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Chinese and foreign entrepreneurs build a better world under Belt and Road Initiative

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CHINESE VIEWS

FOR centuries, the ancient Silk Road had played a significant role in commercial and cultural exchange among the countries plying its route. Today, entrepreneurs are devoting themselves to rejuvenating the historical route and building a new world.

More than a thousand years ago, Emperor Xuanzong of China's Tang Dynasty (618 AD-907 AD) sent special envoys and fast horses to Southern China thousands of miles away from the capital to get freshly picked lychees for his favorite concubine, killing many horses and enjoys during the exhausting long trip.

Now even for fresh fruits tens of thousands miles away, say fresh cherries from Chile in South America, they can easily "fly" into Chinese supermarkets for ordinary people to enjoy thanks to the current convenient and fast trade routes.

China has now become the largest export destination for Chilean cherries. Data from the Chilean Fresh Fruit Exporters Association shows that during the last cherry export season, over 80 percent of the country's cherries were exported to China. Chilean cherry planters and traders have made huge endeavors to ensure the fresh, crisp texture of cherries for Chinese customers. For example, newly picked cherries are transported to China by "private planes" to ensure good

quality. "I hope direct flights between China and Chile will be opened in the near future, so that Chile's cherries could arrive in China sooner and at a lower cost," said Ricardo Vial, trade manager of the Rucaray Corporation, a large-scale Chilean cherry manufacturer.

Poland is the world's third largest apple producing country. In 2014, Russia imposed a ban on food imports from the European Union and the United States in retaliation for their sanctions against Moscow over the Ukraine crisis, forcing Poland's apple exports to plunge. "We launched a three-year apple promotion project focused on the Chinese market, bringing new hope for fruit farmers," said Mirosław Maliszewski, principal of Polish Fruit Growers Association.

In 1992, China's Shougang Group bid for 98.4 percent of Peruvian Iron Ore Corporation's stocks and the right to tap, explore and run the mineral resources of its mineral field. Shougang headquarters founded Shougang Hierro Peru S.A.A., a mining company, which extracts, processes and sells iron ore in Peru.

"During the past 24 years, Shougang Group has invested nearly US\$1.5 billion in equipment replacement, technology transformation, environmental governance, living quarters and project expansion. Its output has surged from less than 3 million tons in 1992 to 11.12 million tons in 2015," said Kong Aimin, general manager of Shougang Hierro Peru S.A.A.

In addition to founding new companies abroad, a large number of Chinese corporations have deepened their cooperation with local companies overseas.

Zhejiang RIFA Digital Precision Machinery Company is a manufacturer of high-end precision machine tools with annual sales exceeding a billion yuan (about US\$145 million). In 2014 and 2015, it bought out Italian corporations MCM and Colgar, which were suffering from an economic crisis in Italy.

The two Italian companies are world-leading machine tool manufacturers, whose customers include renowned airplane manufacturers such as Airbus and Boeing and industrial giants General Electrics and Siemens.

Win-win deals

"Improving technology, boosting development and expanding markets not only play an important role in the Belt and Road Initiative, but they also meet the needs of both Chinese and Italian corporations," said Wang Benshan, chairman of Zhejiang RIFA Digital Precision Machinery Company.

Kazakhstan is an important hub on the ancient Silk Road. The city of Korgas is located in China, in Kazakhstan and on the border of the two countries. It serves as China's youngest border port city, a special economic zone forged by Kazakhstan, and the first cross-border trade area between China and its neighboring

countries. In December 2014, the Korgos-Eastern Gate special economic zone in Kazakhstan, the most significant logistics center, was officially put into use. Some foreign enterprises have gradually settled down in the special zone. With a soaring population and schools, hospitals, kindergartens and other supporting public facilities having been built, a brand new town is appearing.

"The China-Kazakhstan Horgos Frontier International Cooperation Center is the busiest among the three Horgoses," said transport driver Juura.

Spanning Chinese and Kazakh territory, the center is 5.28 square km in size. With special access linking the two countries, a constant stream of Chinese and Kazakh customers come here to buy Chinese commodities.

"My customers are merchants from Kazakhstan, Kyrgyzstan, Belarus and many other countries," said Zhang Wei, who sells bed linen at the center's Yiwu International Shopping Mall.

The Horgos city in China has become an important nod opening up to the West. Central Asia freight trains and China-Europe trains have linked up Horgos with the outside world.

Once the highway in Kazakhstan linking western China and western Europe is complete, travel time will be reduced from 40 days by sea to 10 days by land.

The authors are Xinhua writers.

Silk route: a golden thread for post-Brexit Britain?



Catherine Owen

FOREIGN VIEWS

WHILE public opinion in Britain remains divided on the subject of Brexit and its ramifications for the UK economy, politicians and policymakers are scrambling to make the best of what many privately believe is a bad situation.

In January, Prime Minister Theresa May called for a "truly global Britain," which would see the forging of new trading

relationships with countries beyond the EU, including India, the Arab world and, of course, China. Whatever one may think about Britain's membership in the EU, improving bilateral relations with countries of the non-West seems a laudable and, some might say, overdue endeavor.

China-UK relations have not always followed a smooth path, but co-operation recovered in 2015 with the UK joining the Asian Infrastructure Investment Bank and Chinese President Xi Jinping's celebrated visit to London. With Brexit now underway, it would be advantageous for Britain to build on these positive developments and expand engagement with China to new, exciting areas.

The Silk Road Economic Belt (SREB) is one such area. A set of infrastructural hubs that

aims to connect Chinese and European markets via Central Asia, the SREB could prove transformational for Central Asian economies, some of which are among the most remittance dependent in the world.

It could also allow Western states such as Britain to help this transformation by bringing an important set of theoretical, strategic and project-management related skills to the table.

Britain has well established and globally respected experience in financial services; it has world-leading expertise in due diligence, feasibility assessment and political risk management; it has assisted states in the creation and maintenance of free market conditions.

However, Chinese-UK collaboration on SREB would not be without challenges. On the

Chinese side, China needs to make clear a set of concrete plans and projects for the region. To what extent will there be opportunities for foreign companies to bid for contracts? How will environmental and public safety standards be maintained? Who will own and profit from the completed infrastructure?

And while Britain arguably has a better track record than some other European states, it still needs to take Central Asia seriously. While Central Asia may not be the highest priority on its foreign policy agenda, Britain overlooks this strategically important region to its detriment.

More fundamentally, perhaps, Britain views itself as a country that, alongside trade and investment deals, promotes a specific set of norms and values. Yet sanctions on countries seen

to violate "democratic values" have consistently proven to be ineffectual at best and counter-productive at worst.

If Britain can climb down from its ideological high horse and if China can bring a set of concrete plans for discussion, tripartite collaboration could make SREB not merely a successful, but even a sensational, international endeavor.

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