

The Belt and Road Forum for International Cooperation #BeltandRoad

"In this lovely season of early Summer when every living thing is full of energy, I wish to welcome all of you, distinguished guests representing over 100 countries, to attend this important forum on the Belt and Road Initiative held in Beijing" said H.E. Xi Jinping in his address At the Opening Ceremony of The Belt and Road Forum for International Cooperation. The Opening Address was headlined "Work Together to Build the Silk Road Economic Belt and The 21st Century Maritime Silk Road"

Many of our African Leaders had of course visited in September for the FOCAC summit when "September has just set in Beijing, bringing with it refreshing breeze and picturesque autumn scenery"

I learnt that it was "In the autumn of 2013, respectively in Kazakhstan and Indonesia, I proposed the building of the Silk Road Economic Belt and the 21st Century Maritime Silk Road, which I call the Belt and Road Initiative. As a Chinese saying goes, "Peaches and plums do not speak, but they are so attractive that a path is formed below the trees." Four years on, over 100 countries and international organizations have supported and got involved in this initiative. Important resolutions passed by the UN General Assembly and Security Council contain reference to it. Thanks to our efforts, the vision of the Belt and Road Initiative is becoming a reality and bearing rich fruit Today, a multi-dimensional infrastructure network is taking shape, one that is underpinned by economic corridors such as China-Pakistan Economic Corridor, China-Mongolia-Russia Economic Corridor and the New Eurasian Continental Bridge, featuring land-sea-air transportation routes and information expressway and supported by major railway, port and pipeline projects"

To quote a Chinese saying, "The ocean is vast because it rejects no rivers." - I enjoy parsing Xi Jinping's linguistics and you will surely recall a substantial linguistic recasting last year at FOCAC where the President spoke of "The End of Vanity [Projects]" for example.

It would be churlish not to recognise the breath-taking scope and contours of H.E Xi Jinping's vision. If You accept that Mankind is at the apogee of its Progress then at this moment of apogee, there is no other World Leader thinking or operating at this level. I wrote of the "Platform Economy" last week and referenced the new "blitz-scaling" economic model that the likes of UBER were pursuing, however, on a macro level, there is no one who is thinking or executing at the level of the Belt and Road.

Francis Schaeffer: "We are not building God's kingdom; God is building his kingdom, and we are praying for the privilege of being involved."

Of course, as I wrote in August 2017 "Xi Jinping's One Belt One Road [OBOR] program binds the world to Beijing because all the roads and railways have but one destination and that is China" and we must appreciate how the centre of Gravity [which was once somewhere in the middle of the Atlantic Ocean and is now probably somewhere in Russia] is being shifted further East with the Belt and Road. Data from Refinitiv shows the total value of projects in the scheme stands at \$3.67 trillion, spanning countries in Asia, Europe, Africa, Oceania and South America. The Economist estimates "that China

will spend \$1trn within the next decade on its monumental scheme." Xi said over \$64 billion in deals were signed at the Belt and Road summit. Eximbank said this week that its outstanding bri-related credit was more than 1trn yuan, or nearly \$150bn.

"All of this shows that Belt and Road cooperation is in synch with the times, widely supported, people centered and beneficial to all"

President Jinping has further fine-tuned his vision and is surely far more sensitive to his environment and the feedback Loop than his State Media and its attendant paraphernalia which tends to be rigid and hard.

"Water is fluid, soft, and yielding. But water will wear away rock, which is rigid and cannot yield. As a rule, whatever is fluid, soft, and yielding will overcome whatever is rigid and hard. This is another paradox: What is soft is strong," Lao Tzu

He said "We should pursue the new vision of green development and a way of life and work that is green, low-carbon, circular and sustainable"

Finance is the lifeblood of modern economy. Only when the blood circulates smoothly can one grow. We should establish a stable and sustainable financial safeguard system that keeps risks under control, create new models of investment and financing, encourage greater cooperation between government and private capital and build a diversified financing system and a multi-tiered capital market.

Third, we should build the Belt and Road into a road of opening up. Opening up brings progress while isolation results in backwardness. For a country, opening up is like the struggle of a chrysalis breaking free from its cocoon. There will be short-term pains, but such pains will create a new life. The Belt and Road Initiative should be an open one that will achieve both economic growth and balanced development.

As the second Belt and Road Forum drew to a close, the leaders of 37 countries joined Chinese President Xi Jinping in signing a joint communique promising to work together as the global project enters its next phase. At the inaugural forum in 2017, just 29 nations made such a pledge, with Portugal, Austria, the United Arab Emirates, Singapore and Thailand among the new signatories this time around.

Now of course, China has had to fine-tune, resize and even the tighten the Belt and disavow some Folks of the notion that Xi was Santa Claus. Bloomberg Opinion writes

On Friday, Chinese President Xi Jinping pledged high standards and "zero tolerance" for corruption in the program. The sheer volume of the supposedly multi-trillion-dollar initiative looked impossible to match. Meanwhile, a corrosive combination of debt, corruption and privileged access for Chinese companies threatened to lure or coerce countries away from the U.S. orbit and into China's. In many ways, though, this model always contained the seeds of its own failure. The emphasis on speed and scale came at the expense of sustainability, both economically and politically. In most countries, China failed to build a broader consensus for its investments beyond whatever government happened to be in office. In a series of elections from Malaysia to the Maldives, opposition parties have sailed into power by railing against Chinese megaprojects that looked to be lining the pockets of politicians more than boosting the economy.

Investments in countries such as Pakistan had already been pared back as rising debt levels limited their ability to take on new projects. But leaders in Beijing can and will adjust. They've already shown striking willingness to renegotiate contracts, with Malaysia's \$16 billion East Coast Rail Link — now around 30 percent cheaper — being only the largest example.

China is on the hook for billions in Venezuela for billions of Dollars if Maduro is regime-changed. China has always affirmed its Policy of non-interference but in many parts of the World we are watching a lot of long-standing Regimes spasm and a betting Man would bet on many of them dying. This is clearly particularly the case in many parts of Africa as we watch events unfold in real time in places like Khartoum and Algiers. Clearly the old Chinese bet of buttressing the incumbent via building roads to his home village and Football stadia is no longer de rigeur. A lot of Leaders have yet to make the adjustment. Those who straddle the Belt and Road Platform "geo-economically" and "geo-strategically" will evidently get a Free Pass and these countries are easily identified and include the Near Abroad [Asean], Pakistan [key to triangulating India and the Gwadar Port is an escape hatch], Greece and Italy [a beachhead into Europe and where your best Mate Vlad is also snapping at European Heels] and then Africa of course where You will note Prime Minister Abiy is getting the kid-glove treatment, the Indian Ocean Islands [because of Economic Exclusion Zones, for example].

Xi Jinping has been pivoting his Belt and Road. He has his hand on the Spigot a lot more firmly. Time to pay attention.