptians nor the Chinese have a missionary history.

I anticipate the One Belt and One Road initiatives and the new Suez Canal will have an unprecedented contribution, in an innovative way, to develop China, Egypt and the world at the same time. China and Arab countries have the factors to achieve outstanding economic development through beneficial cooperation, with each boasting

human resources, vast markets, and natural resources. Some Arab countries today are facing political unrest that affects their economic development. They are in need of Chinese support—particularly Egypt, which has a long tradition of friendship with China. Today, China needs Arab gas and oil as well as Arab markets. They could complement each other in any industrial or additional projects from which both sides will benefit.

China has come to African and Arab countries to help develop their infrastructure, build schools and hospitals, and train their human resources. In the future, this will be a credit and a great asset to Chinese-Arab and African cooperation. It will be a landmark as well as a benchmark for future cooperation with Western countries.

China in the past was keen on exclusively developing trade ties, contrary to modern Europe that promoted colonialism under the guise of civilization and Christianity. China in the future will continue to build a world civilization through dialogue, trade and investment. Egypt and the Arab world, in turn, will contribute in the same way. This will consolidate globalization with soft power as a base rather than dominating globalization through hard power.

Srikanth Kondapalli (a professor at the Center for East Asian Studies at Jawaharlal Nehru University in New Delhi, India)



President Xi Jinping, on a visit to Kazakhstan in September 2013, called for adopting an innovative model of cooperation in building the new economic corridor connecting China with Central Asia

and Europe, better known as the Silk Road Economic Belt. Subsequently, during his visit to Indonesia in October of the year, Xi proposed the idea of the 21st Century Maritime Silk Road connecting China with Southeast Asia, the Indian Ocean and Africa. Major benefits of the initiatives include supplying sustainable energy to energy-starved countries, enhancing mutually beneficial trade between regional countries, expanding tourism and providing more avenues for strategic engagement in the post-Cold War era.

As the second largest economy in the world today, China is poised to take advantage of these initiatives. Politically, recent trends demonstrate China's outward orientation as it seeks a more active presence in the emerging global and regional orders.

Economically, these strategic initiatives will help China restructure its economic model from inviting foreign investment and establishing export-oriented joint ventures and special economic zones to that of exporting capital initially for infrastructure development and establishing manufacturing zones abroad. As the largest trading partner of over 128 countries and regions, China aims to enhance mutual economic interdependence across vast swathes of regions.

Strategically, these initiatives could cushion China well within its defined "good-neighborliness" policy and overcome any effects of the United States' "rebalancing" in the region. As American pressure mounted on China to be a "responsible power" and "security provider" in the last decade, Beijing's initiative provides fresh opportunities in the diplomatic sphere at the least, and at most offers leverage in the global and regional power transitions of the 21st century.

However, these ambitious projects face acute, if not insurmountable, difficulties.

Firstly, much of the area that the continental and the Silk Road belt pass through is prone to terrorist attacks. Southwest and Central Asia have seen a sharp rise in terrorism in the last decade targeting innocent civilians and infrastructure projects as well. Multibillion-dollar projects such as the Iran-Pakistan-India and Turkmenistan-Afghanistan-Pakistan-India gas pipeline projects have not been completed partly due to instability in the region. These attacks have spilled over even in China's Xinjiang and beyond. And on the maritime routes, piracy

incidents in the South China Sea and the Gulf of Aden pose challenges. Indeed, more than half of piracy incidents globally were in Southeast Asia in 2014. These could be resolved with bilateral and multilateral efforts.

Secondly, China and other countries need to consider the clashing sovereignties in the regions where the Silk Road and infrastructure projects are to be built. While China has resolved 12 of its 14 land-based territorial disputes, India is expressing reservations on projects passing through Kashmir's northern areas. The South China Sea is also an area of contention. These issues could be resolved through bilateral and multilateral coordination.

Thirdly, the amount of capital necessary to undertake the infrastructure projects in these regions is staggering. China made significant outlays—over \$40 billion for the New Development Bank of the BRICS; about \$42 billion for the Asian Infrastructure Investment Bank; \$40 billion for the Silk Road project and about \$46 billion in Pakistan. While other countries and agencies will also contribute to the infrastructure projects, China—with nearly \$4 trillion in foreign exchange reserves—has taken the lead. Nevertheless, given the relatively low per-capita income in the areas falling under the Silk Road projects, some concerns were raised on whether these stimulus packages are economically viable in the long run.

However, the major challenge for these projects comes from the geopolitical and geo-strategic issues—the responses of the major powers like the United States and Russia and regional powers. The United States first announced a "re-balancing" strategy in 2010, although it has struggled to gather steam and with the withdrawal of troops from Afghanistan and focus on North Africa and the Middle East, China could still actively pursue its own strategy. Another major challenge stems from Russia, which has a strong position on CSTO. While China gathered strength in the Central Asian region through the Shanghai Cooperation Organization, Beijing was unable to replace Russian influence in the region as evidenced by little progress in free trade proposals or military security initiatives.

While India is one of the founding members of both the BRICS Bank and Asian Infrastructure Investment Bank, it declined to endorse the Maritime Silk Road idea during former Chinese State Councilor Dai Bingguo's visit in early

2014 or during President Xi's visit to India last September—indicating a measured response. Indian responses are also concerned with its "strategic autonomy" principle, guarding sovereignty issues and diplomatic reciprocities. While India is keen to endorse mutually beneficial aspects of the Silk Road initiative, it is weighing the long-term geo-strategic impact of such projects.

Zamroni Salim (a researcher at the Economic Research Center under the Indonesian Institute of Sciences)

The idea of the Silk Roads is not a matter of who proposes it first, but is instead a matter of how we see the common goal to increase countries' welfare together. Cooperation and mutual trust should be developed by regional and global communities. The spirit of the 21st Century Maritime Silk Road and the efforts of connectivity development around the globe must be seen as a positive way to increase prosperity for all.



How can a maritime country like Indonesia share in the mutual benefits promised by the Maritime Silk Road? In recent times, Indonesia has neglected the development of its maritime sector. As an archipelago country, Indonesia has a great opportunity to seize its potential and provide a real improvement in the livelihood of its people.

Indonesia's prosperity and political sovereignty depend highly on maritime development. Indonesian President Joko Widodo declared at the Ninth East Asia Summit on November 13, 2014, that Indonesia should be the fulcrum of the maritime world. The two strategies outline key objectives; namely, developing inward maritime routes through the ocean highway or Tol Laut, in addition to its outward-oriented maritime strategy. Both of these strategies to achieve maritime sovereignty are coherent with the 21st Century Maritime Silk Road.

How can ASEAN countries in general—and Indonesia in particular—reap the mutual benefits by exploiting the Maritime Silk Road? Cooperation between China, Indonesia, and other countries geographically adjacent to the Maritime Silk Road may be implemented through, but is not limited to, infrastructure

and connectivity development. The 21st Century Maritime Silk Road infrastructure and investment funds could be an alternative source of economic development in the ASEAN region.

China already pledged to provide a massive investment fund for the development of infrastructure and connectivity along the countries adjacent to the project. The total amount of around \$50 billion will trigger the development of basic infrastructure and promote international trade and investment. The idea of taking part through production networks align with the characteristics of the ASEAN Economic Community as a single market and production base.

Specifically for Indonesia, the bilateral cooperation may be viewed as a framework for a much wider scope of cooperation beyond sea infrastructure and related industries, to also include railway and land transportation, logistics, fishery, etc. As part of the constructive efforts to manifest the maritime fulcrum, President Jokowi has proposed the development of around 24 sea ports to serve the ocean highway from the West to the East.

The promising 21st Century Maritime Silk Road initiative and Indonesia's Maritime Fulcrum should not be seen as political obstacles, and should instead be welcomed as ways to increase economic development and people's prosperity together without hindering

the jurisdiction and economic autonomy of our neighbors.

From the perspective of game theory, the coherent efforts of China, Indonesia and other countries to achieve maritime prosperity should be seen as a cooperative project, not as a prisoner-dilemma game. Mutual trust, cooperation and conflict management should be at the forefront of our relations as we seek to increase prosperity for the people of our nations, including through the implementation of the 21st Century Maritime Silk Road. ■

 liuyunyun@bjreview.com



CONSTRUCTION UNDER WAY: Workers from Shanghai Urban Construction Group at a construction site of a subway in New Delhi on September 6, 2014. Ever since entering the Indian market in 2007, the group has finished construction of multiple subway tunnels and stations in New Delhi

HOTEL INFORMATION

Valentine's Day Celebrations at the Ritz-Carlton Beijing

In February, the most romantic month, we offer the best way to surprise you and your loved ones: a romantic dining experience at our restaurants Yu, Aroma, Barolo and the Lounge.

Blissful Treats at Yu

Yu Chinese restaurant sets the mood for romance with a dinner exclusively created by executive Chinese Chef Ku Chi-fai, bringing guests a memorable Valentine's Day experience. Highlights of the menu include dishes like steamed egg white & crab with yellow wine as well as braised live grouper with black truffle sauce. We collaborate with LukFook Jewelry to bring more surprises and delights to you and your loved ones. Every diner has a chance to win an 18k diamond necklace of 5,000 yuan (\$800) from LukFook Jewelry. The delectable Chinese cuisine at Yu includes an experience as fine and elegant as its jade namesake suggests, as seven luxurious private chambers await at every corner to provide you and your special someone an intimate and sumptuous gastro-nomic affair.



Reservations: 86-10-59088111
February 14
6 p.m.-10 p.m.
388 yuan for two persons

Delightful Treats at Aroma

Arouse your desire with a romantic dinner at Aroma, stimulate your loved ones' palate with flavors of the ocean flowing from our imported oysters and lobster and tease yourself with the velvety array of desserts. It will be a sin to miss this.

Reservations: 86-10-59088161
February 14
6 p.m.-10 p.m.
568 yuan per person, including a glass of bubbly sparkling champagne



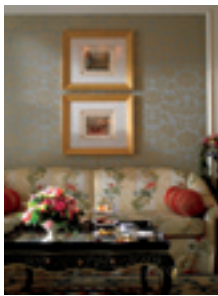
Beijing Hot Pot at Aroma

Come in out of the cold and warm yourself up with the classic, traditional Beijing hot pot. As an all-day dining restaurant, Aroma offers international gourmet experiences featuring mouth-watering Chinese, Indian, Japanese, South Asian and Western dishes from an open kitchen setting, with exciting desserts for sweet endings.



Reservations: 86-10-59088161
February 1-28
6 p.m.-10 p.m.
386 yuan per person
538 yuan per person on Saturdays

Blissful Moments at the Lounge



Enjoy our romantic love-inspired afternoon tea. Indulge with yourself or share with a loved one. Delicate foods including smoked salmon and caviar sandwiches, strawberry éclair and raspberry macaroons are elegantly presented on a three-tiered silver stand for you to fall in love with! What more could you ask for?

Reservations: 86-10-59088180
February 14, 1:30 p.m.-5:30 p.m.
268 yuan per person
468 yuan per couple including two glasses of bubbly rose

Chocolate & Wine at the Lounge

Our sommelier has perfectly paired four types of homemade Ritz-Carlton chocolate by mixing finest chocolates with four distinct styles of sweet wines. Don't just taste wine—experi-



ence it.

Reservations: 86-10-59088180
January 1-February 28
5 p.m.-11 p.m.
198 yuan per set

Romantic Rendezvous at Barolo

On this Valentine's Day, Barolo will be fully decorated by flowers provided by Roseonly—a Beijing-based floral brand—to create the most romantic night for you and your loved ones. Indulge in exquisite Italian cuisine by Chef Ivan Fagnoli amidst a sweet seduction of senses and a delightful treat. A romantic dinner is offered to lovers which comprises lobster cappuccino with salted croissants, Barbajada and complimentary duo of oysters.

Every diner can enjoy a 100-yuan gift coupon provided by love Roseonly. Couples also stand a chance to take back home a limited edition of Roseonly flower gift box as a lucky draw prize, which is worth over 1,000 yuan (\$160). Early booking entails a priority in purchasing Roseonly flowers on Valentine's Day. Classic Italian cuisine with a modern twist is served in the quiet elegance and cozy ambiance of Barolo, where dining provides an exceptional Italian experience, defining the Italian lifestyle in Beijing.

Reservations: 86-10-59088151
February 14
6 p.m.-10 p.m.
1,314 yuan per person

*Above rates are subject to 15% service charge



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