

## The New Silk Road

**Beijing is reviving the idea of 'empire' with the launch of the world's most ambitious high-speed rail line.**

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Thousands of years ago, trade caravans packed with spices and silk crisscrossed the Eurasian land mass along routes collectively known as the Silk Road. These caravans connected Constantinople to China's then-capital, Changan, and even today the city (now Xian) has an ancient Muslim quarter and a self-assuredness evoking that bygone era. In those days, all roads led to China, which lived up to its name as the Middle Kingdom. (In Chinese the country is called Zhongguo, literally Middle Country.) Now with an audacious scheme to link 17 countries with more than 8,000 kilometers of high-speed railway—ultimately capable of transporting cargo as well as passengers all the way to London—China hopes to revive its role at the center of the universe.

Even by larger-than-life Chinese standards, the plans seem mind-boggling. The first long-distance line inside China, linking inland Wuhan to coastal Guangzhou, opened in December, hitting top speeds of 350kph, faster than the speediest trains of Europe or Japan. Beijing hopes to have 800 bullet trains running across China by 2013 and, soon after that, across the border. Two networks will connect China to Europe—with terminuses in London and Berlin—and a third will link to Vietnam, Thailand, Burma, Malaysia, and Singapore. Chinese engineers have begun work in Burma, and Beijing says Central and Eastern European countries are keen for the building to start. The planned rail deals will vastly improve China's ability to transport crucial energy resources from suppliers in developing countries. "If the system is completed, it'll be more convenient for us to tap into natural resources, especially oil and gas, in Myanmar, Iran, and Russia," says Wang Mengshu, a Jiaotong University professor and consultant to China's high-speed-rail projects.

China's rail network is a 21st-century, high-tech marvel married to a 19th-century view of the world as a hostile place, in which nations are well advised to secure their trade routes with exclusive deals—and arms where necessary. Its forerunners go back to the 18th century, when the British cemented their imperial power with railways in India. Russia followed suit as its own empire grew, completing the Trans-Caspian railway from Turkmenistan to the Caspian port Krasnovodsk in 1889, and the Trans-Aral Railway from Central Asia through Kazakhstan to the Russian heartland. Indeed, China's network is the first transcontinental project in Asia since Russia finished the Trans-Siberian Railway, from European Russia to Vladivostok, in 1916. The difference in the China project is that it is more extensive than all those projects put together.

China's vision is at odds with the hopes that opened this century for a world of free markets and open



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borders, and it animates many of China's latest mega-projects. A new gas pipeline from Turkmenistan to China's remote Xinjiang province has already siphoned off 50 billion of the country's 80 billion cubic meters of gas. China is helping secure its access to strategic ports in Pakistan, Burma, Bangladesh, and Sri Lanka. The Chinese leadership is intensely focused on securing and expanding its shipping routes. These new Silk Roads are a sign of how China sees the world of the future—less predictable and more dangerous. Threats, including a potential trade war with the West, and conflicts over energy security abound. Witness China's unease over U.S. threats of sanctions against one of its main oil suppliers, Iran. In this world, Beijing believes it will be better to have constructed strategic facilities—railways, ports, pipelines—especially in less developed countries that lack experience or financing for such projects. In return, China is eyeing important long-term transport or supply contracts for natural resources. In one such technology-for-resources deal, Beijing is building a rail system for Burma in exchange for Burmese lithium.

Still, Beijing can't control everything that comes and goes on a network this big. If the ancient Silk Road was one of the first grand avenues of globalization, fueling trade from the Celestial Kingdom to medieval Europe, the new railroad will be the latest. All of its lines will carry both passengers and cargo, and are designed to keep China's economic miracle on track, as trade with Europe and the emerging markets grows. Thanks to China's energy hunger, its involvement with Mideast nations is also growing fast, as the Chinese exploit Iranian natural gas, Iraqi oilfields, and Afghanistan's Aynak copper mine. Ben Simpfordorfer, chief China economist for the Royal Bank of Scotland and author of *The New Silk Road: How a Rising Arab World Is Turning Away From the West and Rediscovering China*, says mainland merchants are fine-tuning products to appeal to these new consumers. Chinese-porcelain sellers are hawking less blue porcelain, popular among European buyers, and more red porcelain, popular among Arab buyers. China's new Silk Road strategy is meant to fill the vacuum of "strategic emptiness" that emerged in Central Asia after the fall of the Soviet Union, and could lead to bilateral tensions. Over the last decade Chinese economic influence has been slowly but surely eroding Russian power in what Moscow regards as its Central Asian backyard. Although Beijing has been careful to avoid public confrontation, its inroads in the region have riled Russians. "By building their new Silk Road [railway], China is interfering in Russia's sphere of influence in Central Asia," says pro-Kremlin Russian lawmaker Konstantin Zatulin, the head of the Commonwealth of Independent States committee in the Duma, Russia's parliament.

The key to the new Chinese empire is not occupying turf but seeking reliable transport networks that aren't easily disrupted by powerful potential rivals, such as the U.S., Russia, or even India. Beijing's heavy involvement in developing infrastructure at Pakistan's port of Gwadar, for example, is linked to the fact that Gwadar is the downstream hub for pipelines linking Central Asia to China. In short, the new Silk Road is aimed at building a whole new world of infrastructure links that diminish Chinese reliance on traditional trade routes through the Strait of Hormuz (turf of the U.S. Fifth Fleet) and the Strait of Malacca (stamping ground of the U.S. Seventh Fleet). "If [those waterways] were to become blockaded, it would be a big problem for Chinese sea transport," says foreign-policy analyst Gao Heng of the Chinese Academy of Social Sciences, who believes authorities are very concerned about bottlenecks to energy imports. High-speed rail is part one of a backup plan to ensure energy security.

Because China is not intent on colonization, its domination can be much more subtle, achieved even through apparently minor technical tweaks. In the case of the railways, gauge is the key. A traveler who rides the rails from Beijing to Europe today must spend days on the Trans-Siberian Railway, built by Moscow a century ago. Russian railways—which still dominate in Central Asia as well—run on wider gauge than Europe's and China's, and that results in time-consuming delays at national borders to accommodate for the switch.

All high-speed trains run on the European gauge, meaning that Central Asian nations will have to change over if Beijing lures them away from the old Russian models. The geopolitical fallout could be intense. "Chinese projects in Central Asia sound threatening to Russia's economy, especially if China actually does build the railroad through Kyrgyzstan and Uzbekistan," says Azhdar Kurtov, a senior researcher at the Russian Institute of Strategic Research. "Russia has lost Central Asia," says Yuri Krupnov of Moscow's Institute of Demography and Regional Development. While Russia was "asleep" or distracted by conflicts with Ukraine and Georgia, China moved in—under the cover of the global economic crisis—to seal energy deals in Turkmenistan and Kazakhstan, and now the same will happen with rail projects in Central Asia, he predicts.

Critics of Beijing's rail ambitions point to the high cost and question whether the scheme is simply a fast track toward centrally planned vanity and extravagance. While negotiating with many potential partners in Europe, for example, Beijing must convince powerful vested interests that its lower costs, and an impressive domestic record in promoting high-speed rail, can overcome technical challenges and potential grassroots opposition. Beijing says it's already conducted some surveys in Europe—but the only one of the three major rail lines on which its workers have actually broken ground is in Burma. (Indeed, Russian Railways spokesman Dmitry Pertsev says his firm isn't losing sleep over Beijing's planned "mega-railroads" because "they sound like dream-fantasy plans.") But high-speed train travel is green; its emissions are about one fourth those created by flying or driving. And the Chinese regime considers massive infrastructure projects a traditional source of job creation when economic times are tough. After the global recession bit into China's export sector, the government unveiled a massive financial stimulus package with domestic rail building as a key component. The Beijing-Shanghai high-speed rail project employs some 110,000 workers.

The question is whether the outside world will see China's high-speed rail dreams as a win-win deal for the international community—serving to transcend national borders, promote free trade, and shrink the world. Or will it instead see Beijing's mercantilist pursuit of its own interests, in the form of proprietary involvement in key transport routes? The devil will be in the details of the many international deals that Beijing's rail planners, for the most part, have yet to pin down. If completed, the new Silk Road would accelerate China's trade with partners in Central Asia and Europe, possibly giving it an advantage over rivals such as Russia. Yet it could also help provide affordable low-emissions transport to countries that otherwise would face daunting financial or technological obstacles. Beijing is already building high-speed rail routes in Turkey, Venezuela, and Saudi Arabia. It's also signed preliminary agreements with the state of California and General Electric, reflecting China's hopes to provide technology, hardware, engineers, and some financing to build high-speed rail lines on the West Coast of the U.S., which now lags behind China in the field. Officially at least, Beijing authorities tout the mutual good that its global rail schemes will bring—as well as the advertisements such deals will represent for the "Made in China" brand.

The very process of negotiating its transcontinental rail deals could have a transformative effect on the Chinese regime. One reason why high-speed rail is so attractive domestically is that authorities can still largely push through massive infrastructure projects by decree, relocating entire communities and quashing labor unrest. By contrast, one of Beijing's target markets is India, where China's ruling mandarins will have to deal with a democratic process around infrastructure decisions, along with a feisty labor force. If Chinese authorities can't navigate such obstacles, their grandiose dream may be derailed. Whatever happens, Beijing's efforts to build a new Silk Road of iron offers a revealing peek at what the Pax Sinica may bring in years to come.

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