



Grand Connectivity of Transportation New Landscape for the Silk Road (Keynote Speech in Montana Forum)

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Distinguished Mr. Daniel Warner,
Ladies, Gentlemen, and friends,

I would like to begin with congratulations to the successful opening of the 2016 Crans Montana Forum in Vienna, the capital city of the Republic of Austria. Vienna enjoys the reputation of “Goddess of River Danube”, and wandering down the quaint old streets, I am overwhelmed with the charm of traditional European culture. It is my great honor to be in this beautiful city, and to make my first appearance in this Forum.

Back to 2100 years ago, Zhang Qian was dispatched on imperial expeditions to Central Asia. From the foot of Qinling Mountains, to Tianshan Mountain, to the Pamir Plateau, Zhang Qian extended the way that connected Europe with Asia. In the history of humanity, this is the first time to realize the two-way exchange of goods, culture and intelligence between the East and the West. It ignited the conflagration of the cultural integration and promoted the process of human civilization.

Moving into the 15th Century, Europe started the age of discovery in seeking the new Silk Road passage. Columbus discovered the new continent, and trade routes ensued, thereby initiating the development of global economy. In his time, the loading capacity of a ship was just about 60 tons. In the middle of the 16th Century, the three-masted Carracks were able to carry loads of up to 600, or even 700 tons. Over thousands of years, camels have always been the most important means of transportation, however, each camel could only carry 180kg of goods, and the amount carried by a sailing ship was 3800 times greater than that by a camel. Besides, maritime transportation is much more economical and less time consuming. In this regard, maritime trade, instead of land trade, is the preferable choice for development.

Last two thousand years have seen the rises and falls of the Silk Road, whose far-reaching effect is never far away. Entering the 21st Century, the landscape of the world transportation has once again dramatically changed. Confronted with the scourge of piracy, the security of international maritime traffic is facing new threats and vulnerability. On the other hand, the land access connecting Europe and Asia is getting remarkably convenient.

The Chang'an international cargo train, linking Xi'an – the capital of northwest China's Shaanxi Province – to Kazakhstan, Russia, Belarus, Poland and Netherlands, started operation. The route of the Chang'an stretches from Xi'an to Rotterdam, the Netherlands and passes through 7 countries. It takes 18 days

to travel the 9,850 km route, saving more than 20 days than travelling to Europe by sea. Once the high-speed train with speed well over 300km/h start operation, and countries along the routes are able to simplify the cross-border and transit formalities and procedures, theoretically, it will only take 2 days to travel the route. At that time, not only the world trade landscape, which relies mainly on sea transportation, will transform irreversibly, but the Silk Road will be revitalized as well.

The world is stepping out from the old model to the new, to the age of connectivity. Nowadays, connectivity has become the essence of national competitiveness, and strategy-matching is an important means to achieve mutual success. In this context, China announced the initiative of jointly building the “Belt and Road” and took the lead to enable landlocked and coastal countries to benefit from the connectivity of international trade.

The land/sea linkage is a worthy topic in the Belt and Road Initiative. It will break the geographic boundaries and improve the efficiency in trade and transportation and reduce the cost in logistics. The land/sea linkage includes the expansion of ports, improvement of the old rails and its capacity. This is a huge systematic project, and it should be on the top of our agenda to further the Sino-Euro economic cooperation and the cooperation on land/sea linkage in the trans-Mediterranean region.

People in Central and Eastern Europe countries have been yearning for linking the Elbe, the Oder and the Danube with the Baltic Sea, the Adriatic Sea and the Black Sea. And today, the Project of pan-seaside strip of the Baltic, the Adriatic and the Black Sea is ready. I believe that all these dreams will finally be achieved within the framework of the “Belt and Road”.

As the Mediterranean connects Europe, Asia and Africa, it has been, is now and will be an important economic hub for the world. After years of coordination, Chinese enterprises have started another round of operation at the Piraeus Port. The renowned flagship project of the Belt and Road Initiative, the Budapest-Belgrade Railway, is in progress. There is a possibility that the Budapest-Belgrade Railway network will link the Central and Eastern Europe, Western Europe and Northern Europe and transforms into a new route for trade and logistics.

Chinese are very familiar with the proverb “All roads lead to Rome.” And I would like to add that all routes would lead to Europe in the land/sea linkage. With the expansion of the New Suez Canal and more connectivity of routes on land and sea in the Mediterranean region, these more accessible routes will expand to wider areas of trade development. On 15 April this year, China-Europe International Freight Train Alliance was founded and set to improve the logistics by train and utility of the Internet in order to maximize the capacity and idle reduction. Thus the “Belt and Road” has an ideal combination in the structure of connectivity, which indicates a positive picture.

I remain optimistic about the Sino-European land/sea linkage based on a prospective analysis, that is, the opening of the Arctic Ocean Route. British scientists suggested that the sea ice in Arctic Ocean might disappear in the next couple of years, and the Arctic Ocean would be ice-free for the first time in hundreds of thousands of years. Cruise expeditions to the Arctic will be organized this summer in the Northwest Passage of the Arctic Ocean Route. And the Northeast Passage is entering the planning and research stage. I can't help but think about the connection between the Arctic Ocean Route and the infrastructure linkage or land/sea linkage. Do they collide or collaborate? This question is worth pondering.

To be honest, I am all for the collaboration. Firstly, besides the traditional routes via the Mediterranean and the Eurasian Land Bridge that connect Europe and China, there will be a third route, which is the Northwest Passage that connects North America, or the Northeast Passage that connects Europe, to Asia. This will be beneficial to the Sino-European cooperation on economic development. Secondly, the strategic position of Mediterranean land/sea linkage in economic development will not be

weakened. The infrastructure in this region is highly developed, and the emerging economic areas will be connected to each other and transform into a long chain of development that covers a larger radius. This will create more jobs and social welfare. Thirdly, for the first time, there is a dual-loop in the land/sea linkage between Europe and China. Or, to put it this way, the Arctic Ocean will be a new Mediterranean Sea, and the two will be complementary in forming a closer and more effective trade exchange.

I should say, jointly building the “Belt and Road” is our common development path as well as the consolidation of our common assets of geo-economy and geo-culture. The “Belt and Road” itself documents the history and innovation and marks the exchange of civilizations. It is a geographical track of the communication among civilizations, a record of cultural development.

Before I conclude, I would like to make a small comparison. Vienna is the *City of Music*, with wonderful tunes and melodies everywhere. And developing Silk Road is just like composing a sonata. It takes all of us to finish the beautiful piece of music.

I hope that my speech can serve as a stimulus by giving every one of you here today a chance to put forward your invaluable insights and make a series of substantive suggestions on the connectivity of the Silk Road.

Thank you!