China's Initiative to Revive the Maritime Silk Road for Trade and Development

Jun Zhao
Professor, Zhejiang University
junzhao_zju@126.com

In history, the Silk Road was an important international trade route that originated in China and linked together commercial trade between Asia, Africa and Europe. Over the centuries, the long route has connected the East and the West and promoted the exchange of goods, culture, and innovation among the many different countries situated along the road.

The ancient Silk Road was divided into the 'Land Silk Road' and the 'Maritime Silk Road'. The 'Land Silk Road' began in Chang'an in central China and stretched west through central Asia to Europe. The 'Maritime Silk Road' started in the southeast coastal region of China, extended across the regions of Southeast Asia, Africa and Europe, and included both the ocean and coastal regions. The Silk Road linked civilizations and facilitated exchange of goods and cultures.1 The Silk Road Spirit based on “peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit” has been passed from generation to generation.2

In order to rejuvenate the ancient Silk Road with its emphasis on the mutual benefits through trade in goods, culture, and ideas, during visits to four countries in Central Asia in September 2013, President Xi Jinping proposed to establish the 'Silk Road Economic Belt'. One month later, in a speech to the Indonesian Parliament, President Xi proposed the 21st Century Maritime Silk Road initiative. China is willing to strengthen maritime cooperation with ASEAN countries and build the 21st Century Maritime Silk Road together. In addition, President Xi also proposed establishing the Asian Infrastructure

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Investment Bank to finance infrastructure construction and promote regional interconnectivity and economic integration. The Silk Road Economic Belt and the 21st Century Maritime Silk Road are referred to collectively as the Belt and Road Initiative. On 2015 March 28, the National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce jointly released an action plan on the principles, framework, and cooperation priorities and mechanisms in order to implement the Belt and Road Initiative.

The 21st Century Maritime Silk Road is a strategic initiative of China to attract investment and seek cooperation across Southeast Asia, the Indian Ocean and the eastern Mediterranean region. The 21st Century Maritime Silk Road has two routes. One starts from China's coast, and stretches through the South China Sea and Indian Ocean to Europe. The other starts from China's coast, and stretches through the South China Sea to the South Pacific.3

The Maritime Silk Road is committed to maintaining and building peaceful and friendly relationships with all countries that are interested in participating. The initiative is aimed at enhancing trade, infrastructure, investment, capital and connections between people. In the long run, it is hoped that the initiative will create a community with common interests and responsibilities. When the initiative moves forward, a number of opportunities for cooperation along the route have been identified including maritime transport and infrastructure, resource development, marine scientific research, joint law enforcement, and non-traditional maritime security.

In addition, China has set up the Silk Road Fund to provide financial support for infrastructure, resource development, and other industrial and financial cooperation projects under China's Belt and Road Initiative. The establishment of the Maritime Silk Road will reinforce positive spillover effects to foreign economies from Chinese investment, while also resolving China's own uneven resource allocation problems as well as overcapacity in steel production and the construction industry.

In reviving the Maritime Silk Road, both opportunities and challenges exist. One challenge will be addressing the huge differences between the economic, political, cultural, social and legal systems in the countries along the Maritime Silk Road. Moreover, the need to create harmonized and secure conditions for investment will be a challenging task.