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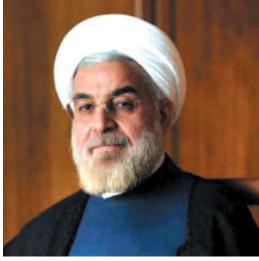




Moon Jae-in's Presidency: A Game-Changer For The Region?



EU Can No Longer Depend On US or Britain, Says Merkel



Rouhani's Mandate For Iran: An Opportunity For All Stakeholders

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# **Rising Asia** A Quarterly Magazine of CEAF

Issue - 10 July-September, 2017

# Striving for Asian Solidarity

Centre for East Asia Foundation (CEAF) Bangladesh, Dhaka



# **Rising Asia** A Quarterly Magazine of CEAF

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# Editor's Note



The American withdrawal from the Paris Agreement on Climate change marks a historical turning point. It is a shame that Trump has decided to shirk America's global responsibility and turn his back on these developments. We believe Trump's action is "short sighted" and "self defeating". His decision will harm the US and world in multiple way -economically, environmentally and diplomatically.

The US exit from the Paris Climate pact is a gift to China to become world leader on everything from trade to global warming. China is likely to seize that opportunity. At this historic moment, China has every incentive to become a global climate leader. The Paradox of the America First doctrine is it's putting

America last and China is taking the lead. Chinese Foreign Ministry spokesperson Hua Chungying said "China will remain committed to uphold and promote global governance on Climate change and take an active part in the multilateral process".

The first Belt and Road Forum for International cooperation concluded in Beijing on 15 May, 2017 with more than 270 deliverables achieved in boosting connectivity among the countries involved in the Belt and Road Initiative (BRI). According to a Joint Communiqué released after the two-day event reaffirmed the vision of the initiative "to work for a globalization that is open, inclusive and beneficial to all." President Xi said at a press conference, "Participants of the initiative will be champion of the Silk Road spirit and stay committed to win-win cooperation, meanwhile, China will not pursue any political agenda or make exclusive agenda".

Leaders of the Shanghai Cooperation Organization (SCO) gathered in Astana, Capital of Kazakhstan in 9 June 2017 for the 17th Summit of the regional bloc. Since its establishment in 2001 on the basis of the "Shanghai Five" bloc, the SCO has developed into a significant platform for maintaining regional security, stability and promoting regional growth and prosperity.

What is most impressive is the upcoming accession of India and Pakistan. The two SCO observers signed the bloc's Memorandum of Obligations in June 2016. They are expected to get full membership this year. We welcome their accession and hope it will boost the region's endeavors in countering terrorism and extremism.

Our heartiest congratulations to His Excellency Moon Jae-in on his election victory as President of the Republic of Korea. We strongly believe that Mr. Moon's victory reflects the confidence of the people of the Republic of Korea.

Best Regards Nasim Mahmmud Chief Editor Rising Asia Magazine (RAM) Email: ndipu1966@gmail.com info@ceafasia.org



# "一带一路"国际合作高峰论坛 BELT AND ROAD FORUM FOR INTERNATIONAL COOPERATION

2017年5月14-15日 中國·北京

14-15 MAY 2017 BEUING, CHINA



[Chinese President Xi Jinping speaks during a briefing on the final day of the One Belt, One Road Forum, at the Yanqi Lake International Conference Centre, north of Beijing, China on 15 May. Photo: Nicolas Asfouri/Reuters]

# Cooperation and development through the Belt and Road initiative

### Muhammad Zamir



Over the last two thousand years China has acquired significant recognition for its innovation and also for its ability to move forward with its ideas. In 2013, this evolving scenario within the international paradigm was reflected in President Xi Jinping's introduction of the Belt and Road

Initiative. This attracted attention among institutions both domestically and internationally. It set forth a revolutionary concept pertaining to development and interregional cooperation among Asian, African and European countries. The Silk Road Economic Belt and the Maritime Silk Road idea juxtaposed within its matrix the possibility of a constructive engagement in facets like infrastructure, industrial parks, ports, economic zones and port logistics networking. The idea was to create connectivity among the countries of the three continents so that there could be promotion and free flow of goods and services, capital, personnel and technology. As explained by the Chinese leadership in the subsequent years, it was believed that this would facilitate developmental momentum and strategic integration not only within China but also among other countries within this One Belt One Road (OBOR) initiative.

It may be mentioned that economists and sociologists had been discussing for quite a few years prior to the introduction of this idea of the need by the Chinese central government to address carefully the issue of growing disparity that was emerging in terms of socio-economic development between different regions within China- particularly between eastern provinces and the west and north-western areas. This evolving fall-out was due to the relative geographical advantages enjoyed by eastern China that was attracting



greater inflow of foreign investment and resources.

That was not happening in the distant western parts. Analysts noted that the government, aware of this predicament had initiated the policy of 'Western China Development Policy' in 12 Provinces, autonomous regions and municipalities in that region. This was aimed at improving infrastructure, power grids and flow of natural gas. However, the intended effect of removing unbalanced regional development was not having the desired effect. This was casting its own shadow on that country's efforts towards over-all sustainable development and associated stability.

One may assume that it was this scenario that eventually led the Chinese leadership to think of the bigger picture. It was believed that if the OBOR initiative could be introduced successfully, then the emerging connectivity that would link China overland with Central Asia, Middle East, Russia and Europe and by sea through Southeast Asia, the Indian Ocean to Africa would not only generate economic growth engines and development through coordination and cooperation but would also be mutually beneficial for China as well as for the countries connected together through this process.

Since the birth of this idea, Chinese economists and planners have sought to identify through discussion with economists from other countries who have also expressed interest in this idea, the factors related to the improvement of investment and trade conditions. They have also tried to agree on the least common denominators that would help to remove investment and trade barriers that would encourage the creation of a positive business environment within the region and amongst the participating countries. In this context, financial analysts and bankers also emphasized the need to set in place a 'currency stability system, investment and financing system and credit information system' that would help to expand the 'scope and scale of bilateral currency swap and settlement' among countries, part of the OBOR process.

These economists also focused on another important factor- developing a common bond market and establishing new financial institutions that could strengthen the evolving process of connectivity among the stakeholders. This led to the creation of new financial institutions like- the Asian Infrastructure Investment Bank (AIIB), the New Development Bank (NDB) and the Interbank Consortium of the Shanghai Cooperation Organization (SCO).

Observers following the development of this idea welcomed the different measures that would be taken with regard to economic aspects, including trade. However, they also pointed out that the planners needed to also address themselves to the question of assimilation through greater people-to-people contact through rural and academic exchanges and deepening of networking in the area of culture. It was also agreed that the mediaboth print as well as electronic- needed to be brought closer to each other for promotion of understanding.

Since 2015, a consensus gradually emerged among the interested parties that the OBOR exercise was quite complex and definitely needed in-depth discussion and exchange of views not only among the political leadership but also the bureaucratic structures within different countries. It was agreed that this exercise would be required in the context of infrastructure growth, legal alignment and acceptability in terms of uniform rules and technical standards. It was also generally agreed that the construction of modern transportation networks overland would also require reduction or partial elimination of existing restrictions that might be present with regard to transportation or trade, or engineering technology exchange or investment in any participating country. A consensus gradually emerged that this was significantly required if the sought after dynamics was to succeed.

It was also underlined in the different preparatory meetings that the evolving connectivity was also bound to create financial risks among the partners and this could have an osmotic effect in the medium-term. Consequently relevant prospective partners to the idea of OBOR stressed on the need to promote currency stability, enhancement of the existing capability of the credit system and the need to provide encouragement towards" commercial equity investment funds" and private funds during the time of participation in the construction of key projects related to the Initiative.

Within this perspective, nations were also urged to merge their own development efforts within the relevant bigger regional cooperation network. This, it was agreed would help to remove limitations and at the same time create superior logistic networks. Such a step, it was identified would obviously be particularly helpful for developing countries whose economies had not only a per capita GDP measured at less than half of the world's average but also required long-term investment support and cooperation from public funds and financial institutions. It was considered that the AIIB's role would be particularly useful in this regard.

This interest in the OBOR initiative gained great attention from the world community after the victory of Donald Trump in the US Presidential election held in



November, 2016. Contrary to Trump's insistence on protectionism and remarks on every occasion of "America first", the Chinese OBOR effort was accorded the recognition of a measure aimed at creating congenial conditions for open cooperation and common development.

All these different factors created great expectations about the OBOR initiative. The much-awaited two day OBOR Forum was eventually convened in Beijing on 14 May, 2017. It was participated by representatives from over 130 countries (including leaders from 29 countries) and from 70 international organizations. There were also several hundred representatives from the international civil society.

Chinese President Xi in his remarks pointed out that the "Belt and Road development does not shut out, nor is it directed against any Party". He acknowledged that there were myriad challenges which the world was facing right now-sluggish trade and investment, wobbling economic globalization, increasingly unbalanced development, impact from large-scale migration of refugees and immigrants, as well as wars, conflicts and acts of terrorism. At the same time he drew the attention of the audience to the principle of inter-dependence between nations. Other speakers also underlined that there was need for countries to align their policies and to integrate economic factors and resources in a global scale to help create synergy to promote world peace, stability and shared development.

China has already committed US \$124 billion for the OBOR project and the likelihood exists that more will be coming. Under this circumstance it was correctly reiterated during the OBOR meeting in Beijing that this Chinese initiative could play an important part in future international economic development. However, it was also underlined that there was need by participants to undertake required measures by- (a) drawing a development blueprint through joint consultation; (b) achieving connectivity through common development and (c)by sharing development opportunities and results.

The OBOR discussions in Beijing were constructive and participants ended up by recognizing that what the world needed through OBOR was a "brand of cooperation" that was open and inclusive. This would help not only to generate global public good jointly provided by all parties but would also increase the potential to translate consensus into action directed towards building of bridges between people and also help to raise less developed countries out of the poverty-trap.

One aspect however drew to the attention of all the participants- India's boycott of the OBOR meeting. India's main objection to the OBOR plan was that a segment of the China-Pakistan Economic Corridor (CPEC) considered as part of the OBOR equation passed through parts of the erstwhile Jammu and Kashmir State that India claims as its territory. Observers indicated that this approach did not find general support. In fact, a columnist, Girish Shahane pointed out that India should stop deluding itself that Gilgit-Baltistan was part of India. Instead, Shahane urged India to understand that China had helped build the Karakorum Highway with the agreement of Pakistan decades ago. Consequently, the current on-going upgrade of the CPEC as part of the OBOR initiative should not have to suffer because of "narrow-mindedness".

The other aspect that put a slight dent on the OBOR proceedings in Beijing was the refusal on the part of Germany, Estonia and Hungary, all members of the European Union, to sign the document on trade prepared by the OBOR Forum. They apparently did so because according to them, the text of the document does not sufficiently address European concerns on transparency of public procurement, social and environmental standards.

Bangladesh has shown great interest in both sub-regional and regional connectivity- in the form of BCIM-Economic Corridor as well as through BIMSTEC. Consequently, during its participation in Beijing, its delegation tried to identify areas of potential involvement within the OBOR equation. They did so knowing fully well that the near future will see China being able to move forward in this exercise. Bangladesh, for obvious reasons does not want to be left behind. China today is her biggest trading partner and a potential source of foreign direct investment. Bangladesh also wants to be included in the wider circle of friends of China who are going to be included by China for sharing of space related technologies. China, it may be noted is taking the OBOR paradigm forward and is accelerating the construction and application of the Space Information Corridor in terms of earth observation, communications and broadcast, navigation and positioning.

The potential within the OBOR is immense. We were requested to join this stream by the Chinese President when he came to Bangladesh in October last year. The door has been opened and we need to walk through. We need to have confidence in ourselves.

**Muhammad Zamir,** a former Ambassador and Chief Information Commissioner of the Information Commission, is an analyst specialized in foreign affairs, right to information and good governance.



# EU can no longer depend on US or Britain, says Merkel



Europe "must take its fate into its own hands" faced with a western alliance divided by Brexit and Donald Trump's presidency, German Chancellor Angela Merkel said on May 27, 2017.

"The times in which we could completely depend on others are on the way out. I've experienced that in the last few days," Merkel told a crowd at an election rally in Munich, southern Germany.

She added, "We Europeans truly have to take our fate into our own hands." While Germany and Europe would strive to remain on good terms with America and Britain, "we have to fight for our own destiny", Merkel went on.

She also said, Special emphasis was needed on warm relations between Berlin and newly-elected French President Emmanuel Macron.

The chancellor had just returned from a G7 summit which wound up on May 27 without a deal between the US and the other six major advanced nations on upholding the 2015 Paris climate accords. Merkel labeled the result of the "six against one" discussion "very difficult, not to say very unsatisfactory". Trump offered a more positive assessment on Twitter, writing: "Just returned from Europe. Trip was a great success for America. Hard work but big results!"

The US president had earlier tweeted that he would

reveal whether or not the US would stick to the global emissions deal which he pledged to jettison on the campaign trail. On a previous leg of his first trip abroad as president, Trump had repeated past criticism of NATO allies for failing to meet the defensive alliance's military spending commitment of two percent of GDP. Observers noted that he neglected to publicly endorse the pact's Article Five, which guarantees that member countries will aid the others they are attacked.

The omission was especially striking as he unveiled a memorial to the September 11, 2001 terrorist attacks against the US, the only time the mutual defense clause has been triggered. Trump also reportedly described German trade practices as "bad, very bad," in Brussels talks in last May, complaining that Europe's largest economy sells too many cars to the US.

The Campaign event saw Merkel renew bonds with the Christian Social Union (CSU), Bavarian sister party to her own centre-right Christian Democratic Union (CDU), ahead of a parliamentary vote in September. Polls show the chancellor, in power since 2005, on course to be re-elected for a fourth term.

Matthias Balk is a senior reporter at Associate Press (AP) based in Germany.



# Valuable Potentials for Expanding Bilateral Relations

Fresh from Democratic Election, On the Right Track of Economic Recovery, Iran is Eager to Boost Ties with Friends

### Dr. Abbas Vaezi



1979 Islamic revolution under the guidance of the Late Imam Khomeini brought the sense of selfreliance and sovereignty to the spirit of the Iranians. During the past 38 years, we have made huge progresses and achievements in various fields such as: science, medicine, nanotechnology, stem cells,

aerospace, and satellites.

Upon understanding the fundamental role of science and technology in the development of the country, significant programs launched in Iran aimed at gaining access to advanced and high technologies in an attempt to enhance the country's capacity for development.

In the last decades, attention to science and knowledgebased economy has formed the basis of Iran's internal and external policy making decisions. A scientific movement has taken root in Iran and valuable achievements have been recorded. . Between 1996 and 2008 Iran had the fastest rate of increase in scientific publication in the world. Nanoscience in my country developed independently and improved Nano-ranking to 6th last year.

It is worthy to know that more than 4.5 million students are studying in more than 1600 universities. Women have made great progress in all aspects of life including higher education, with some postgraduate courses registering up to 76 percent female students. There are also more than 13000 female professors at Iranian universities.

It is worthy to mention the valuable and peaceful co-existence of ethnics and followers of different religions Iran which is rooted in the old civilization of Iran and the Islamic teachings. Iran's Constitution has officially recognized Christianity, Judaism and Zoroastrianism as divine religions alongside Islam and their followers are having a peaceful life and friendly relationship with each other and all those minorities have their own representatives in the Parliament.

Iran is an Islamic democracy. After the 1979 Islamic Revolution, we have held one election each year on average, all of which have witnessed large turnout of the people. People with different political affiliations inside and outside the country take part in a type of election which should be regarded as a role model for many countries.

On May 19, once again we witnessed the massive and enthusiastic participation of Iranians in the election at home and abroad which saw President Hassan Rouhani re-elected for another four years in office with 23.5 million votes (57 percent of the total ballots). Overall turnout in Iran's 12th presidential election was registered at over 73 percent.

Iran also has been able to reach great achievements in defense technology and peaceful use of nuclear energy. During the recent years, we successfully managed to put an end to an unnecessary crisis and solved the nuclear issue through negotiation. It was the triumph of diplomacy over coercion. The clinched deal between Iran and E3+3 also known as the Joint Comprehensive Plan of Action (JCPOA), was implemented on 16th January 2016 and lifted the sanctions imposed by the western power against us.

The biggest achievement of this agreement was defeating "Iran-phobia". During the nuclear negotiations, the people of the world understood that the Iranians are peaceloving and peace-seeking.

Since the Islamic Revolution, Iranians have been eager to have good relations with their neighbors and the world. Considering Iran's geographic and strategic location, as





Iranians show their ink-stained fingers after casting their ballots for the presidential elections at a polling station in southern Tehran on May 19, 2017. (AFP Photo)

well as its extensive economic capabilities and facilities, we are ready to interact and cooperate with all the friendly countries of the world.

Iran's economy has achieved "an impressive recovery" since the nuclear deal was implemented at the beginning of last year, according to the International Monetary Fund (IMF). Iranian administration has made all-out efforts to boom the country's economy. As a result Iran's economic growth rate hit 7.4 percent for the last Iranian calendar year (March 20, 2016 - March 20, 2017) compared to the same interval of the previous year.

Iran's non-oil exports stands at \$13.4 billion while imports amounts to \$12.9b. Iran's oil exports have also surged during the last year. The production of crude oil and gas condensates surpassed 4.1 million barrels a day in the past four months while exports exceeded 2.4 million bpd.

Due to the vast variety of monuments, cultural splendors and beautiful natural landscapes, Iran has a great capacity to attract tourist and the number of tourist visited Iran in 2016 exceeded 5 million and it is scheduled to reach 20 million by 2024.

Iran, for millennia was a vital bridge between East and West. And today it is the safest, the most stable, and one of the most business friendly countries in the region.

Today our world is in desperate need of peace, stability

and cooperation. Therefore, combating extremism and terrorism and restoring stability are our major and prime objectives. In this regard, The Islamic Republic of Iran is ready to cooperate with all players to confront common challenges and threats. As we move forward in this direction, we invite all the friendly countries to join us in addressing the shared objectives and challenges, Bangladesh being one of them.

People of the two countries enjoy cordial relations cemented by historic and

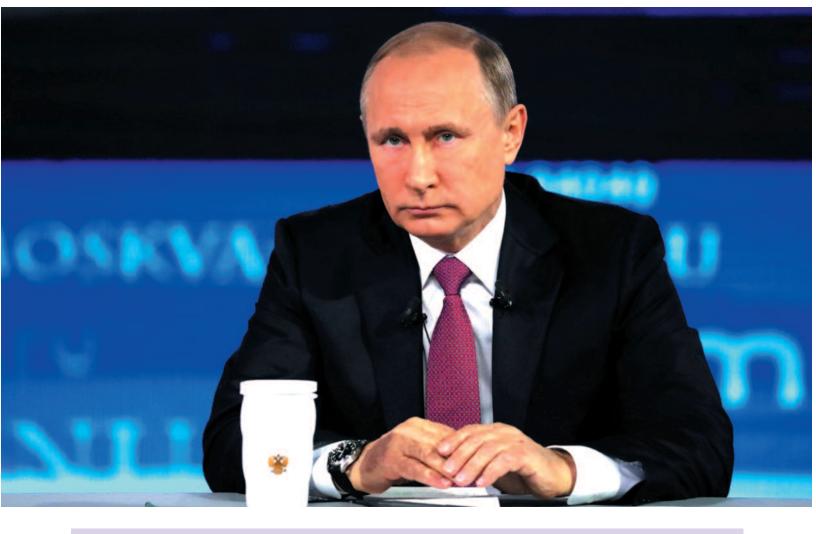
cultural bonds dating back long ago. Iran and Bangladesh have similarities in historical and cultural fields amongst others. They are also enjoying so many common interests which make them become closer and increase their relations and cooperation in different aspects.

We will work closely with our Bangladeshi brothers and sisters to facilitate people-to-people contacts more as an important aspect of our relationship. Joint collaborative academic and research programmes between Iran and Bangladesh are satisfactory and should be developed. Recently number of the Iranian self-paid students in Bangladesh universities has increased significantly.

It is worthy to mention that since the establishment of diplomatic relations in 1974, Iran and Bangladesh have always enjoyed friendly, stable and tension-free relations.

We highly value the close friendship with Bangladesh and look forward to strengthening ties between the two countries and utilizing the huge potential there especially in oil, gas, mineral and garment sectors to expand the bilateral relations of the two countries. Therefore Tehran expects greater assistance from Dhaka in restoring banking link.

**Dr. Abbas Vaezi** is an Ambassador Extraordinary & Plenipotentiary of the Embassy of Islamic Republic of Iran in Bangladesh.



# Direct Line with Russian President

[The annual special Direct Line with Russian President Vladimir Putin was held on June 15, 2017 and broadcast live by major Russian TV channels and radio stations. During this year's question and answer session, Vladimir Putin was asked some questions concerning international relations. Some of his answers we publish below. The full transcript of the Direct Line is available on the website www.kremlin.ru.]

**Question (Anchor):** We received the following question online: "Two weeks ago, Europe extended the anti-Russia sanctions for another year. Do you think we are ready to live under these sanctions for decades?"

Vladimir Putin: In fact, the history of Russia shows that we have usually lived under sanctions whenever Russia started to become independent and feel strong. Whenever our partners in the world saw Russia as a serious rival, they imposed various restrictions under various excuses; this has been the case throughout our history, not just in Soviet times; this was the case even before the 1917 revolution. So no surprises here.

We now know that the US Senate has drawn up another

draft law on toughening these sanctions. What are the reasons for this? Nothing extraordinary is taking place. Why have they started talking about sanctions again, for no particular reason? This, of course, testifies to the ongoing domestic political struggle in the United States. In any case, this is happening and I can see no real reason for it. If it had not been Crimea or some other issue, they would still have come up with some other way to restrain Russia. The policy of containing Russia has always been presented like this.

So, what is the situation with these sanctions and what impact, if any, have they had on us? They have had an impact. Has this been fundamental in nature? I do not think so. We have been affected more by the global situ-



ation and the drop in prices for our main traditional goods – oil, gas, metals, chemicals, and so on. What view do our partners take?

The US State Department believes that these sanctions have lowered our GDP by 1 percent, the Europeans give a slightly higher figure, and the UN has calculated that we lost around \$50–52 billion, and that the countries that imposed the sanctions have lost \$100 billion. In other words, sanctions have proven to be a double-edged sword and harm everyone, including those who impose them.

Strange though it might sound, however, there have been advantages too. What are

they? For a start, we were forced to concentrate our intelligence, talent and resources on key areas and not simply rely on oil and gas revenue. What result has this brought? We have seen real production growth in important and complex economic sectors.

We have rebuilt substantially our skills in the radio-electronics sector, and we made good progress in aircraft engineering, rocket building, pharmaceuticals, and in heavy engineering. That is not to mention agriculture. We all know that agriculture has posted growth of around 3 percent and Russia is now a leader in exports of grain and wheat. That is the result we have to show.

We have reduced substantially imports and developed





our own production of pork and poultry and cover practically our entire consumption needs. What's more, we are now looking for sales markets abroad.

We are in talks with our Chinese friends on opening the Chinese market to our pork and poultry producers. So, there are positive aspects in this situation.

But this is not a normal situation, of course. All of these restrictions do not produce anything good, and we should work towards a global economy that functions without these restrictions.

Question (Jeremy Bowling, USA): Greetings, Mr Putin. My name is Jeremy Bowling. I live in Mesa, Arizona in America. I am a big supporter of you. I am very pro-Russian and I wish you much health and success in your

> life. My question to you is this. As an American who sits here in America and sees the racist Russian phobia running crazy in my country, what advice would you give me to help set the record straight, to help my fellow Americans understand that Russia is not the enemy?

Vladimir Putin: To begin with, I am very grateful to you for this call. And I can tell you as the current head of the Russian state that I know the attitudes of our people. We do not consider America our enemy. Moreover, twice in history when we were going through very hard times, we pooled our efforts; we were allies in two world wars. In the past, the Russian



Empire played a substantial role in helping America gain independence and supported the United States. We see that Russophobia is running high in America and think this is primarily a result of the escalating political infighting.

I do not think I have the right to give you any advice. I simply want to thank you for this stance. We know that we have very many friends in the United States. My American colleagues told me so, and public opinion polls show the same results. At any rate, those polls taken a month ago show that we have many friends there. True, regrettably such hysteria is bound to affect the frame of mind, but let me assure you that there are also very many people in Russia who have deep respect for the achievements of the American people and are hoping that eventually our relations will get back on track, in which both we and the United States are extremely interested.

Question (Alexei Bakulin, Russia): You mentioned the aggravation of the internal political conflict in the United States. Indeed, the world is following the conflict between President Donald Trump and former FBI Head James Comey like a television drama. As is customary, "Russian influence" has been detected. What is your take on this situation, and what are its possible implications?

**Vladimir Putin:** I am not familiar with the details of Mr Comey's testimony, but I am aware of certain things, of course. What are my thoughts on it?

The first thing that caught my attention was that former FBI director said that he believes that Russia interfered in the US election process. He did not provide any evidence, as usual, but he said there were attempts "to shape the way we think, vote, and act." Is that not the way it is all over the world? What about the unending US propa-





ganda and funding of US-oriented NGOs? The funds are allocated directly to this end. Is this not an attempt to influence our minds and our actions during election campaigns? It goes on year after year.

Take a globe, give it a spin, and point your finger randomly. You will point to a place where the United States has interests and has most likely intervened. I know this from my conversations with almost all leaders and heads of state. They just do not want to fall out with the Americans. No one talks about it openly, but everyone is saying the same thing.

Therefore, there is nothing unusual here. What do they want? Do they want everyone to bow down? We have our own opinion, and we openly express it. This is not some kind of subversive activity. We simply express our point of view. This is my first point.

Secondly, he said that he has no evidence of us interfering in the vote count. Thank God for that.

Next, he said quite unexpectedly that he had written down a conversation with the President, and then passed along this conversation to the media through a friend. It sounds and looks very strange when the head of an intelligence agency writes down a conversation with the commander-in-chief, and then passes it to the media through a friend. How then is the FBI director different from Mr Snowden? In that case, he is not the head of an intelligence agency, but a human rights activist who takes a certain position.

By the way, if he is persecuted in any way for this, we will be willing to grant him political asylum in Russia as well. He should know that.

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# ASEAN to strengthen civil service to achieve Vision 2025



The Heads of States/Governments of ASEAN Member States signed the "ASEAN Declaration on the Role of Civil Service as A Catalyst for Achieving AC Vision 2025" on the occasion of the 30thASEAN Summit in Manila. President Rodrigo Duterte of the Philippines said that this declaration "highlights the critical role the civil service plays in ASEAN Community building."

The declaration recognizes the significance of the civil service as the backbone of good governance and a catalyst for enhanced cross-sector and cross-pillar cooperation in building the ASEAN Community. The civil service plays a pivotal role in providing vital public services to the peoples of ASEAN and driving national and social development which are important in ensuring that the people feel the benefits and relevance of ASEAN to their lives.

The Philippine Civil Service Commission Chairperson Alicia dela Rosa-Bala highlighted that "the Declaration, which supports the first thematic priority of a people-oriented, people-centred ASEAN under the Philippine Chairmanship of ASEAN 2017, places premium on the role of the civil service as a driver of national and regional development towards the achievement of ASEAN goals and aspirations for a politically cohesive, economically integrated, and socially responsible Community."

Initiatives towards the highest standards of professionalism, efficiency, effectiveness, participatory approach, responsiveness, transparency and accountability of civil service would also contribute to the attainment of the ASEAN Community Vision 2025 and the Sustainable Development Goals by ASEAN Member States. The declaration tasked the civil service institutes of ASEAN Member States through the ASEAN Cooperation on Civil Service Matters (ACCSM) to develop mechanisms that ensure adoption of good governance principles towards building government institutions that are resilient.

Desk Report prepared by Rumman Uddin Ahamed, Associate Editor, Rising Asia Magazine.



[Indonesian President Joko Widodo (2nd L) and China Railway Corp. manager Sheng Guangzu (C) examine a high-speed train model during a ground breaking ceremony for the Jakarta-Bandung railway line in Walini, West Java province, Indonesia January 21, 2016. Photo: Reuters/Garry Lotulung]

# Chinese technologies to connect Belt and Road

### Prof. Sarwar Md. Saifullah Khaled

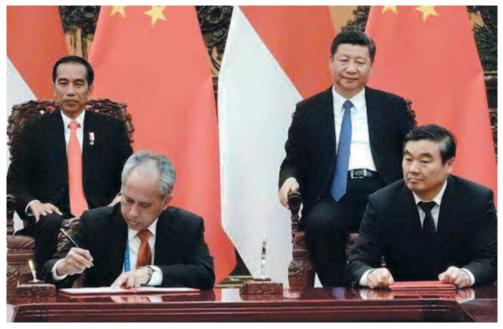


The "Four Great Inventions of Ancient China" – namely compass, gunpowder, papermaking and printing – have been celebrated for centuries as technologies that have made a significant contribution to world human civilization. Novel technologies have once again shortened the

physical as well as cultural distance between different parts of the contemporary world. Foreign students in China have redefined the "four great inventions" of modern age viz. bike-sharing services, e-commerce, high-speed trains and mobile payment systems, in a video that went viral online recently. Technically speaking, though, these are not purely Chinese inventions, there's no doubt that Chinese innovation has made these technologies even more important to a closely connected world today. For example, buyers from Europe can easily purchase Chinese goods through e-commerce services provided by China's Internet giant Alibaba. With an extensive infrastructure network and multi-currency payment systems provided by Chinese firms, customers worldwide can have enjoyable and convenient online shopping experiences. A student from Thailand said in the video, which was jointly produced by the Institute of Silk Road Studies at Beijing Foreign Studies University and the People's Daily that "Chinese people have a very good life, you can use the apps to benefit yourself a lot... In China there's a lot of good stuff that my country doesn't have".



Students from more than 20 countries and regions said that technologies including Alipay (Alibaba's mobile payment system), bike-sharing apps and high-speed trains are among the things that they most want to bring back to their homelands. Their dreams are coming true. In the same way China transported silk and tea via the ancient Silk Road. The country is now sharing knowledge and expertise via the Belt and Road Initiative. The initiative proposed by China in 2013 aims to build a trade and infrastructure network connecting Asia with Europe and Africa along and beyond



China development bank disburse its US\$4.498 billion loan for Indonesia's high-speed railway project

the ancient Silk Road trade routes. Construction has started or neared completion on some large infrastructure projects along the Belt and Road, including the Jakarta-Bandung high-speed railway in Indonesia and the China-Laos railway.

An Indonesian student Justin interviewed in the video said that he had a wonderful experience riding high-speed trains in China, as they were clean and efficient. In addition to trains, he wanted to bring China's online food ordering and online shopping services to his homeland. He said that "It's very convenient living here in China, all these apps are super integrated, and everything is connected". China's Internet companies are not missing out on the opportunities that the initiative brings. A major e-commerce site JD.com has already started operating in Indonesia. It is planning to open more than 20 overseas warehouses in the next five years to store and transfer goods from over 100 countries and regions including those along the Belt and Road. Jerry Hultin, co-founder of Global Futures Group, a consulting firm said that the initiative will evolve into a "smart highway carrying information, knowledge, and services across continents, not just goods".

Chinese innovations that the young international students want to take home are not limited to the abovementioned fascinating technologies alone. A student from Romania said that "I want to bring everything. It's not only the Chinese lifestyle that I want to take back, but all the technological advances". As the Belt and Road Forum for International Cooperation which kicked off on May 14, 2017 in Beijing, more technological cooperation among participating countries and regions are likely to be launched.

The Chinese President Xi Jinping, while delivering a keynote speech at the opening of the forum, underscored the role of innovation in pursuing the initiative. President Xi said that "We should pursue innovation-driven development and intensify cooperation in frontier areas such as digital economy, artificial intelligence, nanotechnology and quantum computing, and advance the development of big data, clout computing and smart cities so as to turn them into a digital silk road of the 21st century".

The Executive dean of the Institute of Silk Road Studies at Beijing Foreign Studies University, Wu Hao, said that the wishes of the international students reflect a bright future for international cooperation. Wu said that the youth are the future of the Belt and Road Initiative. To great extent, their understanding and involvement in the initiative, will decide the breadth and depth of cooperation.

**Sarwar Md. Saifullah Khaled** is a retired Professor of Economics, Bangladesh Civil Service (BCS) General Education Cadre.



# Moon Jae-in's Presidency: A Game-Changer for the Region?

### Wang Fudong



South Korea called a snap election on May 5, six months after the country was beset with political turmoil. Moon Jae-in, the candidate from the Democratic Party, won the election decisively. As the newly elected president, Moon is a proponent of progressive forces in South Korea, and – understandably

- what he stands for politically differs from the previous conservative government. Therefore, it is safe to predict major policy adjustments on both the domestic and external fronts, heralding significant implications for the tense North East Asia region.

On the domestic front, how to navigate its democratization process in political and economic arenas presents a pressing challenge for the South Korean government. The country is struggling to emerge from a deep social crisis. South Korea embarked on the democratization process in the 1980s, and the representative political system is not yet full-fledged. When the 1997 financial crisis swept the country, then President Kim Dae-Jung pursued a neo-liberal policy, as recommended by the IMF, which featured financial liberalization, open capital market, flexible labor market and greater access to its domestic market. The policy mix paid off almost instantly, giving a much needed boost to the South Korean economy. Nevertheless, a series of social and economic hazards arose, not in the least the collusion between government and chaebols, or big conglomerates, leading to concentration of wealth among a handful of people. That eroded the interests of the middle class and grassroots and resulting in a huge wealth gap. Among OECD countries, South Korea has the second-highest wealth inequality after the United States, and its social welfare index ranked the lowest, with the highest poverty rate among the elderly. An anti-Park Geun-hye candlelight vigil drew over 10 million people, a potent indication of the discord and frustration the society harbored against the existing political and economic systems.

The Moon government must, on one hand, press ahead with "Democracy 2.0" reform and improve the political system. On the other, it must work to promote economic democratization, namely to break the nepotism between government and chaebols, so as to create an enabling environment for SMEs, advance the interests and welfare of the average working class, and ultimately narrow the wealth gap, and ease regional development gap within the country.

On the foreign policy and geopolitical front, President Moon is set to inherit the policy of "role of balancer" in Northeast Asia pursued by former President Roh Moohyun. Roh stressed maintaining strategic balance between big powers in the region, while avoiding getting embroiled in their confrontations. Regarding relations with the United States, a departure from the conservative camp is expected: The Moon government will not follow the United States in lockstep, but strive to navigate an independent foreign policy and security policy while still standing by the US-South Korea alliance. Moon made that abundantly clear on the campaign trail, when he stressed South Korean interests should be a priority, and the country should learn to "say no to America". South Korea and the United States will have some heated discussions on issues ranging from North Korean policy, military expense sharing and troop command transfer to amending the free trade agreement.

On balance, President Moon will follow the same line as former presidents Kim Dae-jung and Roh Moo-hyun regarding North Korea. The Moon government would oppose a military solution in favor of a policy that combines pressure with dialogue, and the ultimate goal of exerting pressure is to bring North Korea back to the negotiating table, an approach that is at odds with the hardline tone of the Trump administration. But make no mistake, should North Korea fail to make major concessions on its nuclear program, Moon would see his hands tied, given the raging anti-North sentiment in South Korea.





[Moon, front left, of the Democratic Party takes pictures with a supporter after voting for a presidential election at a junior high school in Seoul, South Korea.]

On the issue of sharing military expenses with the United States, the two countries have had their share of heated arguments. President Trump repeatedly has asked South Korea to bear more of the expenses incurred by US troop deployment in South Korea, and his latest demand that Seoul pay for the \$1 billion costs for THAAD installation in the country caused a backlash among South Korean people. Troop command transfer is also on Moon's agenda, as he championed a self-determined defense policy during the campaign. As he stood for advancing operational control and combat capacity of South Korean troops, he seems poised to conclude the troop command transfer much-delayed under the Park administration.

Trade is a prominent issue between South Korea and the Unites States, and repeated demands by President Trump to amend the bilateral free trade agreement and narrow the trade deficit in South Korea's favor puts significant pressure on a trade-driven economy like South Korea's.

All of that said, the alliance between South Korea and

the United States still hold legitimacy and retains its political imperative. Also, previous progressive governments led by Kim Dae-jung and Roh Moo-hyun were also on amicable terms with the United States, and it is reasonable to predict that President Moon will continue to advance the alliance. Greater prospects of cooperation still beckon.

For relations with China, President Moon has indicated he is keen to mend fences and mitigate the fallout of THAAD deployment in South Korea. The Democratic Party has demonstrated more flexibility on THAAD deployment than the Park government. Moon has proposed that THAAD deployment proposal should be subject to public consultation and parliamentary approval, and lashed out at Park's government for its lack of transparency and attempt to run roughshod over public opinion over the matter. He promised to consult both the United States and China on the deployment of THAAD

and suggested sending a delegation to China to discuss the matter during his phone conversation with President Xi Jinping. The prospect of reaching an acceptable solution among the three countries concerned with the THAAD issue is encouraging and will boost their cooperation over North Korea strategy. China's consistent stance of combining pressure with dialogue is well aligned with the policy position of the Democratic Party of South Korea, and the two sides can work together to tap the great potential for cooperation, resuming the sixparty talks and ultimately bring stability to the Korean peninsula.

All in all, the Moon government, thanks to its sensible domestic and foreign policy approaches, is set to foster momentum and real opportunities to take the heat out of the high tension in the region. The rest of the world should support and embrace such positive dynamics.

**Wang Fudong** is an Assistant Research Fellow at the Korea Peninsula Research Institute under the China Institute of Contemporary International Relations.



# Belt and Road Initiative turns blueprint into reality

The Belt and Road Forum for International Cooperation held on 14-15 May, 2017 in Beijing has achieved concrete results and won positive reactions from the international community.

### CONCRETE RESULTS

The forum was an important milestone in the global popularization and implementation of the Belt and Road Initiative, said Gerishon Ikiara, a lecturer of international economics at the University of Nairobi. He said, the joint communique released at the end of the forum highlighted the importance of the forum in the implementation of the initiative. He also said, the forum was a major boost to the Belt and Road Initiative in terms of gathering international support. One of the outcomes of the forum was the broad agreement from the participants that the Belt and Road project was an important platform for rapid global infrastructural and trade development where all countries can participate, contribute and benefit as equals.

The forum has yielded a list of deliverables, which include 76 items comprising more than 270 concrete results in five key areas, namely policy, infrastructure, trade, financial and people-to-people connectivity.

Among the list of deliverables, the Chinese government signed memorandum of understanding on Belt and Road cooperation with the governments of Mongolia, Pakistan, Nepal, Croatia, Montenegro, Bosnia and Herzegovina, Albania, Timor-Leste, Singapore, Myanmar and Malaysia.

China also signed Belt and Road cooperation documents with several international organizations including the United Nations Development Program, the United Nations Industrial Development Organization, the World Health Organization and the World Intellectual Property Organization.



In order to deepen project cooperation for infrastructure connectivity, China signed agreements on international transportation and strategy coordination with Uzbekistan, Turkey and Belarus.

On expanding industrial investment and enhancing trade connectivity, China signed cooperation agreements with 30 countries, including Pakistan, Vietnam, Belarus, Mongolia, Kenya, Ethiopia, Palestine and Lebanon.



3

### **APPLAUSE**

Senior officials and experts said that the the Belt and Road Initiative brings great significance to international economic

cooperation and sustainable development as well as the building of a peaceful world.

Greek President Prokopis Pavlopoulos has congratulated China on the successful holding of the forum on May 14-15.

In a televised message, Pavlopoulos said the forum showed that the Belt and Road Initiative is of great significance to international economic cooperation and development.

The Belt and Road Initiative, proposed by Chinese President Xi Jinping, aims to build a trade and infrastructure network connecting Asia with Europe and Africa along the ancient Silk Road and maritime trading routes, bringing mutually beneficial economic outcomes for every nation involved.

The Greek leader noted that "The representation of states at the highest level from across the globe underlines the international acceptance of this ambitious plan, which, through trade and investments, aims to bring Asia closer to Europe, the American continent and Africa." In the context, the success of China's Belt and Road Initiative is certain, and will contribute to the promotion of peaceful coexistence among peoples and subsequently to the consolidation of peace worldwide, Pavlopoulos said.

Belt and Road Forum at the Great Hall of the People in Beijing, China. (Reuters)

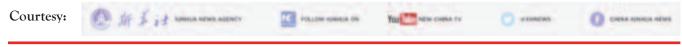
Ukrainian First Deputy Prime Minister Stepan Kubiv spoke highly of his attendance at the forum, stressing that it has brought fruitful results."This visit highlighted Ukraine's integration into the global community of economic and trade relations, the formation of new principles, the new policy and Ukraine's role in the Silk Road," Kubiv said. He also said, the Ukrainian delegation reached a series of agreements with China on enhancing cooperation in infrastructure, transport, aviation industry, logistics and machine-building.

"We are all inspired by the New Silk Road idea," said Zbigniew Ostrowski, a deputy in a Poland's seminar titled the fourth edition of International Asian Congress.

"The Belt and Road idea might also positively stimulate the Polish economy, so we actively take part in these actions, a proof of which is presence of Prime Minister Beata Szydlo at the Belt and Road Forum for International Cooperation in Beijing," he added.

Radoslaw Flisiuk, head of the China Department in the Polish Foreign Ministry, said the Belt and Road Initiative is welcomed by Poland as it will result in the mutual benefit of all participating countries.

He also said, "We believe this concept can become an important factor in international efforts to consolidate a base for sustainable development."





# Rouhani's mandate for Iran: an opportunity for all stakeholders

Ian Dudgeon



Hassan Rouhani was decisively re-elected as president of Iran for another four years in a election held on 19 May, 2017. According to results released and announced by Iran's state TV, Rouhani had obtained an absolute majority of 57% of the votes cast, compared with the 38% cast for his principal rival, conserva-

tive Ebrahim Raisi.

The other two remaining candidates, moderate Mustafa Hashemitaba and conservative Mostafa Mirsalim, obtained less than 2% of the votes between them, which was insufficient to affect the end result. (Initially there were six candidates, but two withdrew earlier during election week).

By all measures the elections were a success. Total turnout was high, being more than 40 million out of the

56 million Iranians eligible to vote. There were no reported cases of election fraud, or intimidation on polling day. Seniors within the theocracy were keen for a clean, troublefree election, and extended the polling hours at some booths to accommodate the larger-than-expected voter turn-out.

The election outcome clearly defined national sentiment. It was a stark contest between reformist/moderates and conservatives, not of personalities. A majority of Iranians made it clear they wanted to take Rouhani up on his offer of further social reforms, economic growth, employment opportunities and engagement with the West.

According to media reports, the electioneering was more lively than anticipated in terms of personal and institutional criticism. Some of the exchanges between Rouhani and Raisi were quite terse, and Rouhani breached what had previously been "no-go areas" such as human rights, political prisoners and the suppression of freedom of dissent. In doing so, he went beyond his moderate image to become, by Iranian standards, a reformist. That might foreshadow his future willingness to challenge the traditional conservative establishment more forcefully, if still cautiously.

Rouhani now has a mandate from the majority of Iranians. In fact, his mandate has improved since first elected president in 2013, when he received just 51% of the vote. Rouhani's ambition to deliver on social reform won't be easy, given the entrenched conservatism in parts of society. It is possible, however, that he might receive more support, or at least less resistance, from Supreme Leader Ayatollah Khamenei than many anticipate.







Supporters of Iran's President Hassan Rouhani take part in a campaign rally in Tehran, Iran, on May 17, 2017

West will hopefully mean an increasingly constructive working relationship on international security issues, both regional and global. For Rouhani, the challenge will be Western demands for compromise. But the US, Israel and Saudi Arabia can be expected to play hardball. Generally, they see an increasingly prosperous Iran as increasingly influential, and thus more capable of confronting their security interests.

Iran will continue

Khamenei certainly isn't blind to the forces of change; presumably he has tolerated the progressive, but modest and incremental, social liberalisation that has occurred over recent years.

Economic development would be universally welcomed in Iran, including by the conservative establishment. Elements of the Iranian Revolutionary Guard Corps (IRGC), and others, are highly involved in large scale charitable multi-million and multi-billion business enterprises (bonyads) which would prosper significantly from foreign investment. Whether the inevitability of change and the convergence of interests will provide Rouhani with the leverage to persuade the establishment to agree to greater compromise with the West-particularly on security issues-remains to be seen. In economic terms, the primary aim of such compromise would be to lift the uncertainty about the reach of US international financial sanctions, which continues to intimidate foreign investment in Iran.

Internationally, Western countries especially should view Rouhani's re-election as positive. Rouhani's goal of achieving greater engagement and cooperation with the to be a major part President Trump's discussions with the leaders of Saudi Arabia and Israel, during his last visit to those countries. In a press conference in Riyadh on 20 May, US Secretary of State Rex Tillerson, who's accompanying Trump, said he was open to a 'constructive conversation' with Iran. He also gave a clear indication that the US would expect any compromise to include Iran ending its 'destabilising' actions in the region by dismantling its network and financing of terrorism, ending ballistic missile tests. Given the power structure in Iran, Rouhani doesn't have control over the IRGC or security forces generally. That control rests with the Supreme Leader. Iran would also argue that the issues for compromise aren't one-sided.

In the longer term, the outcome of the elections must enhance Rouhani's standing as a potential successor to Khamenei as Supreme Leader, and diminish those of Raisi. No doubt all stakeholders are doing their sums.

**Ian Dudgeon** is a presidential associate at the Australian Institute of International Affairs (AIIA).



# An "invisible" giant for railway projects along Belt and Road

A yellow-green metro train is running southeast on a light railway near the sacred city of Mecca through a whirlwind of flying sand and unbearable heat.

On a May day in west Saudi Arabia's desert valley, the bright, spotless train body looks like a breeze of light air. The eye-catcher is attributed to the machine washer designed and manufactured by CHSR, a Chinese supplier of solutions and products for the operation and maintenance of rail transit systems.

### FIRST OVERSEAS ORDER

"With a relatively solid rail transit system and a sound relationship with China, Saudi Arabia is an essential part of CHSR's Mid-East strategy," said Li Xinzheng, market director of the China High-Speed Railway Technology Co. Ltd (CHSR). The train washer for the Mecca Metro was CHSR's first overseas order, tailor-made for the 18km transit line completed in late 2010 by Chinese Construction and Engineering Company (CRCC). The transit line connects major holy sites of the annual Hajj pilgrimage. "As common engines are vulnerable to sand and dust, CHSR applies a full-enclosure design to the washers for the windy and dusty Mecca," Wu Jianwei, director of CHSR's overseas business, told Xinhua. He also said, What's more, a water recycling system was specially developed to save water in the desert area.

Furthermore, the washing machine is capable of adjusting its brushes to the train's surface, reducing damages to the paint, windshields and wipers, while it meets European standards in endurance, emissions and efficiency.

The train washer, which is also being used in Singapore, has become a best seller for the Beijing-based railway tech company, with one variety for high-speed trains taking up a 90 percent share in the domestic market. "Though the train-washing business originated in Germany and developed in the United States and European countries, such



Al Mashaaer Metro Line Project - Makkah (Mecca), Saudi Arabia



as Spain, the Chinese standards for bullet trains are currently higher than theirs," Wu stressed.

# A BOOST OF BELT AND ROAD

The train washer is only part of CHSR's 400-plus product line, which also includes products and solutions for operating and maintaining the locomotive, rolling stock signal and power supply systems, rail transit, and depot. More than an equipment supplier, the company, which has nine subsidiaries, also offers an overall solution to individual or multiple transit lines. It also aims to make breakthroughs in big data and

industrial services in the coming years. While Chinese flagships CRCC and rolling stock manufacturer CRRC are visible giants in foreign business, Li said CHSR is an invisible giant abroad. Market research shows the maintenance of overseas urban railway transit is valued at around 140 billion U.S. dollars during the 2016-2020 period, with a great potential to be multiplied in the future.

As the China-proposed Belt and Road Initiative keeps making progress, CHSR's overseas business is growing rapidly, said Wu, noting that countries along the Silk Road routes are among the major contributors to the market. China's world's leading high-speed railway products, which represent the top standard of the Chinese manufacturing are a "name card" of the industry, a major topic between China and other countries. With access to more potential partners abroad, the sector of trail transit has been one of the biggest beneficiaries of the Belt and Road Initiative, Wu said. "CHSR will expand its global footprint by taking good advantage of those opportunities."

### GROWING BY LEARNING

In addition to the Middle East market, CHSR has managed to stretch its reach to Europe, North America,



Southeast Asia and Russia by acting as an equipment supplier for China state-owned enterprises working on foreign contracts or partnering with foreign counterparts on their local projects. But their global appearances did not come easily. Wu cited a train-set washer program for Singapore's rail transport that should have been completed within a half-year period but took around two years before it was operational due to high labor and material cost. Singapore's labor law requires foreign companies to employ and use only local staff, while some of the materials used for the project must be bought locally. Therefore, local partners play a key role in project execution as they are responsible for installing equipment, running tests, and training workers, as well as maintenance and other after-sale service, Wu elaborated. What CHSR sells is not a disposable product but one that needs continuous care, he said. "Localization is actually a win-win result that will not only benefit CHSR but also create more jobs for local residents."

As foreign governments raise their awareness of environmental protection, high tech-driven companies like CHSR are very popular in their markets, Li said. "What we need to do is to clear any doubt with our top-quality products and services."





# 'The China-South Asia Economic Corridor'- A Concise Concept for Boundless Prospects

### Imran Choudhury



The much discussed China-Pakistan Economic Corridor-(CPEC) project is ongoing. The CPEC is a project worth US \$ 52 billion to connect Kashgharof China's Xinjiang Autonomous Region with Gwadar port of Pakistan. The project comprises a network of roads, railways, airports and fibre optic based communi-

cation systems. Alongside the corridor route, Special Economic Zones (SEZs) have also been planned in all the provinces of Pakistan. Basically the CPEC is meant to promote trade and investment oriented economic development of China, Pakistan and other countries which will be ultimately connected with this project. On May 14 and 15this year, China hosted an international summit in Beijing devoted to the "One Belt, One Road" (OBOR) project, referring to overland and maritime routes across the Eurasian landmass.

In my humble opinion, CPEC is just an opening of a broader phenomenon. This has set a stepping stone for the possibilities of 'China-South Asia Economic Corridor', which will be able to connect Bangladesh, along with India, Nepal, Bhutan with Chinese mega economic initiatives. Though already there are separate conceptual initiatives of Bangladesh, Bhutan, India, Nepal (BBIN) and Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM) are available. But both the initiatives seem to be in hitch for various reasons. Though, my proposal may also face hitches, but we should grab this for our own strategic interest.

The two main stakeholders of this proposed

'China-South Asia Economic Corridor' is India and China. Neighbors like Bangladesh, Nepal, and Bhutan is the direct beneficiaries of these two giants. Together, China and India shares almost 36% of the global population. Hence, the importance of economic and trade cooperation between these two has no boundaries. No matter how much conflictor enmity there is, China and India must join hands together for mutual prosperity.

However, in the proposed China-South Asia Economic Corridor, geographically Bangladesh is in the place of center of gravity. Both northern and southern parts of





Bangladesh can play a vital role in terms of economic connectivity between China and South Asia. In a larger context, greater Dinajpur in northern Bangladesh and Feni in the southern Bangladesh can play the pivotal role for this proposed connectivity.

### Let us have a look on these areas-

Greater Dinajpur: This region consists of three administrative districts- Dinajpur, Thakurgaon and Panchagarh. This region adjoining with India also adjoins with Nepal, Bhutan and Tibet of China. During the recent India trip of Bangladesh's Premier Sheikh Hasina, a defunct railway link connecting Bangladesh's Birol and India's Radhikapur has been reinstalled. With this restored railway link, a new possibility of bilateral and multi-lateral trade ushered in front of us. Currently, the prime point of Indo-Bangla trade is the Benapole land port of Jessore in southern Bangladesh. But Benapole is incommensurate in terms of Indo-Bangladesh trade and economy. If we look around the map of Bangladesh and northern India, we will certainly find that, communications with India is easier from Birol, then Benapole. This is more of a West Bengal-centric land port, whereas from Birol, it is glibber to communicate with the entire northern India. These days, restoration of Birol-Radhikapur railway link, has made a possible Dhaka-Delhi direct rail communication tangible. In this effect, Birol land port can be a vital point of the proposed 'China-South Asia Economic Corridor'.

Moreover, if we look into the history, we will find that this region has always been the hub of the regional trade between Tibet and South Asia. Many of us have heard about the mega trade and commerce exposition of Nekmard, situated at the present Thakurgaon district. The exposition of Nekmard was the amalgamation of the merchants and traders of Tibet, Bhutan, Nepal and eastern Assam, along with Bengal.Merchants were used toassemblage luxurious commodities and fancy pet animals, including the legendary Tanghan horse, known for its aristocracy and rarity. If we measure that exposition in today's standard, this was a 'World Expo' by every measure! However, by establishing multinational trade facilities centering Birol land port, there can be a trade hub for the traders of India, Nepal, and Bhutan. By connecting ancient trade route of Nathu La pass of the Indian state of Sikkim, this trade conglomeration can emerge as the core business hub of the entire region, as well as the most important component of China-South Asia Economic

Corridor. This hub can be supported by the ports of Mongla and Payra, in terms of global maritime trade. History records that, the river Teesta is often considered as the oldest riverine trade route, by which traders from China went to the Bay of Bengal.

We have preliminary infrastructures to establish greater Dinajpur as a regional hub for trade and commerce. This initiative can be supported by readymade railway networks, and airports; which can transform this region into a commercial/ logistical hub for regional aviation.

Feni: The key importance of Feni, for being an important component of the proposed China-South Asia economic connectivity is that, its close proximity to the Chittagong sea port, and proposed deep sea port Sonadia. There is a defunct communication link between Feni and Belunia of the Indian state of Tripura. If this defunct railway link is being able to re-establish, and a fresh road link can be introduced, then the entire North-East India, northern Myanmar, along with the adjoining Chinese province of Yunnan will be able to use Chittagong port. This will bring immense prospects for the entire region, and thus the possibility of a trade hub in Feni will flourish. Point to be noted that, Feni itself is well-found in terms of road and rail network. This region has also easy access to the sea water for boosting up maritime trade and commerce activities.

Despite having knowledge about the rift between New Delhi and Beijing, which are often even related to some of these above mentioned geographical areas; I want to appeal that, no matter how unrealistic it seems to be, comprehensive trade and economic partnership between India and China is inevitable. It will never be a wise act to avoid each other for the sake of those issues, which are not greater than the boundless economic prospects of these two countries and their adjoining neighbors. Together, China and India shares a majority portion of world population. This is such a reality, which cannot be obliterated.

Imran Choudhury is Geopolitical analyst and Wordsmith.



# India-China Relations - Looking to the Future

Can the 21st century become the Asian Century? Can the 'Chinese Dream' or the 'Indian Dream' become a reality without a partnership between India and China? If not, India and China will have to find ways of working together, and supporting each other.

天造地设 -" Created by Heaven, constructed by Earth. "That is how the renowned Chinese Indologist, Professor Ji Xianlin, described India and China. Our two peoples have inherited a rich historical and cultural legacy - one which

should remain ever present in our relationship. At the same time, we have to look to the future. Prime Minister Narendra Modi, during his visit to China in May 2015, observed that the "prospects of the 21st century becoming the Asian Century will depend in large measure on what India and China achieve individually and what we do together." This imposes a particular responsibility on both countries to work together. It helps that both Prime Minister Modi and President Xi Jinping have agreed that the relationship should be viewed in a strategic, longterm and development perspective.

In the context of current and future needs, India and China have a rare synergy. There are commonalities in the problems faced by both countries – poverty elimination; ensuring balanced and equitable growth; governance and rule of law; demographics; catering to the needs and aspirations of a growing population; ruralurban migration; labor flows and employment; and environment and climate change. There is much that we can learn from each other's efforts and best practices.

India and China are both seeking to transform their economies. Here again there is synergy. India has large financing needs. It has been estimated that India will require over US\$ 1 trillion over the next 10 years just for infrastructure development. The recent growth trajectory

### T. C. A. Rangachari

in India, combined with new initiatives such as the "Make in India" programme, offer fruitful prospects for collaboration in manufacturing and technology transfer. China is well placed to meet Indian financing needs given its US\$ 4 trillion foreign exchange reserves.

India offers a major market at a time when China has over-capacity and is looking for export markets. India has welcomed Chinese financing, investments and technology. During President Xi Jinping's visit to India in September 2014, China expressed willingness to invest US\$ 20 billion in India in the next five years in various infrastructure and industrial development projects. More can be done.

### Working together

Mutual benefit – the fourth of the five principles of "Panchsheel" – underpins the logic of a more cooperative future. This intent has to manifest itself through actual, multi-faceted cooperation. It also entails support of the two peoples. Promoting people-to-people contacts



Chinese Foreign Minister Wang Yi with his Indian Counterpart Sushama Swaraj.



for better mutual understanding is essential. In this context, the designation of 2015 as the "Visit India Year" and 2016 as the "Visit China Year" are positive steps. The opening of pilgrimages to Mount Kailash and Lake Mansarovar in Tibet, through the newly opened Nathu La route, is another constructive step, and has been warmly welcomed by the Indian public.

Several other decisions – such as initiating structured state-level and provincial-level exchanges; expanding sister-city relationships; boosting educational and cultural linkages; opening of new consulates; and bringing together thinks-tanks – are all advantageous initiatives. They might well take some time to materialize to their full extent. But when they do, they will surely contribute to expanding the scope of the bilateral relationship.

The synergy of economic cooperation does not, by itself, erase certain bitter legacies of the past. The leaders of both countries have stressed, repeatedly and publicly, the need for building trust and confidence. The unresolved border issue is emotive. There are sensitivities relating to cross-border terrorism affecting both countries. India has expressed its concerns regarding the route of the economic corridor that China is proposing to build in a neighboring country. India is still awaiting China's endorsement of its candidature as a permanent member of the United Nations Security Council.

On the economic side, the continuing imbalance in bilateral trade that has left India with an unsustainable deficit that needs to be resolved. India looks forward to the early opening of the China market for Indian pharmaceuticals, information technology and entertainment. Efforts are required to manage differences and problems. Given political will, it should be possible to find mutually satisfactory resolutions for concerns of each side. This is essential for the realization of the ambitious goals that India and China have set for themselves.

### Global partners

The larger picture that should engage the attention of both sides is the transition now underway at the global level to multi-polarity. Most projections suggest that by 2050 – perhaps even earlier – China will become the largest economy in the world, while India will be the third – if not second-largest economy. China and India are then expected to account for a third or more of the global economy. When that happens, it will be turning the clock back to the era that preceded the imperial and colonial advent into Asia.

India and China are already cooperative partners in regional and global economic institution-building. The BRICS-led New Development Bank - the inaugural meeting of which was held in Moscow on July 7, 2015 and the Asian Infrastructure Investment Bank (AIIB) which witnessed the signing of its articles of association on June 29, 2015 - are cases in point. The two banks, with authorized capital of US\$ 100 billion each, signify the coming of age of emerging-market countries. They will serve the important purpose of meeting the infrastructure and other developmental financing needs of fellow developing countries. They also serve as essential building blocks in re-ordering the global financial system. At the global level, India and China have both contributed substantially to the International Monetary Fund's crisis management fund.

The democratization of the international order is essential. The post-war system is no longer representative; hence, it lacks legitimacy. The diffusion of economic and financial power is already evident. The creation of groupings like the G-20 testifies to this reality. However, governance in global institutions is yet to reflect these evident – and emerging – new realities. India and China have a common interest in multi-polarity. That implies acceptance of each other as partners, rather than as competitors.

We need to ask ourselves: Can the 21st century become the Asian Century? Can the 'Chinese Dream' or the 'Indian Dream' become a reality without a partnership between India and China? If not, India and China will have to find ways of working together, and supporting each other.

**T. C. A. Rangachari,** a former Indian Ambassador to France and Germany, dealt with India's relations with China for over 15 years in the Ministry of External Affairs. A Mandarin-speaker, he ended his service in the Indian foreign office in 2006 and served as director of the Academy of International Studies at New Delhi's Jamia Millia University until last year.



# Gwadar - the "Economic Funnel for the Region"

### Sajjad Ashraf



Pakistan's deep-sea port Gwadar, which the Chinese built and are now operating under a 40-year agreement, remains a subject of considerable interest for much of the world. The port, 605 kilometers east of world's biggest energy choke point – the Strait

of Hormuz – has a much bigger strategic dimension than imagined earlier. Nearly 20 percent of world's traded oil (77 percent of which is headed toward Asia-Pacific) pass through the Strait every day. Pakistan's former President Pervez Musharraf described Gwadar as the "economic funnel for the whole region." Gwadar shortens China's route to the world by thousands of kilometers.

Gwadar's importance increased manifold following China's announcement of China-Pakistan Economic Corridor (CPEC) by President Xi Jinping in 2015, at an estimated cost of \$45 billion. Additional projects have not only because once the Chinese decide on a project they go full steam, but because Gwadar, being a vital cog in the CPEC and the overall Belt and Road strategy, China or Pakistan cannot afford its failure. The projected development of a major highway, rail links, and oil and gas pipelines will convert Gwadar into a transshipment port for China and the Central Asian region. Unconfirmed reports indicate that after senior Russian officials visited Gwadar, Pakistan has also acquiesced to Russia's interest in using the port. Moscow's gradual thaw towards Pakistan may also be a consequence of this mutual interest. For Pakistan, Gwadar's industrial free trade zone is potentially the economic engine that can help shore up its faltering economy. The 923 hectare zone will be a manufacturing hinterland for the Gwadar Port and will benefit countries of South Asia, Central Asia, and the Middle East. Gwadar's location, 460 kilometers west of Karachi, decreases Pakistan's vulnerability against India and gives Pakistan ability to monitor sealanes around the Hormuz Straits. Along with Gwadar,

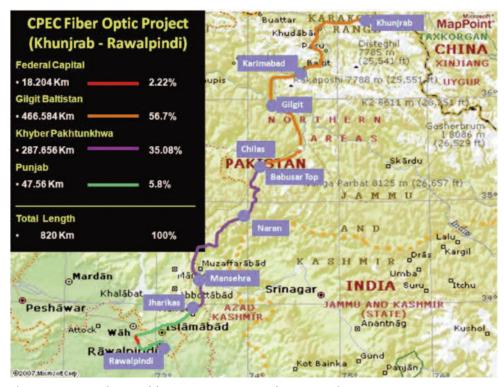
now raised the investment volume to \$54 billion. As the southern terminal of the CPEC, close to the Strait of Hormuz, Gwadar assumes formidable importance in the high stake power game for strategic control the Indian of Ocean region.

Despite initial challenges there is a considerable optimism in its future,



Prime Minister Muhammad Nawaz Sharif talking to a delegation of Research and Development International (RDI), a new joint China Pakistan think tank on China Pakistan Economic Corridor (CPEC), at PM House Islamabad on June 3, 2015.





completion.

The U.S. and India are just about the only significant countries looking at the Chinese OBOR/CPEC initiative with skepticism. They believe that the twin initiatives are meant more to secure China's geo-strategic aims with political and security implications for them. Gwadar is therefore, viewed differently by either side.

In this game of power, the fact remains that the U.S. through its land and sea based deployments overwhelmingly dominates the oil producing Middle East region and the sea-lanes. No

the setting up of a naval base at Ormara 349 km west of Karachi will allow Pakistan more secure forward bases and enhanced ability to eavesdrop on India's naval maneuvers in the Arabian Sea. Underlying China's need is the fact the Gulf Cooperation Council (GCC) countries together account for 60 percent of China's energy supplies. Nearly 75 percent of China's energy supplies pass through Straits of Malacca. The U.S. navy and its allies have a commanding presence in both the regions and can block China's supplies.

Beijing for now seems to be developing Gwadar to be a terminal of Iranian, GCC and African oil, which leaves open the possibility of Chinese naval units patrolling the area surrounding. While this may be the ostensible interest, it is likely that Iran's gas and oil pipelines will extend to Gwadar through an overland route to provide greater security to its supplies from the Gulf. Gwadar's strategic significance is best understood as a part of growing Chinese acquisition of port facilities, often described as the "string of pearls" in the Indian Ocean region. Gwadar followed Chinese presence in Myanmar, Bangladesh, Seychelles and Sri Lanka, and will soon add Djibouti where a Chinese built naval base is nearing rapidly ascending power can accept to remain a hostage to such military dominance hence the Chinese attempts to break out of the U.S. imposed order. Gwadar and the CPEC Project offer several opportunities to the GCC countries. From nearly 15,000km distance between the UAE ports to Xingjian in China, the Gwadar route will bring the shipping distance down to just about 2500km. When the road, rail and energy pipelines are in place, Gwadar will offer the shortest and more secure route for the transportation of Gulf oil to China and goods either way, eliminating any danger of chocking at Malacca.

Gwadar therefore, offers a unique opportunity for not only China and Pakistan, but will also directly benefit countries in Central Asia and the Middle East. The Unhindered and efficient flow of energy and goods will bring advantages of interdependence leading to peace and greater prosperity to the region.

With China rising, Gwadar more than any other Chinese funded port will reshape the strategic map of the region in the coming years.

**Sajjad Ashraf** is an adjunct professor at the Lee Kuan Yew School of Public Policy, National University of Singapore.



# The Great Red Dragon: What Signal Do China's Military Parades Send to the World?

Beijing is reportedly preparing to hold a military parade on August 1, 2017 to commemorate the 90th anniversary of the People's Liberation Army (PLA). There is more to this event than meets the eye, Russian military expert Vasily Kashin told Sputnik, adding that China's famous policy "Hide your strength, bide your time" is no longer the case.

It appears that former Chinese leader Deng Xiaoping's famous dictum "Hide your strength, bide your time" has become a thing of the past, Russian military expert Vasily Kashin notes, saying that Beijing's military parades are clearly a sign of the country's political paradigm shift.

According to media reports, on August 1, 2017 a parade of Chinese troops is due to take place in Beijing commemorating the 90th anniversary of the People's Liberation Army (PLA) of China. Kashin recalled that back in 1981 Deng Xiaoping conducted an inspection of Chinese troops following largescale military drills in Hebei Province. However, the first full-fledged parade was held in Beijing only in 1984.

In the 1980s, the Chinese government decided to hold military parades every ten years, marking the anniversary of the founding of the People's Republic of China (PRC). The next military parade took place in 1999 and then, ten years later, in 2009. Each time the parades attracted much attention and with good reason, Kashin noted, explaining that each parade marked a new phase in the development of the Chinese military forces.

It was expected that the next parade would be held in 2019, however, it has turned out that Beijing is now determined to organize parades more often. In 2015 they held a parade commemorating the 70th anniversary of the Victory in the Second World War in the Pacific region, while this year the Chinese leadership will honor the PLA.





Soldiers of China's People's Liberation Army (PLA) march during a rehearsal for a military parade in Beijing. © REUTERS/ STRINGER

"These steps have an important ideological and political meaning," Kashin said, "The Victory Parade of 2015 was the result of a serious shift in the perception of the Second World War by the Chinese leadership. [The war] began to be perceived as a central event [in the PRC history], that played a significant role in the renewed Chinese nation genesis."

Apparently therefore, Chinese leadership has begun using references to the Second World War both in its domestic and, most notably, foreign rhetoric. Kashin notes that this shift coincided with growing tensions between Beijing and its longstanding geopolitical rival and the WW2 enemy – Japan. But the root causes of the current changes lie deeper than the ongoing political contradictions between China and Japan, he believes.

The parade honoring the PLA's 90th anniversary reflects this recent trend vividly, Kashin noted, calling attention to the fact that Beijing didn't hold military parades to commemorate the PLA's 80th and 70th anniversaries.

"After decades of being obsessed with the idea of economic growth at all costs, Chinese leaders are sending a clear message to society that the Army is equally important," the Russian military analyst stressed, "The PLA has regained its former significance, which it enjoyed before the period of 'reform and openness' [during the Chinese Cultural Revolution]."

"The legacy policy of creating conditions for economic development, through the minimization of military spending and the refusal to lead in world affairs described by the famous formula 'Tao guang yang hui ' ('Hide your strength, bide your time'), is finally the thing of the past," Kashin said.

Soon we will see Beijing holding military parades annually, he predicted.

Source: Sputnik International.



# Chinese firms add high-tech wings to shared development on Belt&Road

### Liu Chang and Li Rong

The minute when Drozdov Evgeny tried MIUI, an android firmware modified by the Chinese smartphone maker of Xiaomi, the 28-year-old Russian young man simply fell for it offhandedly. Evgeny now works for a Russian software company. In 2011, fascinated by Xiaomi's produce, he launched his own online forum to share the latest versions of MIUI ROMs with other fans all across Russia. The Chinese company has now designated his cyber community, which at present has 11,000 registered members, as its official fans' forum in the country. In fact, Xiaomi, as well as many other Chinese high-tech companies, have been supported by the Belt and Road Initiative in recent years as they tap into foreign markets and see their competitiveness snowballed worldwide, especially in the developing countries in Southeast Asia, Africa and Latin America. Together, they have not only offered customers worldwide both quality and more affordable alternatives to end-products by global smart phone giants like Apple and Samsung, but have also been promoting other modern-day information technologies that can change the way of life for local people for the better.

### NOT JUST SMART PHONES

Apart from Russia, Xiaomi has over the past few years achieved notable market success and become increasingly popular in other countries. The company ranks the third in smartphone sales in both Indonesia and Ukraine, according to Lei Jun, chairman and CEO of Xiaomi.

In India, another market Xiaomi has invested very heavily, the company released late last month a new model of smartphone called Redmi note 4A. So far, its monthly sales have surpassed 1.5 million. In a recent interview with Xinhua, Lei said the most important advantage the products of his company boast is their higher level of cost efficiency to the international big name competitors. "In the past, only those with medium or high incomes were able to enjoy the high-tech products, a scenario we hope to change, and we are working to enable more people to have access to the latest technologies," Xiaomi's Senior Vice President Wang Xiang told Xinhua.

According to Lei, Xiaomi stresses very much on research and development of technologies and innovation. He noted that the company filed for over 7,000 patents globally last year alone on technologies developed on its own. He also said Xiaomi is working hard on two fronts now. One is to attempt breakthroughs on core technologies like chips, while the other is to strike cross-licensing deals with the world's telecommunication giants like Microsoft and Qualcomm so as to avoid patent disputes in its ever expanding foreign adventures. Besides smart phones, Xiaomi has also been promoting its wearable fitnesstracking devices like smart wristbands. According to International Data Corporation (IDC), Xiaomi has been the world's second largest wearable device vendors for two consecutive years since 2015. The IDC also reported that Mi band 2, Xiaomi's latest smart bracelet, is the highest selling heart rate sensing fitness tracker in India in the fourth guarter of 2016. "The essence of the Belt and Road initiative lies in the fact that it has promoted



Xiaomi CEO Lei Jun shows the company's Mi 5C in Beijing. [Photo: China Daily]





cooperation and collective development of the countries on its routes," said Wang.

It has improved the environment for the growth of the economies and enterprises, he said, adding that Xiaomi has benefited from the initiative and forged harmonized and stable partnership for win-win result with the firms covered by the initiative.

### KNITTING INFORMATION NETWORKS

Meanwhile, Chinese companies, especially those that are hosted and supported by Zhongguancun, a high-tech hub in the Chinese capital city, are also trying to share with other countries their expertise in telecommunication and information technologies. In 2015, China's DaTang Telecom signed a cooperation agreement with Ecuador's Yachay City of Knowledge to build a 4G TD-LTE laboratory. The 4G TD-LTE is China's homegrown fourth generation telecommunications technology. The latest GSMA Intelligence data show that in Latin America, 4G connections more than doubled in 2016, up from 51 million a year earlier, suggesting a fast growing market demand. According to the pact, Datang is going to prepare the Ecuadorian side in its efforts to apply the 4G telecommunication networks in the country and train for it a team of professionals.

Also, Beijing Xinwei Technology Group ~ which is engaged in the customized solution provision for telecommunications carriers, vendors, service suppliers and component manufacturers ~ has in recent years cooperated with telecommunications operators in Cambodia, Russia, Ukraine and Tanzania, in the capacity of a provider of technologies and equipment for public networks there. Apart from that, Sida Times ~ a Beijing-based TV network provider ~ now has become



the fastest growing digital TV operator in Africa. It is now doing business in 20 African nations like Kenya and South Africa with more than eight million subscribers.

#### NEW DAWN FOR E-COMMERCE & FINANCE

With the widespread use of mobile telecommunications technologies, a new age for electronic commerce is also dawning and some Chinese firms are spearing ahead.

Jack Ma, founder of China's e-commerce giant Alibaba group, made a proposal earlier this year in the Malaysian capital of Kuala Lumpur for setting up an ecommerce hub in the Southeast Asian country. With the plan, Alibaba seeks to work with the Malaysian government in developing a digital free trade zone in the country so as to empower local small-and-medium sized enterprises (SMEs) and to boost regional free trade. It is also part of Ma's efforts to promote the idea of building the Electronic World Trade Platform (eWTP).

Tang Joo Shen is the sales director of an instant coffee manufacturing firm based in Malaysia's southern city of Melaka, known as Aik Cheong Coffee. The business, born in 1955, is one of most popular local coffee brand. Aik Cheong Coffee sells its products in a dozen of countries, like China, the United States, Canada, as well as other European and Asian nations. However, Tang complained that trade protectionism has in recent years been a big challenge for his company, with some countries slapping up to 30 percent tariffs on coffee products. He believes that the Electronic World Trade Platform (eWTP) can help refresh the global trading system that fits this era of the Internet, which will make it easier for the developing economies and small and medium-sized enterprises (SMEs) to get better access to global markets.

Also in Beijing's Zhongguancun, IZP Technologies, a group company of Internet cross-border trade and big data, is also using modern-day science and technology to serve international traders from Europe to Africa and to the Middle East in a smarter way. The company mainly focuses on offering a payment system to allow direct settlement between the Chinese yuan and local currency and a Visa-like payment card that also promises lower fees. The IZP is also setting up a "big data" platform with data mining capabilities claiming to offer up to date information.

#### TOWARD COMMON DEVELOPMENT

The Belt and Road Initiative, which comprises the Silk Road Economic Belt and the 21st Century Maritime Silk Road, was brought up by Chinese President Xi Jinping in 2013, with the aim of building a trade and infrastructure network connecting Asia with Europe and Africa along the ancient Silk Road routes. So far, China has invested more than 50 billion U.S. dollars into the program. It has won support from over 100 countries and international bodies, and more than 40 of them have signed cooperation agreements with China.

The Zhongguancun Administrative Committee ~ the government's administrative organ that oversees the development of the high-tech hub ~ has for years played a key role in encouraging Chinese technology companies to explore foreign marketplace within the framework of the Belt and Road Initiative. Zeng Xiaodong, international business director of the committee, told Xinhua that technology cooperation has been one of his organization's priorities to achieve win-win outcomes. As Xiaomi is selling cell phones in Indonesia, it is also building factories there. It also plans to 100 percent localize production of its smartphone products in the Southeast Asian nation as of 2017. Its investment moves would mean lots of job opportunities for the local population.

In Ecuador, DaTang's program is also going to help with the nation's job creation and to upgrade its industries. Ultimately, the project will play a positive role in promoting telecommunications development both in the country and in the South America continent. In his speech at the World Economic Forum in the skiing resort of Davos, Switzerland, Xi said the initiative originated in China, but it has delivered benefits well beyond its borders.

By improving infrastructure inter-connectivity, the Belt and Road creates a better base for economic development in many countries, said Boston Consulting Group (BCG) Chairman Hans-Paul Buerkner at the forum earlier this year. Specifically, "it will bring more people together, providing more opportunities to have jobs, as more small and medium-sized enterprises alongside are expected to be established," said Buerkner.

Liu Chang and Li Rong are working at Xinhua News Agency.

## "Shanghai Spirit" creates new model for international relations

As leaders of the Shanghai Cooperation Organization (SCO) gathered on June 8, 2017 in Astana, capital of Kazakhstan, for the 17th summit of the regional bloc, the underlying values guiding SCO development, the "Shanghai Spirit," is once again proving its vitality. Since its establishment in 2001 on the basis of the "Shanghai Five" bloc, the SCO has developed into a significant platform for maintaining regional security and stability and promoting regional growth and prosperity through continuously deepening strategic cooperation and mutual trust between the member states.

Following the "Shanghai Spirit," the SCO has been moving on a fast track of development that is efficient, practical and healthy,

and has yielded impressive achievements. For example, it has effectively cracked down on the "three evil forces" of terrorism, extremism and separatism, improved regional transportation facilities and facilitated trade and investment. As Chinese Foreign Minister Wang Yi put it in April, the SCO "has maintained a robust development momentum and strongly protected the security and development interests of its member states, demonstrating its unique strategic value." Meanwhile, the SCO has also expanded external exchanges with other regional and global organizations and cultivated an ever-growing circle of friends. It is China's steadfast belief that an inclusive and open mechanism will inject vigor and vitality into the organization's cooperation in safeguarding regional peace and pursuing common development.

What is most impressive is the upcoming accession of India and Pakistan. The two SCO observers signed the bloc's Memorandum of Obligations in June 2016, kickstarting the process of their accession. They are expected to get full membership this year. Their accession speaks volumes. Among others, it will boost the region's endeavors in countering terrorism and extremism, one of the major tasks for the group since its birth.

More importantly, it indicates the rising appeal of the "Shanghai Spirit" and increasing international influence



[Chinese President Xi Jinping (L) meets with Russian President Vladimir Putin in Astana, Kazakhstan, June 8, 2017. (Xinhua-Lan Hongguang)]

of the organization, whose full members and observers accounting for nearly half of the world's population.

As Russian President Vladimir Putin told Xinhua in an exclusive interview last year, "the expansion of the SCO's functions and the increase in its member numbers have made it an authoritative and popular international organization in the region and the world at large." With all its six current members located along the ancient Silk Road, the SCO has voiced strong support for the Chinaproposed Belt and Road (B&R) Initiative, and the complementary strengths of the two frameworks promise a bright future of fruitful cooperation. All this has eloquently proved that the SCO is on no account a new Warsaw Pact designed to counterbalance NATO and the United States. Its path of development testifies to that. Instead, the cooperation-oriented organization has provided the tumultuous world with a new model for different nations to overcome racial, cultural and other gaps and promote peace, stability and prosperity.

And its founding principle, the "Shanghai Spirit," has offered an alternative approach to handling international relations and a new compass for all nations that wish to live in peace and harmony.

Desk report prepared by Abdul Khalek, Assistant Editor, Rising Asia Magazine.



## Qatar-Gulf Crisis: Impact on Bangladesh

How long can Dhaka remain silent on the crisis in the Gulf, where a significant population of Bangladeshi migrant workers reside?

#### Shakil Bin Mushtaq



At first look, the diplomatic crisis in the Gulf was more of an "in-house" conflict. Saudi Arabia, along with the United Arab Emirates, Egypt, Yemen, Libya's eastern-based government, Bahrain, and the tiny South Asian Muslim state Maldives, imposed a land, sea, and air blockade on Qatar. The accusations

against Qatar, which were very much focused on Gulf issues, included Qatar's support for the Hamas group and the Muslim Brotherhood and good relationship with Riyadh's archrival, Iran. Saudi Arabia claims that Doha was fostering various terrorist and sectarian groups.

Qatar denied all these claims and asked for dialogue. There was also a counter-reaction from Doha's friends as well – Turkey and Iran immediately lent their hands to Qatar. Both countries intend to supply daily commodities and even indicated they would provide military support if needed. Turkey has already sent troops for a joint military drill. Ultimately the fallout spread, and the Qatar-Gulf conflict is no longer an "in-house" issue. Countries around the world are marking out their positions.

U.S. President Donald Trump's initial reaction was pro-Saudi but soon he turned back; the United States has now called for dialogue to end the impasse. Even Pakistan, Riyadh's close friend and the only Muslim



Qatar's Emir Sheikh Tamim bin Hamad Al-Thani during a Gulf Cooperation Council summit in Doha. Osama Faisal /AP





The majority of South Asians in Qatar work in construction.

nuclear power, declined to stand against Doha – an interesting position, given that the Saudi-led joint military alliance is headed by a Pakistani general. Russia has also expressed concern over the crisis and made it clear that Moscow does not approve of the embargo against Doha. India said in a statement that actions taken by Riyadh and its allies will not hamper the relation between Doha and Delhi; the Indian government is concerned about Indian migrant workers in Qatar.

Bangladesh hasn't announced an official stance on the crisis but the tensions have rocked the South Asian state. Bangladesh heavily depends on remittances from its four million expats all over the Gulf region; about 300,000 are currently in Qatar and around 3 million in Saudi Arabia. Currently, 29 percent of Bangladeshi remittances come from Saudi Arabia, but a major opportunity has been created in Qatar's labor market due to the 2022 FIFA World Cup. The mega event demands massive amounts of construction work, which is being done by migrants from different nations, including Bangladesh.

Qatar said that the embargo has had no impact on the daily life of residents, but some Bangladeshi expats say otherwise. Food price are rising and availability is not guaranteed. Some Bangladeshi workers have also said that their authorities told them to return home, as their jobs are now uncertain.

Transit between Qatar and Bangladesh is more difficult now. As a result of the air embargo, Saudi Arabian Airlines, Emirates, Etihad, Air Arabia, Fly Dubai and Gulf Air suspended all their flights from Dhaka to Doha for an indefinite period. However, Qatar Airlines and Biman Bangladesh Airlines flights between Dhaka-Doha continue.

Bangladesh has historically kept good relations with Qatar and Saudi Arabia. Qatar has good reserve of natural gas and it had a contract to supply LNG to Bangladesh. Doha also has very good diplomatic tie with Dhaka, which has previously built schools, orphanages, and training centers in Bangladesh. In

May, Qatar's prime minister sent an invitation for the Bangladesh prime minister to visit Doha and expressed interest in helping solve the Rohingya issue.

On the other hand, Saudi Arabia has long had significant relation with Bangladesh. Bangladesh sent soldiers to Saudi Arabia during the first Gulf War.

Professor Tareque Shamsur Rehman, a scholar on international affairs, told the media that it would be difficult for Bangladesh to avoid Saudi Arabian pressure, as the nation is part of Saudi-led military alliance. "It would be better for Bangladesh to take measures carefully if the crisis lingers," he said. Rehman noted that Bangladesh has to keep in mind three issues when formulating its response – laborers abroad, economic cooperation, and fuel imports from the Middle East.

"Bangladesh will keep its distance from this crisis, according to diplomatic analyses," former Ambassador Abdul Momen Chowdhury has said to the media. "We will not put fuel in to the fire," he added.

Journalists in Dhaka asked the foreign minister about the issue but he declined to comment beyond saying that government acknowledges the issue. It indicates that Bangladesh's policy may be to keep silent and maintain its distance for now. The question is how long will this be possible?

Shakil Bin Mushtaq is a Bangladeshi journalist.



Brunei's Sultan Hassanal Bolkiah (L) shakes hands with China's President Xi Jinping during a welcoming ceremony at the Asia Pacific Economic Cooperation (APEC) forum, at the International Convention Center at Yanqi Lake in Beijing November 11, 2014. Photo: Reuters/Kim Kyung-Hoon

## Beijing is Brunei's new best friend

The fuel-rich sultanate has looked to China for trade and investment at a time of economic need

#### Mahtab-ur-Rahman

When Saudi Arabia's King Salman bin Abdulaziz arrived in Brunei earlier this year in a highly touted tour of Asia, the two oil-rich nations' dynastic leaders exchanged diplomatic pleasantries but did not announce any new major economic or investment initiatives.

Receiving less attention, however, was a new investment deal signed a few weeks later between China's Zhejiang Hengyi company and a Brunei partner for a US\$3.5 billion integrated oil refinery and aromatic facility that is expected to begin producing eight million barrels of oil, 1.5 million tons of paraxylene and 500,000 tons of benzene annually in 2019.

The contrast in Chinese and Saudi Arabian commitments revealed a significant shift in the sultanate's economic direction. The strict Islamist Sultanate once looked largely to the Middle East or elsewhere in the Muslim world for trade and investment ties but now relies increasingly on China. The Hengyi deal represented one of the largest foreign investments in Brunei in recent years.

In the first quarter of 2016, as the dip in global fuel prices started to bite in Brunei, Chinese investments surged to US\$86 million, compared to just US\$9.6 million for all of 2015. Total consolidated Chinese investment in Brunei is now estimated at around US\$6 billion and scheduled to rise as Beijing cranks up its One Belt, One Road initiative.

In February, Yang Jian, China's ambassador to Brunei, said the sultanate is an "important" country in the US\$1 trillion infrastructure scheme. Brunei, ranked recently by





An oil drilling platform off the coast of Brunei. Photo: IStock/Getty Images

Forbes magazine as the world's fifth wealthiest nation due to its extraordinary oil and gas wealth, is strategically positioned for China's scheme near the geographic center of Southeast Asia and overlooking the strategic South China Sea.

Bilateral economic ties to date have centered on energy shipments. Although China's petroleum demand fell last year – growing at just 2.5% compared to 3.1% in 2015 – it was the world's largest purchaser during the first quarter of this year. China imported 9.21 million barrels of oil a day in March, up 11% from February.

Those ties are now rapidly growing beyond petroleum trading. In April 2016, China Telecom Global, one of the country's largest telecom operators, partnered with Telekom Brunei to expand local networks and improve connectivity.

Three months later, Hiseaton Food Co Ltd, based in China's Guangxi region, joined with a governmentlinked company to create an offshore aquaculture farm. As part of the scheme, China agreed to send scientists and experts to establish a Brunei-Chinese aquaculture research center.

Shenglong New Energy Automobile, a China-based electric vehicle manufacturer, meanwhile, committed in September to build an assembly plant in Brunei for electric and renewable-energy fueled vehicles, including cars, mopeds and buses.

In line with China's growing strategic investments in regional ports, Guangxi Beibu Gulf Port Group began operating Brunei's largest container terminal in February in conjunction with a local government-linked firm. In December, Bank of China opened its first office in Bandar Seri Begawan, the capital, a move into the local finance industry expected to facilitate trade and provide funding for Brunei's small-to-medium enterprises, many of which need new investment to achieve the economies of scale necessary to compete globally.

China's investments come at a time Brunei is desperate to diversify its economy away from energy exports and into more manufacturing and services. In recent years, more than 60% of gross domestic product (GDP) was derived from oil and gas. Fuel shipments account for around 95% of Brunei's total exports and as much as 90% of government revenue, according to official statistics.

The oil price slump that started in 2015 and has endured to present has taken a sharp economic toll. Lower export revenues have forced the government to slash spending and cut back on traditionally generous public services that have contributed to making the country's half million or so residents some of the world's richest people on a purchasing power parity basis.

Ruling Sultan Hassanal Bolkiah is considered by many to be the world's wealthiest monarch. He has ruled in absolutist fashion since 1967, the year his father abdicated from the throne. But recent cutbacks in state benefits and a lurch towards strict Sharia law have generated rare political ripples in the sultanate.

China has strategically leveraged into Hassanal's "Vision Brunei 2035", a long-term state-steered plan launched a decade ago to reduce the nation's dependence on fuel



Brunei's Sultan Hassanal Bolkiah (3rd R, in blue) recites the Quran at the Jame'Asr Hassanil Bolkiah mosque in Bandar Seri Begawan. Photo: Reuters/Ahim Rani





Hassanal's imposition of harsh Sharia law, Beijing has typically remained silent on the rightsrelated issue.

US President Donald Trump's withdrawal in January from the Trans-Pacific Partnership (TPP) multilateral trade agreement, of which Brunei was an original signatory and strong proponent, has further underscored the importance of Chinese trade and investment to the sultanate's future economic prospects.

Brunei had hoped TPP would spur economic diversification and new foreign investment in key targeted sectors, namely

Brunei's Sultan Hassanal Bolkiah salutes a royal guard of honor Photo: Reuters/Ahim Rani

exports and reposition the country as a new "Islamic Singapore." Brunei and China later reached a "five point" consensus on cooperation in line with the development strategy.

In 2014, the government of China's Guangxi Zhuang Autonomous Region signed a memorandum of understanding with Brunei to establish the so-called "Brunei-Guangxi Economic Corridor", an infrastructure agreement worth an estimated US\$500 million, according to reports. Last year's opening of a Chinese Enterprise Association office in Brunei is expected to facilitate the scheme.

For China, Brunei has distinct advantages as an outpost for its regional interests. Unlike nearby Malaysia and Indonesia, Brunei's politics are not beset by the same issues of race and religion. Indeed, Kuala Lumpur's recent shift towards Beijing has led to rising anti-China sentiment, fueled by nationalistic opposition parties who claim recent overtures and deals have sold out national interests. Indonesia has a long history of repressing its small but influential Chinese minority.

Roughly 10% of Brunei's population is known to have Chinese ancestry – though they, too, have often faced constraints in the Muslim majority country. But while Western countries and the United Nations have strongly criticized biotechnology, agri-business, information technology and high-end services. While Brunei has recently moved up in the World Bank's "Ease of Doing Business" survey, TPP negotiators had noted the sultanate's lack of labor rights and a liberal competition policy as major impediments to free trade.

Brunei has notably repaid China's silence on its imposition of Sharia law and persistent trade barriers with its own reticence on boiling disputes in the South China Sea. Brunei's main claim in the maritime territory is the Louisa Reef – also contested by China, Vietnam and Taiwan – but the sultanate has ruffled few feathers on the issue at Association of Southeast Asian Nations' summits or other fora.

That soft stance, from China's perspective, has mitigated the political risk of doing business, one that has arguably constrained capital commitments to other regional countries like Indonesia, the Philippines and Vietnam. And while Brunei has reached out to other potential patrons for economic assistance in a time of need, only China has answered with rich and seemingly no-strings-attached deals.

Mahtab-ur-Rahman is a columnist based in Dhaka.



## Development success of Vietnam and China is each other's opportunity: Vietnamese President

The development success of Vietnam and China is the opportunity for both countries, and they should learn from and help each other, Vietnam's President Tran Dai Quang said here on March 24 when meeting with visiting President of China's Xinhua News Agency Cai Mingzhao.

Recent frequent visits between leaders of Vietnam and China have reached many consensus on strengthening the bilateral comprehensive strategic cooperative partnership, said Quang, adding that he just finished his visit to China and participated in the Belt and Road Forum for International Cooperation held in Beijing.

Vietnam has always valued the good-neighborly friendship with China, hoping to push forward the healthy, stable, long-term and sustainable development of relations between the two countries, two parties and two peoples, said Quang. this year, said Quang, expecting Xinhua to expand its report on the summit and contribute to its success.

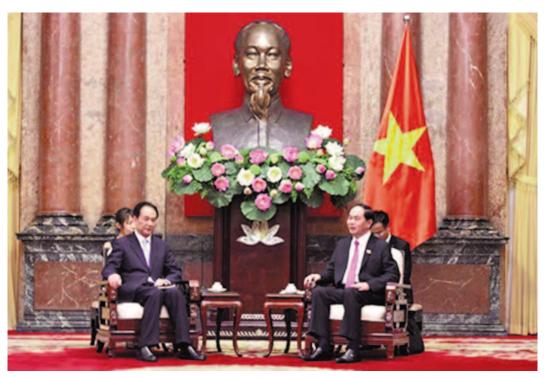
Cai, for his part, said that as one of the most important media agencies in their respective countries, Xinhua and VNA shoulder the responsibility of creating favorable environment for the healthy development of bilateral relations.

Based on the consensus reached by leaders of the two countries, Xinhua will play its role as a bridge of friendship between the peoples of Vietnam and China by strengthening reports on bilateral traditional friendship, the achievements of opening up and reform in the two countries and the results of bilateral cooperation in various areas, said Cai.

Desk Report prepared by Nafees Sakhawat.

Quang welcomed the cooperation agreement signed between Xinhua News Agency and Vietnam News Agency (VNA), hoping the two agencies can keep close cooperation in reporting the achievements of both countries in building socialism and the friendship between the two countries, parties and peoples, thus contributing to strengthening the bilateral relations and enhancing the mutual understanding and trust between the two peoples.

Vietnam will host APEC Summit later



Vietnam's President Tran Dai Quang (R) meets with visiting President of China's Xinhua News Agency Cai Mingzhao in Hanoi, Vietnam, on May 24, 2017. (Xinhua/Le Yanna)



## Pulling out of Paris will harm the poor in the US and abroad

#### Anthony Janetos



Details on precisely what President Trump's decision to pull the U.S. out of the Paris accord on climate change means and how this decision will be implemented are lacking, but it was already clear that the United States had little intention of meeting its emissions

goals. The proposed dismantling of the Clean Power Plan to limit carbon emissions from power plants would essentially ensure that outcome.

But pulling out of Paris also means the U.S. will refuse to make any additional contributions to the U.N. Green Climate Fund. The fact that the world's largest economy and the largest per capita emitter will decline to take on policies to curb greenhouse gas emissions and simultaneto climate change.

The international and domestic U.S. scientific assessments have concluded that climate impacts are disproportionately felt by poor populations both among and within countries – including our own. But such impacts significantly hamper poor countries, which tend to be very dependent on their agricultural sectors, have larger proportions of poor people and typically do not have resources available for recovery from climate-driven damages.

The desires in the developing world to improve quality of life in a sustainable way will not go away. Programs such as the U.N. Sustainable Development Goals are evidence of a deep commitment to those improvements. But with the U.S. decision to abandon the Paris accords, delivering on those commitments just got significantly more difficult.

Anthony Janetos is Professor of Earth and Environment, Boston University, USA.

ously refuse to contribute to a fund largely devoted to adaptation measures in the world's poor countries is dangerous and unprecedented.

The impacts of climate change are not hypotheticals to be worried about far in the future. The last several IPCC reports the international scientific assessments on climate change done through the U.N. - have made it abundantly clear that impacts are happening now. And even more recent science has shown that the probabilities of even individual extreme weather events (e.g., heat waves) can be attributed



The U.S. leaving the Paris Agreement negatively affects farmers from other countries.

## SESSION ON PEOPLE-TO-PEOPLE CONNECTIVITY

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## [Belt&Road] Enhanced Education Cooperation among Countries along the Belt and Road

Since the Belt and Road Initiative was proposed in 2013, people-to-people bonds have been a critical component of the Initiative. Recently concluded Belt and Road Forum for International Cooperation, people-to-people communication in realms such as education has drawn wide attention among participants.

Over the past few years, great efforts have been made to enhance cooperation in fields like education among countries along the Belt and Road. Through the Silk Road Scholarship Program, the Chinese government has promised to offer scholarships to 10,000 students from countries along the Belt and Road each year. By the end of 2016, the number of foreign students from those countries had surpassed 200,000. Meanwhile, the number of Chinese students who studied in those countries has also seen a rapid growth. Since 2012, more than 350,000 Chinese students have gone to those countries for further study. In 2016 alone, the figure reached 75,000, an increase of 38.6 percent compared to 2012.

Many educational institutions have devoted themselves to international education cooperation and exchange. For instance, Zhejiang Normal University has signed cooperative agreements with over 50 African colleges and trained some 2,000 officials, education administrators, and think tank experts for more than 50 African countries.

At the Thematic Session on People-to-People Connectivity during the Belt and Road Forum for International Cooperation, several students of Tashkent University of Information Technologies in Uzbekistan told their stories about how they benefited from the "Seeds for the Future," a program funded by Chinese telecommunications equipment giant Huawei that aims to help train technological professionals for countries along the Belt and Road. "Through two terms of study, I learned the latest technologies concerning 4G, 5G and cloud computing," one student explained. "This made me closer to my dream."

Also at the session, Chinese Minister of Education Chen Baosheng exchanged education cooperation agreements with UNESCO Director-General Irina Bokova, as well as education ministers from countries including Russia, Kazakhstan, Laos, and Cyprus. These agreements are expected to further expand education cooperation and exchanges.

Tian Xuejun, China's vice minister of education, said at a recent conference that education functions as the "adhesive, catalyst and lubricant" for promoting peopleto-people communication among countries along the Belt and Road. He added that China would make greater efforts to sign more inter-government agreements on education cooperation.

Liu Haile is researcher at the China International Economic Exchanges Center.



Stand LA



Save Planet ••it's the only planet with trees

A mother polar bear and her cub sleep near the ice outside Churchill, Canada.



# Belt & Road Better Connections for the Connected Era





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