

The In-Depth Background and Geo-Strategy for the Silk Road Economic Belt

By Bai Yongxiu,
Shaanxi Yongxiu Institute for Economics

On September 7, 2013, delivering a speech at the Nazarbayev University in Kazakhstan, President Xi Jinping appealed to Asian and European countries to jointly build the "Silk Road Economic Belt"^[1]. This proposal has won positive response from related countries especially the countries of Central Asia. In November 2013, "The Decision of the CPC Central Committee on Some Major Issues Concerning Deepening the Reform" adopted by the Third Plenary Session of the 18th CPC Central Committee clearly stressed "promotion of building the Silk Road Economic Belt" to shape "across east-central-west" outbound economic corridors.^[2] In December 2013, the CPC Central Economic Work Conference takes "constantly improving the level of opening-up" as one of the six major tasks of economic work for 2014, and again stresses "promoting the Silk Road Economic Belt construction, paying close attention to development of strategic planning, and strengthening interconnected infrastructure construction"^[3]. President Xi Jinping's initiatives and the meetings decisions demonstrate that the Silk Road Economic Belt construction has become an important content of China economic development and opening-up.

Part I. The Background for Initiating the Silk Road Economic Belt

The ancient Silk Road as a major channel for the East-West trade and cultural exchange still has a profound impact on Asian-European

cooperation. In recent years, affected by factors such as the U.S. financial crisis and the European debt crisis, the world economic recovery is weak, the Chinese economic growth is under downward pressure as well, strategic competitions by relevant countries over regions along the Silk Road is becoming increasingly fierce. China, as the starting point and the main country of the ancient Silk Road, under the circumstances of increasingly closer cooperation with Asian and European countries, needs to further strengthen regional economic cooperation in the form of building the Silk Road Economic Belt, which becomes the background for initiating the Silk Road Economic Belt.

(A) The profound influence of the ancient Silk Road

As the main corridor for political, economic, cultural exchanges between the East and West in ancient time, the Silk Road produced profound influence on promoting progress of human civilization. About 2100 years ago, Zhang Qian in China's Western Han Dynasty pioneered tracks to Eurasia, and formed on Eurasian continents the traffic artery going from East to West, because silk is an important commodity transaction along the East-West traffic line, therefore, later known as the "Silk Road". The origin and widely spread of the phrase - the Silk Road - should attribute to German scholar Ferdinand von Richthofen and Albert Herrmann. In 1877, a German geographer and geologist Richthofen in his book - Five Volume China -- Personal Travel

Studies named for the first time the trade routes connecting China with Southern and Western Asia from 114 BC to 127 the "Silk Road" (Seidenstrassen). In 1910, German historian Herman in his book "The Ancient Silk Road of China and Syria" advocated the meaning of the Silk Road to be extended to the far western Syria. In 1915, Herman, in his book the "The Silk Road from China to the Rome Empire", further generalized as the "Silk Road" the traffic routes for communicating between Chinese, Greek and Rome societies.^[4] After this, the phrase "Silk Road" is generally accepted. Before the reform and opening up, Chinese scholars mostly refer the Silk Road as the "the traffic line between China and West"; after the 1980s, Chinese domestic scholars began wide-use of the "Silk Road", so "the Silk Road" becomes a regular phrase in China.

Through the Silk Road, China established close business ties with Central Asia, West Asia, South Asia, Europe, North Africa, etc., and promoted the East-West cultural exchanges and development of productive forces. From the perspective of business, from 126 BC when Zhang Qian pioneered the Silk Road on land to the Silk Road eclipse, the Chinese silk, porcelain, tea and other goods continuously exported to the West through the land Silk Road, while the fur products, jewelry, perfume, West walnut, carrots, etc. imported to China, enriched material and cultural life of countries in Asia and Europe. From the perspective of cultural exchanges, the Silk Road connected major world civilization systems such as the ancient Chinese civilization, ancient Rome civilization, ancient Islamic civilization and the ancient Indian civilization and, while various religious thoughts such as Western Buddhism, Islam, Nestorianism introduced to China, the Han culture of China to the West, promoted human culture exchange and inclusiveness. From the perspective of the productive forces development, great inventions of papermaking,

woodblock printing in China spread to the West, while Western astronomical calendar, construction science and technology, sugar producing, brewing technology and other skills to China, promoted economic and social development and productivity improvement of countries along the land Silk Road. Although the land Silk Road became gloomy gradually in the Song and Yuan Dynasties, yet as a model for civilization exchange between Asia and Europe, still has profound influence on economic and trade cooperation between contemporary Asian countries and European countries. In view of this, under the current background of the great rejuvenation of the Chinese nation and realizing "the Chinese dream", to build the Silk Road Economic Belt bears special importance.

(B) Major powers strongly compete with each other regarding Silk Road strategies

The regions along the Silk Road have important location advantages, rich natural resources and broad prospects for development, so the relevant major countries in recent years have put forward their strategic conceptions for the regions, among which influential ones are the Japanese "Silk Road Diplomacy Strategy", the "North-South Corridor Plan" by India, Russia, etc., the EU "New Silk Road Project" and the U.S. "New Silk Road Strategy" .

Japan's "Silk Road Diplomacy Strategy". In 1997, Japan Ryutaro Hashimoto Cabinet began paying more attention to the interaction with Central Asian and neighboring countries, and named 8 countries of Central Asia and the South Caucasus the "the Silk Road region", put forward the "Silk Road Diplomacy Strategy". To implement the "Silk Road Diplomacy Strategy", Japan, on the one hand is to strengthen economic cooperation with the countries of Central Asia and elevate their economic development speed and level of internationalization of those Central Asian

countries; on the other hand is to strengthen its political and economic influence in the region, develop rich oil and gas resources and ensure its energy supply security in the region. Since then, Japan has provided a large amount of official development assistance to "the Silk Road region", having promoted national railway, highway, power and other infrastructure construction of the relevant countries, and accelerated the process of economic development in the region. Since the year of 2004, Japan has pushed for establishment of the "Central Asia plus Japan" foreign ministers meeting mechanism. Through this mechanism, the ties between Japan and the Central Asian countries are strengthened.

"The North-South Corridor Plan" by India, Russia and other countries. In 2002, Russia, India and Iran jointly launched the "North-South Corridor Plan", putting forward building international transport corridor from India via Iran, the Caucasus, and Russia to Europe. This transport corridor includes railway, highway, shipping and other forms, can reduce freight costs for countries along the way especially India to Europe, and improve the international competitiveness of products from related countries. As a leading initiator of the North-South Corridor Plan, Russia, through building the North-South Corridor, attempts to balance the "Eurasian Economic Corridor" bypassing Russia advocated by the West, and maintains Russian traditional influence in this region. After the project is proposed, China and Central Asian countries have also shown great interest. But because of problems related to national political differences and the shortage of funds, progress of railway and highway projects on the North-South Corridor Plan are slow-going, and even shelved for a time. Then, at an experts meeting of 14-country "North-South Corridor" held in January 2012, India stated that it can undertake the railway and highway construction projects in Iranian

territory ^[5], the Plan has shown a potential of moving forward.

The EU "New Silk Road Program". In order to reduce dependence on Russian oil and gas resources, the EU put forward "the New Silk Road Program" in 2009, namely, through the construction of "Nabucco natural gas pipeline" - the energy transport Southern corridor – strengthening contacts with Central Asian countries and their neighboring countries in energy, trade, personnel, information and other aspects. The total length of "Nabucco natural gas pipeline" is 3300 km, from Central Asian Caspian Sea region via Turkey, Bulgaria, Romania, and Hungary extended all the way to Austria, and positioning the Middle East as a potential regional source of natural gas, and is expected to be completed by 2014. Through the implementation of the "New Silk Road Project", the EU can, on the one hand, strengthen cooperation with the Central Asian countries in oil and gas resources, and ensure EU energy supply security; on the other hand can develop all-round cooperation between EU and Central Asia and its neighboring countries, and strengthen its influence in the Central Asian region.

The U.S. "New Silk Road Strategy". In 2007, American scholar Frederik Starr in his edited book entitled "The New Silk Road: Greater Central Asian Transportation and Trade" put forward the "New Silk Road" idea, advocated building the "Greater Central Asia" economic circle through strengthening communication. Based on this idea, then U.S. Secretary of State Hilary proposed a "New Silk Road Strategy" in July 2011, led by the United States and relying on location advantages of Afghanistan connecting Central Asia and South Asia, intending to shape a "Central Asia-Afghanistan-South Asia" transportation and economic cooperation network with Afghanistan as the center, promoting this regional energy export to the South and

commodity to the North. Since then, the United States has unified its Asia and South Asia policy as the "New Silk Road Strategy", and actively promotes this strategy to its allies [6]. Implementing the "New Silk Road Strategy", the United States, firstly, can promote Afghanistan joining the process of regional economic integration, push forward economic development of Afghanistan, and reduce the American strategic burden; secondly, can expand development space of India, accelerate India economic rise, and facilitate India playing a greater role at regional and international levels; and thirdly can strengthen economic and trade cooperation between the United States and Central Asian countries, and develop mineral resources such as rich oil and gas, etc. in Central Asia. Therefore, the American implementation of "New Silk Road Strategy" can weaken the influence of major countries such as China and Russia in South Asia and Central Asia, and establish the U.S.-dominated new order in South Asia and Central Asia.

In addition, Iran put forward the "Railway Silk Road Project" in 2011, intending to connect Iran railway lines with that of China via Afghanistan, Tajikistan, Kyrgyzstan, Kazakhstan in 2012 and actively improving the transportation infrastructure. With the background of regional economic relations continuously strengthened, and intense competition over the Silk Road strategy by major countries, it is necessary for China, as the starting point and the main country of the ancient Silk Road, to put forward its own Silk Road strategy.

(C) Closer cooperation between Asian countries and European countries

In recent years, with accelerating process of regional economic integration and economic globalization, China and countries along the Silk Road continue strengthening their economic and trade exchanges and regional cooperation, so it is time and momentum is

available for Asian and European countries to collectively build the Silk Road Economic Belt. Entering the twenty-first Century, based on the Second Eurasian Continental Bridge in normal operation, China-Kazakhstan second cross-border railway is put into operation, the Silk Road rehabilitation projects, China-Kyrgyzstan-Uzbekistan railway project, and western China-western Europe highway project are under accelerating construction, China and countries along the Silk Road are more closely linked through transportation, so the ancient Silk Road glows with vitality. At the time of expanding transport links, the regional cooperation of countries along the Silk Road continues to strengthen. On June 15, 2001, China, Russia, Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan established the Shanghai Cooperation Organization (SCO) based on "Shanghai Five" mechanism, and are committed to strengthening all-dimensional cooperation between member states. Then, 5 countries including India, Iran, Pakistan, Afghanistan and Mongolia become observers of the Shanghai Cooperation Organization, 3 countries including Turkey, Sri Lanka and Belarus become the dialogue partners. In addition, the Eurasian Economic Community is also established in the region with Russia, Belarus, Kazakhstan, Kyrgyzstan and Tajikistan as member countries, and Armenia, Ukraine and Moldova as observer countries. Member states, observer states, and dialogue partners states of the Shanghai Cooperation Organization and the Eurasian Economic Community are mostly located along the ancient Silk Road, to promote regional economic cooperation based on these two organizations can strengthen economic ties between Asia and Europe, and further enhance the development space.

Central Asia forms the hub connecting China with Europe, whether from the perspective of geography, history or current

cooperation relations, China shares close links with 5 Central Asian countries, which provides an important guarantee for building the Silk Road Economic Belt. Firstly, in terms of geographical links, China and Kazakhstan, Kyrgyzstan together with Tajikistan are linked by mountains and rivers, and share the border lines of 3300 kilometers, their transportation infrastructure is increasingly improving, and have opened Huoerguosi international border cooperation center, which provides geographical convenience for economic cooperation between China and Central Asian countries. Secondly, in terms of historical links, Central Asia as the hub and an important interval along the ancient Silk Road, Chinese dynasties had close exchanges with the Central Asian region, all ethnic groups in this region jointly created splendid ancient civilization, which provides historical foundation for China to carry out economic cooperation with Central Asian countries. Thirdly, in terms of current cooperation, carrying out western development strategy has strengthened all-round contact between China's western region and Central Asian countries. In recent years, China takes Central Asia as a diplomatic priority, carries out in-depth cooperation in the economic and trade exchanges, in energy and traffic construction, and combats the "three force "through bilateral efforts and the framework of the Shanghai Cooperation Organization, has established the comprehensive strategic cooperative partnership with Kazakhstan, and established the strategic cooperative partnership with Uzbekistan, Turkmenistan, and Kyrgyzstan. The economic and trade exchanges centered on energy are just unfolding, and China has become the most important trading partner and a source of investment for Central Asian countries, which is the realistic foundation to carry out the Silk Road Economic Belt construction. In addition, Central Asia and its neighboring countries, with

rich natural resources, sound economic foundation and plenty foreign investment, have economic growth potential. In the context of increasingly close cooperation between China and countries along the Silk Road, the joint endeavor to build Silk Road Economic Belt can promote economic and social development of Asian and European countries and facilitate regional economic integration.

Part II, The Connotation and Scope of the Silk Road Economic Belt

The Silk Road Economic Belt is a new-type regional economic cooperation model across the Eurasian continents, the goal of which is to bring Asian and European countries into a mutual beneficial and win-win benefit community. In terms of spatial scope, the Silk Road Economic Belt can be divided into three levels of the core area, extended area, and radiated area. Through jointly building Silk Road Economic Belt, economic ties among Asian and European countries will get closer, their mutual cooperation will get deepened, and their development space will get more expanded.

(A) The connotation of the concept

The Silk Road Economic Belt is an economic cooperation zone in the shape of a belt, with the ancient Silk Road as the culture symbol, with the Shanghai Cooperation Organization and the Eurasian Economic Community as the main cooperation platform, with an all-dimensional comprehensive transportation network as the link, with city groups and center cities along the Silk Road as the fulcrum, with multinational free trade and investment and optimized allocation of productive factors as the driving force, with regional development planning and development strategy as the basis, with free convertibility of currencies and friendly exchanges among people as the guarantee, and with achieving mutual- benefit and win-win for

all countries and the Eurasian Economic Integration as the objective.

The concept of the Silk Road Economic Belt has historical, international, comprehensive characteristics. In terms of historical characteristics, the ancient Silk Road provides historical ties and cultural symbols for the Asian and European countries to carry out a full-range cooperation, which facilitates the Silk Road Economic Belt inheriting history, caring for the current situation and pioneering for the future, and has a rich historical connotation. In terms of international characteristics, the Silk Road Economic Belt goes through two continents of Asia and Europe, with a number of countries and regions involved, and significant radiant and driving functions. In terms of comprehensive characteristics, the Silk Road Economic Belt is based on economic cooperation, while cooperation also carried out in the fields of infrastructure construction, political mutual trust, military exchanges, cultural exchanges, environmental protection, etc. has broad inclusiveness. Thus, the Silk Road Economic Belt as a long-term global strategic conception provides a brand new model of cooperation for the Asian and European countries.

The Silk Road Economic Belt radiates throughout Asian and European continents, and bears great significance for the national economic and social development in the two continents. From a broader perspective, the Silk Road Economic Belt begins with the East Asian economic circle of economic prosperity in the East and directly reaches the economically developed EU economic circle in the West, the middle area covers Central Asia, the pan-Central Asian economic circle. In such a vast geographical area, the transportation network undertakes the link function for the countries along Silk Road Economic Belt. Along the Silk Road Economic Belt, the building of "Aerial Silk Road" is focused on

aviation, high voltage power network, and information transmission, but building the "Ground Silk Road" is focused on the railway track lines for passengers and freights separately, and high-grade highway, but also building the "Underground Silk Road" focused on crude oil pipeline, gas pipeline and oil products pipeline. Through all-dimensional comprehensive transportation networks, the Silk Road Economic Belt can connect urban conglomeration and urban centers along the Belt into a whole, the Asian and European countries jointly develop strategic planning, strengthen trade and investment cooperation, and promote the free exchange of currencies and friendly exchanges among people, which can formulate a global grand corridor of economic integration with the longest length, largest area, biggest population, and the most magnificent size of market and development potential.

(B) The expanding space

The Silk Road Economic Belt radiates throughout Asian and European continents, the spatial scope of which can be divided into three-layers, i.e. the core areas, extended areas, radiant areas. The construction work principle is gradual development from nearby projects to distant ones, and from easy ones to difficult ones. In concrete terms, the core area of the Silk Road Economic Belt is composed of the main member states of Shanghai Cooperation Organization and the Eurasian Economic Community including China, Russia and 5 Central Asian countries, an area of 30.6992 million square kilometers, the population size was 1560 million in 2012, the aggregate GDP of US\$ 10.55 trillion. The expanded areas of Silk Road Economic Belt is other member states and observer states of the Shanghai Cooperation Organization and the Eurasian Economic Community, including 9 countries, i.e. India, Pakistan, Iran, Afghanistan, Mongolia, Belarus, Armenia, Ukraine, and

Moldova. These countries have the geographical area of 8.922 million square kilometers, the population size was 1587 million in 2012, and the total GDP of 2.87 trillion USD. The radiant areas of the Silk Road Economic Belt include other countries and regions of Asia, and EU, and can be connected with other East Asian countries such as Japan, South Korea, these countries (and regions) cover an area of 9.4526 million square kilometers, with the population size of 924 million in 2012, and aggregate GDP of 26.82 trillion USD.

Part III, Competing for the Domestic Starting Point for and Regional Construction of the Silk Road Economic Belt

After adoption of the Silk Road Economic Belt conception, domestic relevant cities and provinces chick off tense competition for the domestic starting point for and regional construction of the Silk Road Economic Belt, the essence of which is to compete for economic development opportunities and policy dividends.

(A) Competing for the domestic starting point for the Silk Road Economic Belt

Regarding the starting point for the ancient Silk Road, there have been controversies over "Changan (Xi'an) starting point" and "Luoyang starting point", the competition of which in the process of Silk Road "World Heritage" application gets intensified. In August 2006, at the Silk Road International Coordination meeting held by UNESCO World Heritage Centre and Chinese State Cultural Relics Bureau, both Xi'an and Luoyang are jointly listed as "the starting points of the Silk Road in China", but which does not eliminate the competition for the Silk Road starting point between Xi'an and Luoyang. In November 2011, Chongqing opened the "Chongqing-Xinjiang-Europe" international railway transport channel, strengthening

contacts with countries in Asia and Europe. After adoption of the Silk Road Economic Belt conception, a number of domestic major cities such as Xi'an, Luoyang, Chongqing, and so on launched a growing competition over "the starting point for the Silk Road Economic Belt".

Xi'an, as a main starting point of the ancient Silk Road and an important city in the northwest of China, enjoys comprehensive advantages from the perspective of its history and culture, industrial foundation, location and transportation, science & technology and education, development and opening up, therefore, it is able to seize the initiative in competition for the starting point of the Silk Road Economic Belt. During the Eurasia Economic Forum in September 2013, Xi'an City united with 13 Eurasian countries to have signed the "Xi'an Declaration on Building the Silk Road Economic Belt", promoted the city as the "Silk Road starting point" on its city name card, and expanded its international impact. At the same time, Xi'an has opened international special freight train named "Changan " directly to Central Asia and Europe, and actively applies to the state for the Silk Road Economic Belt free trade area, intends to build the starting point and the bridgehead for the Silk Road Economic Belt by relying on turning the city into a logistics center, financial center, business center, culture and exchange center, embassy and consulates center as the foundation.

Luoyang, as one of the capitals in Han and Tang Dynasties, tied with Xi'an as the starting point of the ancient Silk Road, had 3 heritage sites in China's Silk Road First World Heritage List (22 sites in total) application, it is the historical and cultural advantages that encourage Luoyang to actively compet for "the starting point city" for the Silk Road Economic Belt. Since Luoyang under the jurisdiction of Henan Province at prefecture level, its

administrative status, industrial foundation and comprehensive economic strength are relatively weak, the city brand is not so well-known, so it is difficult for it to compete with Xi'an, Chongqing and other regional center cities.

Chongqing city acts very actively in the competition process for the starting point city of the Silk Road Economic Belt. During the NPC and CPPCC plenary sessions in 2014 in Beijing, the delegation of Chongqing discussed and adopted the "The Proposal on Bringing into Full Play an Important Role of Chongqing in Building Silk Road Economic Belt and the Yangtze River Economic Belt", and submitted it as the lump proposal to the Second Session of the Twelve National People's Congress, expecting the Central Government positioning Chongqing as the starting point of the Silk Road Economic Belt. Chongqing competitive advantages for the starting point city of the Silk Road Economy Belt include: firstly, Chongqing has taken a lead in completing the "Chongqing-Xinjiang-Europe" international railway transport channel, and maintains the normal operation, and is in a leading position in opening up to the West among the mid-western cities. Secondly, Chongqing as the only municipality is directly under the Central Government in the mid-western region, its political advantage is obvious, and enjoys relatively sound city infrastructure and industrial foundation development. Thirdly, Chongqing's highway, railway, waterway, air transportation are convenient, has the regional location advantages of transport connectivity throughout the country.

In addition to Xi'an, Luoyang and Chongqing, Zhengzhou, Wuhan, Urumqi, Chengdu, Lianyungang, etc. also show strong interest in competing for the starting point of the Silk Road Economic Belt. The domestic competition for the starting point city of the Silk Road Economic Belt embodies a powerful driving force to enhance economic

development and image of relevant cities.

(B) Competing for Regional Construction of the Silk Road Economic Belt

Since the Silk Road Economic Belt is proposed, the Central Government has not delineated the regional construction scope for the Silk Road Economic Belt within the country, so 17 provinces unfold competition for economic integration into the Silk Road Economic Belt. Among them, Shaanxi, Gansu, Qinghai, Ningxia, and Xinjiang in the Northwest of China have obvious geographical advantages in building the Silk Road Economic Belt, and have a solid foundation for cooperation with Central Asian countries. For comprehensive construction of the Silk Road Economic Belt, each of them has presented its positioning in the construction of the Silk Road Economic Belt, which helps to reveal them in the competition for integrating into the domestic regional construction of the Silk Road Economic Belt.

In December 2013, the National Development and Reform Commission and the Ministry of Foreign Affairs co-chaired a forum on promoting the Silk Road Economic Belt and the 21st Century Maritime Silk Road construction, in addition to participation of 5 northwestern provinces, 4 southwestern provinces of Chongqing, Sichuan, Yunnan, Guangxi and 5 eastern provinces of Jiangsu, Zhejiang, Guangdong, Fujian, Hainan also sent responsible officials from the relevant departments to participate in the forum, 9 western provinces are deemed to be listed in the domestic construction scope of the Silk Road Economic Belt. Taking this opportunity, the southwest provinces of Chongqing, Sichuan, Yunnan, Guangxi actively participate in the construction of the Silk Road Economic Belt. Although Henan, Inner Mongolia, Shandong, Shanxi, Hunan, Hubei, Guizhou, Jiangsu provinces did not participate in the forum on promoting the Silk Road Economic Belt and

the 21st Century Maritime Silk Road by the National Development and Reform Commission and the Ministry of Foreign Affairs, yet, also launched competition for integrating into construction of the Silk Road Economic Belt. For example, in December 2013, Henan province together with 8 Eurasian countries held an international exchange forum on "the Silk Road Economic Belt" China-Europe logistics channel construction, and plan in 2014 to open three international special freight train lines to Asia and Europe, i.e. Zhengzhou - Ala Mutu, Zhengzhou - Moscow, and Zhengzhou - Hamburg, in order to strengthen economic and trade ties with countries in Asia and Europe. Inner Mongolia, as an important China's participant in the regional projects implementation by "the Central Asia Regional Economic Cooperation Organization", increasingly enhances cooperation with Central Asian countries. Shandong, Shaanxi, Hunan, Hubei, Guizhou, Jiangsu provinces, with transportation or geographical advantages, also put forward their strategic conception to integrate into the construction of the Silk Road Economic Belt. Competition for domestic regional construction cope of the Silk Road Economic Belt becomes increasingly heated.

We believe that, under the market economy system, the construction range for the Silk Road Economic Belt should be open. With 5 northwest provinces for the construction focus, the domestic construction area range for the Silk Road Economic Belt can extend to the east, south, north of the country along the transportation arteries, forming outbound economic corridors across the western, central and eastern regions of China, comprehensively enhance the level of China's economic opening-up.

Part IV. The Strategic Significance of Building the Silk Road Economic Belt

The Silk Road Economic Belt is an Eurasian belt-like economic cooperation conception, conforming to the trend of regional economic integration, which bears profound importance on strengthening regional economic cooperation, promoting development of the world economy, safeguarding China's strategic security, pushing for China's economic center of gravity shifting to the western region, and optimizing Chinese cities and population layout.

First, contribute to structuring new regional economic cooperation organizations, and shaping a new pattern of international economy.

With strengthening socialization of production and economic ties between various countries, regional economic cooperation is just unfolding. In the process of regional economic cooperation, the countries concerned, through elimination of trade barriers, help to expand the scale of export and import, optimize allocation of regional resources, and enhance international competitiveness of regional major powers. On this basis, the world major powers actively participate in regional economic cooperation, have formed in the world regional economic cooperation organizations such as the European Union, the North American Free Trade Area, ASEAN, etc. These regional economic cooperation organizations, promoting economic integration within them and developing economic competition and cooperation with outside counterparts, have become an important force to promote economic globalization and participate in international activities. In recent years, although China actively takes part in regional and bilateral economic and trade cooperation, cooperation between ASEAN and China (10 + 1) mechanism is not yet close, the progress of China-Japan-ROK free trade area is slow moving, and the United States vigorously structures the Trans-Pacific Partnership Agreement (TPP) excluding China. Under this

background, in addition to consolidating China-ASEAN (10 + 1) cooperation mechanism, China should also speed up the process of strengthening regional economic cooperation toward the West. In Central Asia and its surrounding areas member states, observer states, and dialogue partner states of the Shanghai Cooperation Organization and the Eurasian Economic Community have established full-ranged contacts, and promotion of regional economic cooperation based on these two organizations can further enhance the development space for related countries. Assume that turning the narrow-sensed Silk Road Economic Belt (core area + expanded area) into a new regional economic cooperation organization, it can be seen that even the narrow-sensed Silk Road Economic Belt will become a regional economic cooperation organization covering in the world the largest area, the biggest population, and economic aggregate ranking third, and significant growing space for its total economic output. More importantly, after the narrow-sensed Silk Road Economic Belt is turned into a regional economic cooperation organization, it together with the European Union, the North American Free Trade Area can form "a situation of tripartite" posture, help accelerate formation of a new pattern of international economy. In addition, the strengthening of cooperation among the narrow-sensed Silk Road Economic Belt construction, the European Union, the North American Free Trade Area, ASEAN and other regional economic organizations will have a far-reaching impact on the Asia-European economic integration and economic globalization.

Second, contribute to forming new growth regions in the world, and freeing the world from economic downturn.

In recent years, affected by the U.S. subprime mortgage crisis and European debt crisis and other factors, the world economic

growth is weak, and there is an urgent need to take the world economy out of difficulties through the construction of a new growth region. It can be seen that on the eastern side of the Silk Road Economic Belt is the prosperous economic circle of East Asia, the per capita GDP of Japan and South Korea was US\$40056.50 in 2012; and on the western side of the Silk Road Economic Belt is the economically developed European economic circle with the per capita GDP of US\$32789.78 in 2012. While the middle is located the relatively low-level economic development of China and the pan-Central Asia economic circle, China's per capita GDP was US\$6091.78, while just US\$4615.38 for 5 countries in Central Asia in 2012. Thus, the Silk Road Economic Belt witnesses in the middle region the formation of regional economic low development. In recent years, Japanese, South Korean and European economic growth is lack of power, and developing countries in the depressed area have maintained a strong growth momentum. To build the Silk Road Economic Belt, on the one hand can promote economic development of China's mid-western region and the pan-Central Asia economic circle, leveling the low-lying area along the Silk Road Economic Belt; on the other hand can form new growth regions in the world, and help drive economic growth of the Silk Road Economic Belt and the whole world at large. As the core area of the Silk Road Economic Belt and an important part of economically depressed region, Central Asia has a huge potential of economic development. In terms of natural resource endowment, Central Asia has rich mineral resources, particularly huge reserves of oil, natural gas, precious metals and non-ferrous metals, which provide good resources conditions for economic development. From the perspective of economic development foundation, metallurgical industry, mining industry and processing industry are developed in Central

Asia, agriculture development condition of Uzbekistan and other countries is superior, all of which have laid a good industrial foundation for economic development. In terms of overseas investment, the attraction of Central Asian natural resources and industrial basis for foreign capital is increasingly enhanced; the introduction of foreign investment during 2009-2012 years grew more than 5 times than that in 2000-2005, which provides sufficient financial support for the economic development of Central Asia. Thus, economic growth in Central Asia has a broad space, through strengthening economic and trade cooperation among China and Central Asia with its neighboring countries, it is expected to form an emerging economic growth region in the world, promote development of the Silk Road Economic Belt, and boost the world economy out of the development trough.

Third, contribute to safeguarding the national strategic security, and expanding China's strategic space

The western region of China is an important region concerning Chinese strategic security, and construction of the Silk Road Economic Belt helps to speed up development of the western region, which bears great significance for maintaining national security, expanding the Chinese strategic depth, resolving the ethnic and religious conflicts, stabilizing energy supply, and ensuring economic security. In terms of maintaining national security, the western region is a focus of China defense forces layout. China borders with a dozen countries in its western territory, there exists factors of instability due to border disputes, and building the Silk Road Economic Belt in Central Asia and its neighboring countries can help strengthen political mutual trust, economic and trade exchanges and cultural exchanges, and safeguard national security and stability in border areas. In terms of extending Chinese strategic depth, with the

rising Chinese economy, the United States and its allies intensify structuring strategic containment aimed at China, and squeeze China's living space by the Diaoyu Islands disputes, and the South China Sea disputes from the eastern coast, the construction of the Silk Road Economic Belt can facilitate China's formation of a new pattern of all-dimensional opening-up covering inland, coastal, border areas, elevate the level of China development and opening up toward the western region, and greatly expand the strategic space for China. In terms of resolving ethnic and religious contradictions, the western region of China is the region where Chinese ethnic and religious people mainly living in compact community, and is also the main areas of activity by the ethnic separatist, religious extremist, and violent terrorist forces (the three forces), from whom China, Russia and Central Asian countries suffer a lot. Building jointly the Silk Road Economic Belt not only can coordinate all countries concerned to collectively combat the "three forces", but also can eliminate the conditions and the soil for the "three forces" to survive through economic development, and maintain national unity and social stability. In terms of stable energy supply, China's oil import dependency reached 56.4% in 2012^[7], energy security has become an important matter influencing healthy development of Chinese economy. Through construction of the Silk Road Economic Belt, China can strengthen contacts with Central Asia, West Asia, Russia rich in oil and gas resources, form underground "Silk Road" anchored on the oil and gas pipeline transportation, and improve energy security for China. In terms of economic security, China's economy is mainly concentrated in the eastern coastal area, dependence on maritime transportation is too much, and in recent years the risk of sea freight is spiraling, under which background, building the Silk Road Economic Belt can increase

economic aggregate and economic share by the western inland areas, expand land transportation channels and ensure China economic security.

Fourth, contribute to cultivating China's new economic growth pole, and promoting economic focus to shift westward

The five northwestern provinces, as main body of the ancient Silk Road within China, is a bridgehead for China to carry out economic and trade cooperation with Central Asian countries, and is also key area of the Chinese section of the Silk Road Economic Belt. Since implementation of the western development strategy in 1999, the Central Government continuously increases assistance and investment into the northwestern region, so infrastructure construction and economic and social development level of the northwestern region has witnessed significant progress. It can be seen that the average annual economic growth rate of the 5 northwestern provinces during 2000-2012 years was higher than the national average, which is expected to become China's new economic growth pole promoting Chinese economic focus shifting westward. But at the same time, there is still a wide gap between the overall level of development of northwestern area and that of the eastern developed region, particularly affected by factors such as closeness to inland, etc., the northwestern provinces (regions) economic export-oriented degree remain relatively low for a long time, which not only hinders the coordinated development of regional economy, but also produces negative impacts on the Chinese overall economic growth. To jointly build the Silk Road Economic Belt by China and Eurasian countries can form an "outbound economic corridor going across the East and West", help the northwestern region to open wider to the outside world and elevate the regional economic development level. In the future, the northwestern region not only can

strengthen economic ties with domestic eastern, northeastern and central regions, and receive industrial transfer from the eastern region, but can also open wider toward Central Asia and its neighboring countries, vigorously develop export-oriented economy toward Central Asia and neighboring countries, promote free flow and optimized allocation of the productive factors in a larger scale, and catalyze the northwestern region to become a new economic growth pole for China. Since 2011, China meets with economic growth downward pressure, especially the weak economic growth in the eastern coastal area. In the process of the Silk Road Economic Belt construction, the raised level of economic development in northwestern region, on the one hand, can narrow the gap with the developed eastern regions, and promote the coordinated development of Chinese regional economy; on the other hand, can make up for the cracks caused by weak economic growth in the eastern region, guarantee China's sustained and rapid economic development, and promote Chinese economic focus shift westward.

Fifth, contribute to urbanization in the western region, and optimization of Chinese city and population layout

Since the reform and opening up, with rapid economic development in the eastern coastal area, a large number of population from the western region migrated to the Eastern region, the level of urbanization in eastern region is continuously elevated. In this context, the imbalanced city and population distribution between eastern region and western region is growing further. At present, eastern region has higher level of urbanization, with dense population, big cities and city groups grow more prosperous. In 2012, the Pearl River Delta, the Yangtze River Delta and Beijing-Tianjin-Hebei big city groups assemble 18% of national population with 2.8% of the land area^[8]; while the western region has fewer

big cities, with low level of urbanization and city group development, and gathered only 23% of the total population on 57% of the national land area^[9]. The imbalanced distribution of cities and population among regions, not only affects the coordinated development of regional economy, but is also unfavorable to the strategic security of China. The big cities and city groups are an important fulcrum for an economic belt, building Silk Road Economic Belt can promote big cities and city group development, enhance the level of urbanization in the western region especially Northwestern region of China, which is of great significance on regional spatial layout for optimizing China's cities and population. In the process of building the Silk Road Economic Belt, northwestern region can focus on creating city groups centered on Xi'an in Guanzhong plain, on Urumqi on the northern slope of Tianshan Mountains, on Yinchuan on Yinchuan

plain, on Lanzhou and Xining in Hexi Corridor, etc. also turns Xi'an into an international metropolis and the leading city for the Silk Road Economic Belt, Lanzhou and Urumqi into mega cities, Xining and Yinchuan into regional center cities. With development of city groups and big cities completed, the level of urbanization in the western region will be significantly enhanced, which, on the one hand, can provide powerful support for the Silk Road Economic Belt, ensure benign interaction between the urbanization process and the Silk Road Economic Belt construction; on the other hand, can optimize the northwestern region's economic development environment, improve people's bearing capacity in the northwestern region, attract job-seekers of other regions to the northwestern region for employment, and optimize the spatial layout of city and population.

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