change, whether it’s a positive or a negative.

So, my second appeal is that—for people who engage in these areas of infrastructure development, railways, China, Asia—I think we need to make the voices heard and not misunderstood. We are informing—in my case, my people, my government, of what is happening. And the more we highlight the successes, the more people should listen.

This is why: This trade war between the United States and China should be looked at from a factual point of view. We all understand why this is happening; it would happen even if China were a democracy. It’s a commercial fight; a rising economy that needs to be dealt with. Maybe we did not see it coming over the last 20 years, let’s say since 2001 when China entered the WTO.

But export restrictions, restricting supply of components to China—semi-conductor technology and so on—of course has the risk that it would see China accelerate along its path of developing indigenous technology. And it would make China even less reliant on the foreign supplies. This is the tricky thing. The West may get some short-term gains, but if we then take into account the stock of goods that China has, the speed at which China may increase its research and development, actually the time gap that would leave China out of supplies may not be, if anything,— there may not even be such a time. But in one of the worst-case scenarios for China, it may be shorter, in the best case, than we expected.

So, we also need to be careful about this. And therefore, when we say China is doing this big advancement in the semi-conductor business, we are not just praising China per se. We are just warning that some tactic may not be as effective.

Hassan Daud Butt

The Belt and Road Initiative and the China-Pakistan Economic Corridor: Harbinger of Sustainable Growth

This is the edited transcript of Hassan Daud Butt’s opening remarks to the Schiller Institute conference on September 6. Mr. Butt is a former Project Director of the China-Pakistan Economic Corridor, and CEO of the Khyber Pakhtunkhwa Financial Board of Investment & Trade. Subheads have been added.

Ladies and Gentlemen, first of all, let me acknowledge the efforts of the organizers of this important event, and this brings all of us together to talk about something which is very important, especially for our region.

At this time, ladies and gentlemen, I would like to highlight that in the recent years, the global economic landscape has changed dramatically. The main driver of this change has been technology, credit liberalization, free capital movement, advances in communication and transport infrastructure, and the creation of cross-border supply chains. This, along with globalization, while on one hand brings various challenges, it also creates numerous opportunities.

However, I believe that the world should be connected and not flat. At this juncture, may I offer a beacon of hope for the participating states. The Belt and Road Initiative, initiated by His Excellency, President Xi Jinping, reflects the far-sighted economic vision of the Chinese leadership for opening gateways for cooperation amongst the countries along the Belt and Road. Connecting four major civilizations, the Initiative has offered a new development model, preaching mutual benefit and win-win cooperation. As we all know, the Initiative defines five major priorities starting from policy coordination, infrastructure connectivity, unimpeded trade, and financial integration, and of course, connecting people. This connectivity is the heart of the Belt and Road region, and is primarily about linking regions to the world, bringing prosperity and sustainable growth in Asia and beyond.

Ladies and Gentlemen, the Belt and Road Initia-
tive’s geographical scope is constantly expanding. I was lucky to participate in both of the Belt and Road Forums held in 2017 and 2019. I can see that this partnership is accounting for about 65% of the world’s population and around one-third of the world GDP. Therefore, it can play an important role in terms of economic prosperity in the challenging times that we are all living in.

Ladies and Gentlemen, the Belt and Road construction should usher in a new sustainable human civilization and this can bring the China-Pakistan Economic Corridor (CPEC) and of course, Pakistan, at the forefront.

The China-Pakistan Economic Corridor is the iconic project of the Belt and Road Initiative. This is not me stating this; this was stated by [Chinese Foreign Minister] Mr. Wang Yi during his visit to Pakistan just recently. The government of Pakistan also considers the China-Pakistan Economic Corridor as a long-term development project, as it has the potential to serve as a corridor with multiple doors, connecting China with Central Asia, the Middle East, Asia, and Africa. The government is expanding the scope of CPEC so that it becomes a gateway of prosperity. Not only linking Pakistan and China and creating job opportunities, it brings poverty reduction and alleviation, and development, and boosts sustainable industrial growth.

**Socio-Economic Development**

So, we are looking at socio-economic development through the China-Pakistan Economic Corridor. Under the leadership of Prime Minister Imran Khan Niazi, the scope of the project has been expanded to increase agriculture, socio-economic development, poverty alleviation, and healthcare, so that it can have its outreach to less-developed areas of our country.

As we speak, 22 projects worth USD $28 billion are in various stages of implementation, contributing to the development of Pakistan. While we enter the second phase, we are readying ourselves for the industrialization of Pakistan and looking at sustainable investment. The biggest dividend will be through the industrial cooperation creating opportunities for jobs and growth. The government is also taking steps to encourage private sector participation and creating an enabling environment that can reduce risk and create that full factor for investors to come.

I would also like to highlight that the special economic zone under CPEC is not just China-specific. It offers investment packages and liberal incentives for anyone to come and invest in Pakistan and the CPEC. Additionally, 15 energy projects in IPP (independent power producer) mode are being implemented to address the energy crisis of Pakistan. This is actually expanding our energy basket, and we are looking at ingenious sources of energy in the second phase of the China-Pakistan Economic Corridor.

I would also like to highlight that the port city of Gwadar is the heart of CPEC, with the potential to become the trans-shipment hub for the region as its connectivity to western China, as well as providing the shortest route to the Middle East, Asia, and Africa. This...
will, *inshallah* [if Allah wills it], boost our economy. CPEC will not only benefit the entirety of Pakistan, but it will also contribute to regional peace, stability, and prosperity.

CPEC is not the name of a single route, but a complete extensive package of cooperation, initiatives, projects, industrial parks, agricultural development, and certainly power generation, tourism, and financial cooperation.

So, Ladies and Gentlemen, the Pakistan of today, under the leadership of Prime Minister Imran Khan, is moving towards the path of economic prosperity, and through CPEC, we are improving tourism, human resource development, transfer of knowledge and technology, besides developing rural advancement in the country, which is leading towards a true inclusive growth. The impact of such development initiatives is visible from the fact that Pakistan is transforming into a better place for foreign investors from other countries, including the Middle East and other areas, and China. I expect that our friends will come and look at Pakistan as a place suitable for their investment because of the large size of our population.

I strongly believe that for inclusive development, we need to work with our partner countries to develop on the success of the Belt and Road Initiative and create a solid foundation for deepening cooperation. That reminds me of Mr. Deng Xiaoping, who said that we will cross the river by touching the pebbles. The first phase of CPEC is over, and now we are progressing into the second phase of CPEC. As it is said, it does not matter how fast you are moving, as long as you are moving.

**Marcelo Muñoz**

**One Belt, One Road: A Project for the 21st Century**

*This is the edited transcription of the opening remarks by Marcelo Muñoz to the Schiller Institute conference on September 6. Mr. Muñoz is the founder and President Emeritus of Cátedra China, Spain’s leading thinktank on China and the New Silk Road, as well as the dean of Spanish businessmen in China. Subheads have been added.*

One Belt, One Road (OBOR) is the name that China has given to the project launched in 2013 and has scheduled to complete its first stage in 2049. Because of its extraordinary relevance, we will indicate some of its characteristics.

First, OBOR is a medium- to long-term project, which is something that is not very frequent in our western history, at least not these days when electoral short-termism prevails. In China’s history, on the other hand, it is very frequent. The Great Wall was built over a period of 2,000 years and almost 20 dynasties. The Grand Canal is still today, 14 centuries after it was built, the longest artificial canal in the world. And, in modern times, the Three Gorges Dam, or the South-North Water transfer project, which starts in the Himalayas and has three canals, each of which is 1,000 km long—the last of which will be inaugurated in 2050! That’s what thinking in the medium- to long-term means.

It is one of the basic characteristics of Confucian philosophy, which pervades all of Chinese civilization: the consideration of earlier generations and of those to come, as the historic continuity of the human person in society. The successive dynasties and the current Chinese government have governed from that Confucian perspective—governing for the next generations. This project has that scope: It penetrates into the entire 21st century, as we shall see.

Second, OBOR is the project of the re-emergence of China. Yes, China is re-emerging as an indispensable power. Because it was already the first economic and technological power for 2,000 years, as the detailed studies of A. Maddison and J. Needham show. And now it is returning to the international concert (or dis-concert) of powers, and it is coming back to stay.

This project aspires to be the expression of the weight of China in the current world, without aggres-