

**CHINA'S ONE BELT, ONE ROAD AND
ITS OVERLAND CENTRAL ASIAN
COMPONENT**

John WONG & LIM Tai Wei

EAI Background Brief No. 1074

Date of Publication: 28 October 2015

Executive Summary

1. China's One Belt, One Road (OBOR) is likely to be heavily oriented towards Central Asia (CA), the original Silk Road (SR) where China had been dealing with its backyard in its west for centuries.
2. China today is leveraging on its strong economic presence and political clout in its new SR proposal. It was as economically pivotal for the newly proposed SR as it was for the old SR.
3. For the Central Asian region, all SR initiatives, old and new, are basically about "connectivity". The SR initiative will provide an opportunity for Central Asian countries to break from their geographical isolation and connect with the more developed countries around the new SR.
4. With its key technological and engineering skills of building the required transportation networks, particularly for the high-speed rail, the role of China is thus most crucial. China also has strong financial muscles to help fund infrastructure building.
5. Connectivity is more than just the physical transportation networks of highways, railways, ports and shipping lines or the economic integration based on trade and finance. It is also concerned with people-to-people connection, social interaction and cultural exchange in the long run.
6. Ultimately, the end objective of any SR connectivity is not only for Central Asian states to take advantage of China's economic growth and its vast domestic markets by becoming more integrated with the Chinese economy, but also a potential mega continental bridge that finally links up CA to East Asia for the long term.
7. If the OBOR is to take its logical next step in the near future, the eventual integration of the overland Silk Road with the Maritime Silk Road may not be a farfetched aspiration.

8. Given the geopolitical reality of an isolated Russia, active Chinese economic diplomacy backed up by financial muscles and willing recipients of infrastructure developmental funds, a revived overland route may indeed become a reality. If it were to succeed, the next logical sequence is an extension into the European hinterlands.
9. While the journey for transporting goods from China to Europe by land is shorter than via the maritime route, the costs are higher as the current freight flow is largely China-Europe, rather than Europe-China. The volume is too small for any opposition to arise in the European Union, at least for now.