

CHINA TO INVEST \$16.3 BILLION IN THE SILK ROAD



covered by the project.

Centuries-old Silk Road is planned to be revitalized so that it can connect China's markets spread on three continents – just as it did it in the past. For this, China is ready to invest incredible \$16.3 billion in construction of infrastructure including building and expanding railways, roads and pipelines in Chinese provinces

China has now decided not to attract the investments from abroad but to do the exactly opposite. **According to policies there is a plan to push Chinese leaders to finance infrastructure in countries found on the route from China to Europe** and bid for contracts.

The idea about "New Silk Road Economic Belt" was first mentioned during the speech of the Chinese President Xi Jinping in Kazakhstan in September 2013. This was also confirmed one month later in Jakarta, where he announced "The 21st Century Maritime Silk Road" in Indonesian Parliament. President Xi uses every opportunity during his international visits to push through the idea and he already secured verbal approval from the three important countries on the road: Sri Lanka, the Maldives and Tajikistan. Great interest and willingness to participate is recorded by India and Afghanistan as well.

China will use the next Asia Pacific Economic Cooperation (APEC) Summit in Beijing to empower its new strategy and present it to all the world's leaders including the President of USA Barack Obama. China Development Bank will be in charge to oversee the financing and to control that the funding has been done in regions found in the plan: Central Asia, The Middle East, South Asia, Southeast Asia and some parts of Europe.

One of the strongest and most important points in the strategy is the intention to reduce disbalance between eastern coastal areas and western inland areas. This has encouraged the creation of competition among the Chinese provinces in western regions as they try to benefit from the funding and use it to push its economical and overall development. **Xinjian region is one of the areas that will try to use this historical opportunity and become the hub of the belt.** The southern province of Guandong has welcomed participants from 42 countries on inaugural International Expo for the Maritime Silk Road. It is believed that the enthusiasm of the Chinese provinces will be more than beneficial for the realization of this project.

In May, Xinhua News Agency published a map on its web site where the beginning of the land-based Silk Road is marked from the ancient city of Xi going west through Lanzhou and Urumqi then continues southwest across Central Asia, the Middle East and Europe. Maritime Silk Road will go through Guangdong and province of Hainan, en route to the Malacca Strait, Indian Ocean, traversing horn of Africa before entering the Red Sea and finishing in the Mediterranean. The two roads are supposed to meet in Venice. There are hopes that the new Silk Road will bring new opportunities and brighter future to China and to all other countries found on the road.

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