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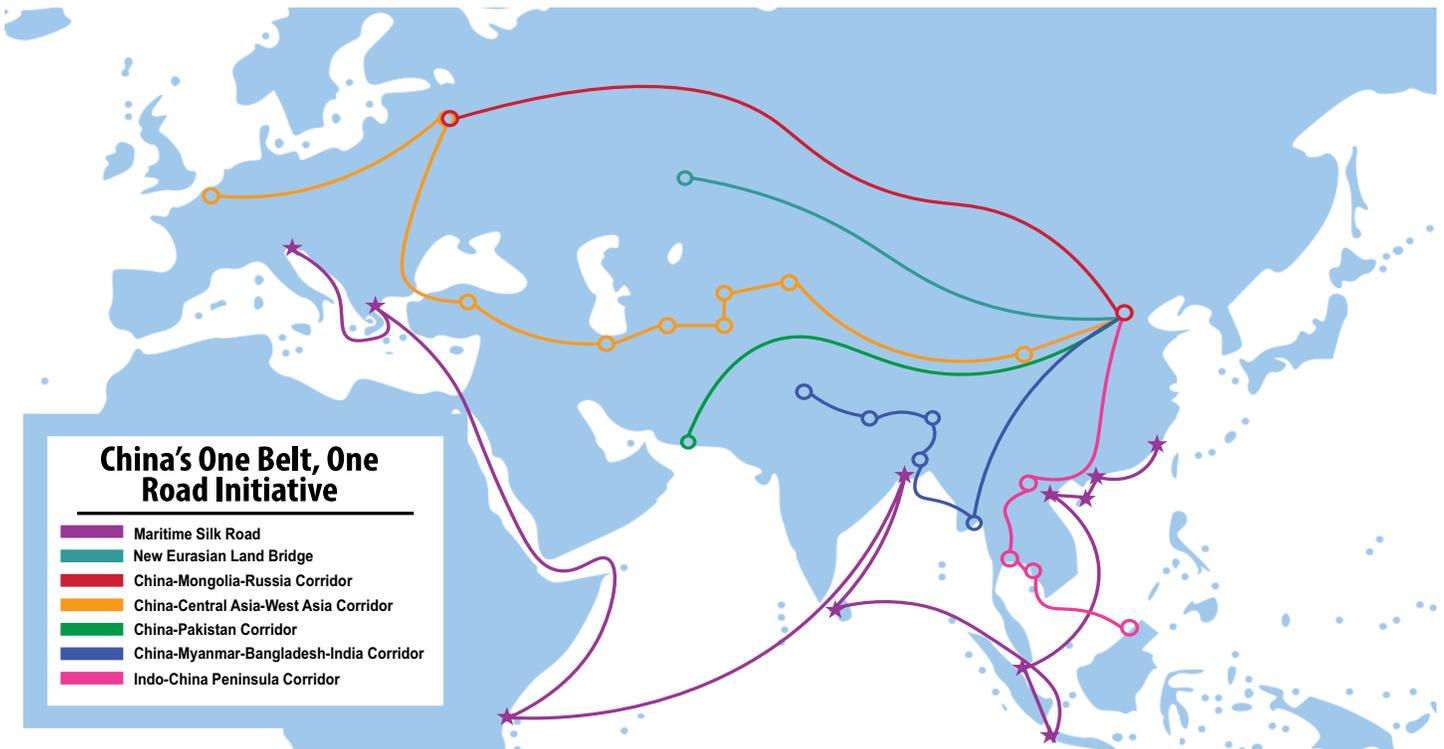
The Road Less Traveled, But Not For Long: China's One Belt, One Road Initiative

Since Xi Jin Ping's administration has taken power with Premier Li Keqiang at the head, China's overall economy has risen steadily with an annual GDP growth rate of 6.7% in 2016, nearly twice that of 1990. With the country's burgeoning economic influence shaping much of the Asia-Pacific region and with continual domestic reforms driving growth in production, China has found itself in a strong position to invest in greater trade facilitation beyond its top partners U.S., Japan, and South Korea. But when much of the infrastructure west of its borders has yet to be realized, how can China foment intraregional trade? Enter the One Belt, One Road Initiative.

Originally announced in fall of 2013, China's One Belt, One Road Initiative (OBOR), or New Silk Road, is actually composed of six land corridors and one maritime path: the New Eurasian Land Bridge that bridges Western China and Western Russia; the China–Mongolia–Russia Corridor that connects to Eastern Russia; the China–Central Asia–West Asia Corridor that reaches to Turkey; the China–Indochina Peninsula Corridor that runs from Southern China to Singapore; the China–Myanmar–Bangladesh–India Corridor; the China–Pakistan Corridor; and the Maritime Silk Road, which runs across oceanic parts of Southeast Asia, Oceania, and North Africa.

The initiative spans 900 projects over 60 countries in the Eurasia region and is estimated to be worth \$900 billion, financed by the dedicated Asian Infrastructure Investment Bank. This was supplemented in 2014 by the Silk Road Fund, a \$40 billion state-owned investment fund for businesses related to the OBOR project, such as [Pakistan's Karot Hydropower Project](#) which is expected to complete by 2021. Other projects, such as the newly completed Kazakhstan's Khorgos Gateway, also bolster the New Silk Road's reach to economies in Eastern Europe and beyond.

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***Note: Routings are taken as approximations from secondary sources, and should not be construed as fact. Sources: New Delhi Times, GIS Reports Online, Live Trading News*

But not everything has been going smoothly for the trillion dollar plan: just last November, Nepal cancelled and reassigned the Budhi Gandaki hydropower project from contractor China Gezhouba Group Corp. to the Nepal Electricity Authority [over “irregularities” in initial construction agreement](#), and Pakistan called for its Diamer-Bhasha Dam to be removed from the China-Pakistan Economic Corridor [after Beijing vied for ownership](#), among other disputes and renegotiations. In the past several years, diverse criticism has been levied towards [the project and its intentions](#), and India, in particular, has even rejected China’s efforts [over long-running issues regarding sovereignty](#).

The continued development of OBOR has also motivated other countries to invest in the Asia-Pacific region: Japan outlined its [Partnership for Quality Infrastructure \(PQI\) initiative in 2015](#) with a \$110 billion budget, and disclosed in a 2016 summit with Indian leadership [the possibility of an Asia-Africa Growth Corridor \(AAGC\)](#), while India has also announced its own initiative: [the North-South Transport Corridor \(NSTC\)](#). Last year, the U.S. and Japan also announced possible initiatives to develop alternative Asia-Pacific infrastructures rivaling China’s OBOR, signed by the Overseas Private Investment Corporation.

From this, it remains to be seen whether the One Belt, One Road initiative will hold out as nations vie for trade dominance in the Asia-Pacific region, which is [predicted by the World Bank to grow 6.2% this year](#). But regardless of outcome, we can expect the increased activity from infrastructure projects to improve on the overall quality of existing trade routes and potentially create new and more efficient ones even as they strain diplomacy among key regional players.



For pressing inquiries and updates, please reach your local KWE branch for information.

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