

JVI, Vienna, May 18, 2018

New Silk Road:

a recap of the initiative and prospects for cooperation
on the Eurasian space

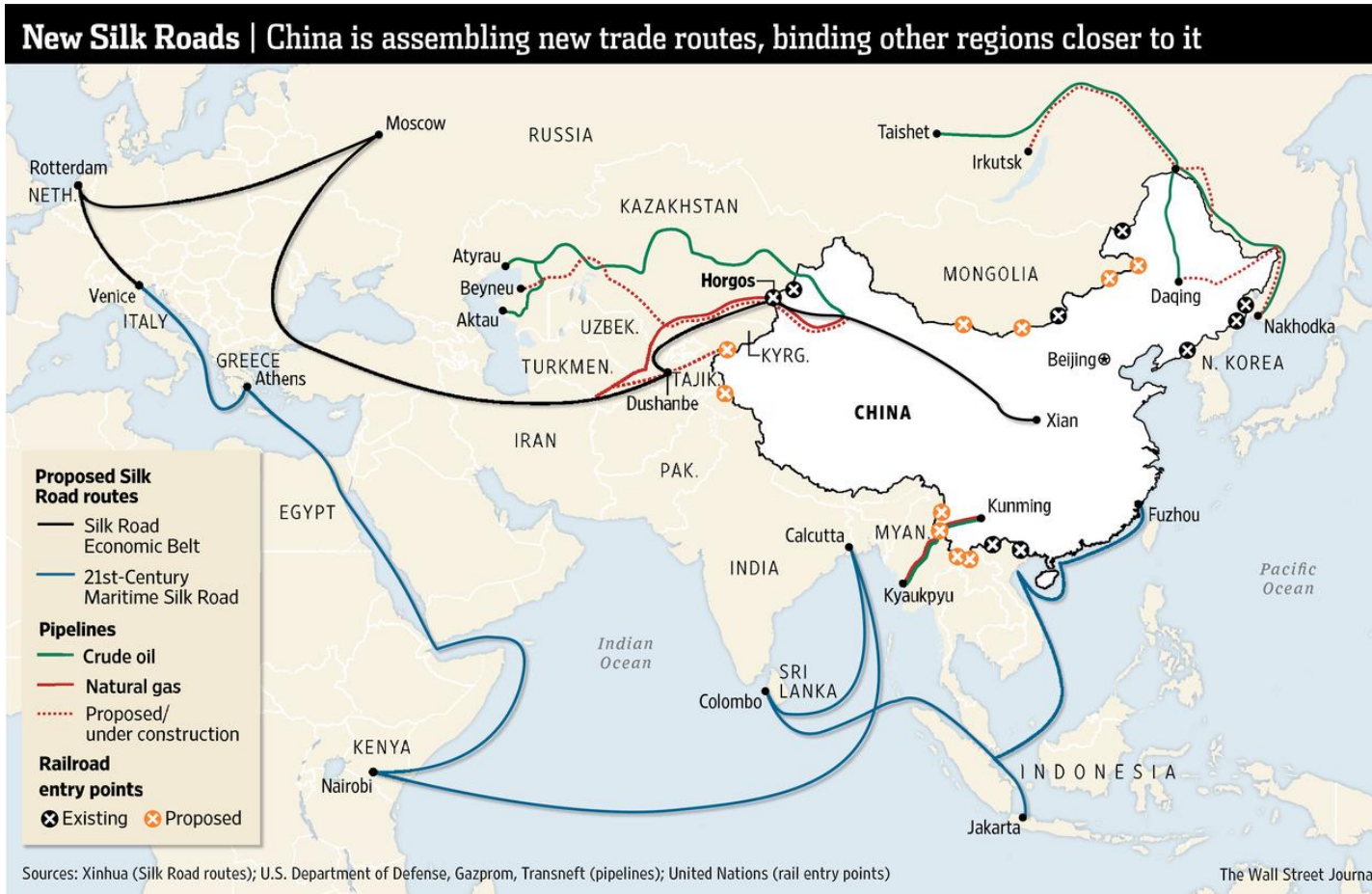
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One Belt One Road

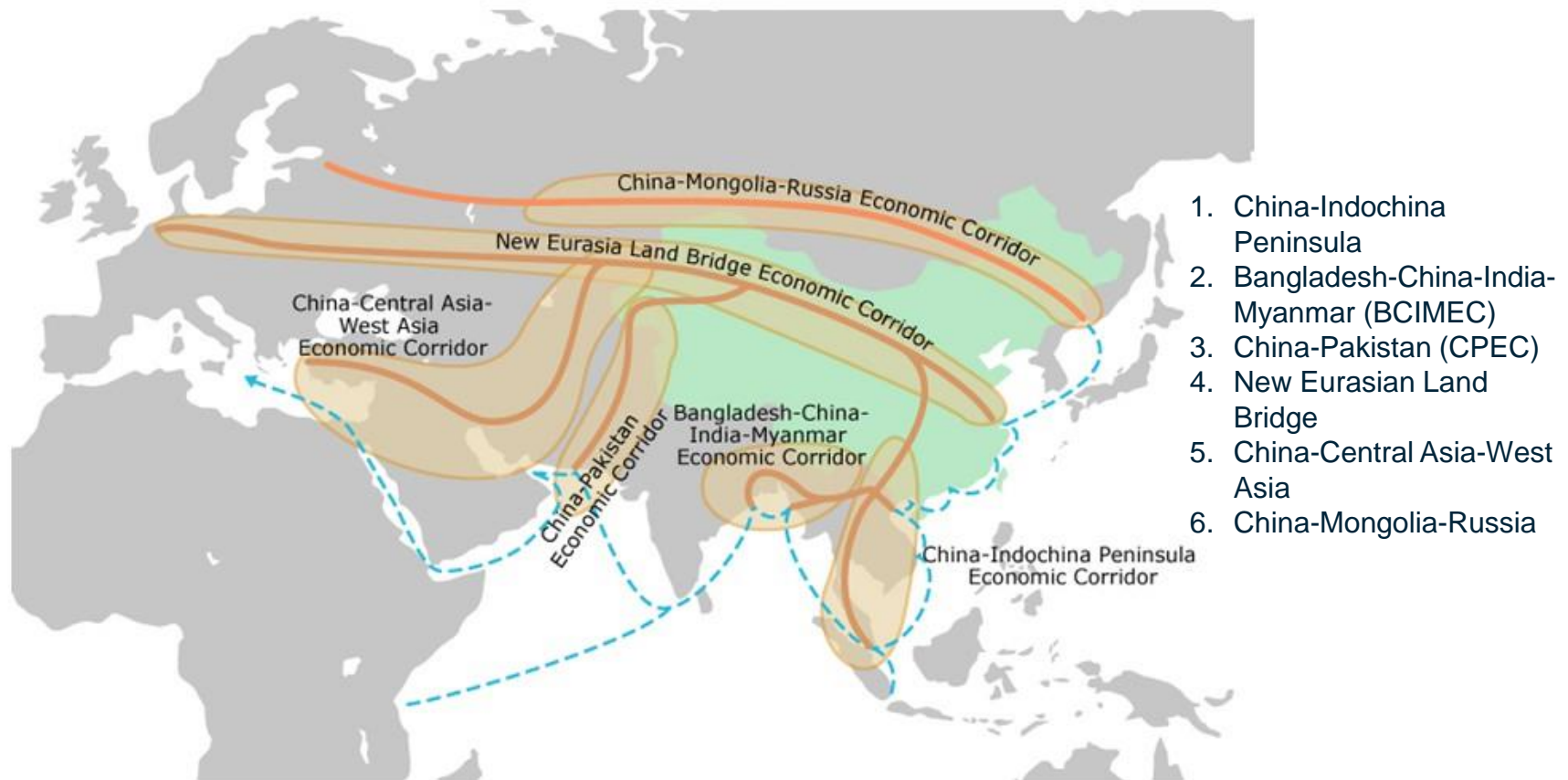
= Silk Road Economic Belt + 21st Century Maritime Silk Road



Source: The Wall Street Journal

6 economic corridors bridging the roads

The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa



Integration endeavors on the Eurasian economic space

One Belt One Road (OBOR) or New Silk Road: pillars

1. Policy coordination

2. **Cross-border connectivity**

3. Unimpeded foreign trade

4. Financial integration

5. People-to-people bonds



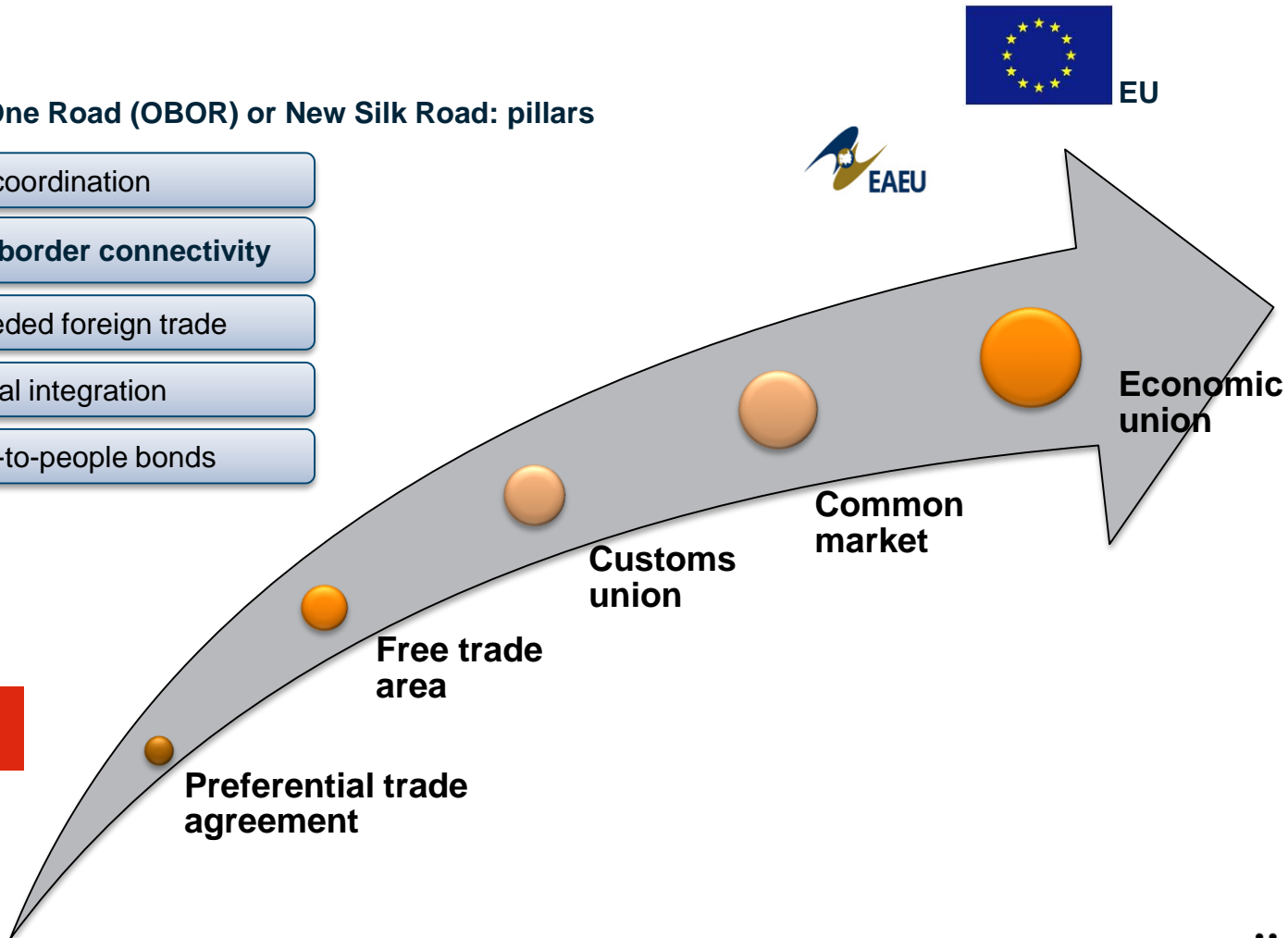
EU



EAEU



OBOR



Preferential trade agreement

Free trade area

Customs union

Common market

Economic union

Policy pillars and strategic goals of OBOR

One Belt One Road proposed pillars

1. Policy coordination

2. Cross-border connectivity

3. Unimpeded foreign trade

4. Financial integration

5. People-to-people bonds

Explicit and implicit strategic goals



Strengths of OBOR

- Flexibility: “initiative/vision” rather than a formalized integration arrangement
- Strong financial underpinnings: Silk Road Fund, China Import-Export Bank, China Development Bank, AIIB. Over \$100 bn announced.
- High competitiveness and flexibility of the private sector
- Large country in terms of economic size, area and population

Weaknesses of OBOR

- Flexibility: unclear regulatory framework and expectations
- Challenging region: geography and poor infrastructure, geopolitical tensions and fragile states, structural weaknesses, etc.
- Multiple borders and regulatory regimes

Cooperation prospects



- OBOR: threat or opportunity?
 - Central Asia: development and connectivity opportunities at the risk of higher long-run dependency on China
 - EAEU: open to dialogue, limited capacity to engage
 - EU: unclear “political intentions” of OBOR, competitiveness of China’s economy

- Way forward:
 - Foster pragmatic dialogue
 - Avoid forcing ‘either-or’ choices for the countries concerned
 - Identify areas of common interest: infrastructure connectivity, supporting integration ‘from Lisbon to Vladivostok’, development assistance for the fragile countries of the region

Thank you!

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