



SILK ROAD

Why the new Silk Road is a unique opportunity for Switzerland

A giant geopolitical infrastructure project, the Belt and Road initiative has the potential to become bigger than the Marshall Plan. It is China's most ambitious economic and diplomatic programme since the founding of the People's Republic and its scope surpasses that of building the Suez Canal.

The superlatives are impressive. But what is Belt and Road exactly?

The name is confusing – especially as the Belt is a road and the Road is in fact a sea-route. But in a nutshell: it is China's master-plan to reshape world trade and spur economic growth in an area traversing three continents and encompassing about 65 percent of the world's population, one-third of its gross domestic product, and a quarter of its goods and services.

Ports, bridges, railways

The details are vague, but the initiative has two main prongs. One is the "Silk Road Economic Belt" – an overland



route connecting Europe and the Middle East to China by way of Central Asia; the other is a maritime route connecting China, South East Asia, India and Africa. Estimates put the cost of the infrastructure in Asia alone at about \$1.7 trillion a year. The newly established Asian Infrastructure Bank, the Silk Road Fund and the New Development Bank have already committed about \$1.1 trillion. It entails building pipelines, ports, bridges, railways, telecommunications networks and power grids across the region.

"A frequently made mistake is to see the Belt and Road initiative as a Chinese project," says Urs Lustenberger, the president of the Swiss Asian Chamber of Commerce. "You have to look much more broadly. China started this initiative, but China alone will not be able to complete it. All the affected regions have to become contributing partners in this initiative to bring it to fruition."

Falling off the wagons

The original Silk Road, which came into being during the westward expansion of China's Han Dynasty (206 BC-220 AD) forged trade networks throughout the Central Asia countries of what are today known as Kyrgyzstan, Tajikistan, Kazakhstan, Uzbekistan, Turkmenistan and Afghanistan. It brought benefits to many of the cities along the route. The same will

be true of the new Silk Road, which will bring jobs and business opportunities to countries like Afghanistan, which has been trapped in cycles of poverty and war for decades, says Lustenberger. "There is a lot that will fall off the wagons on the way," he says.

Yet nearly four years after the initiative began, most projects are still in the planning. "China cannot finance it all," says Lustenberger. "It needs the cooperation of some European believers."

In Lustenberger's view, that presents an opportunity for Switzerland, which is the only country in Europe that has already signed a Free Trade Agreement with China. Switzerland is not one of the key nodes in the Belt and Road project, but it has easy access to many of them -- for example, the port at Venice. And its geographic position in the heart of Europe and its traditional mindset as a neutral facilitator in the global arena give Switzerland the chance to become a credible promoter of Sino-European interests in this gigantic project.

"I see a big role for Switzerland as a thought leader," Lustenberger says. "Our special role vis-à-vis China and our traditional independence will help us to take centre stage and put the BRI on everyone's agenda in Europe."



Urs Lustenberger, the president of the Swiss Asian Chamber of Commerce.