

“One Belt and One Road” and Multi-field Cooperation from the Country Perspective

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New Silk Road Economic Belt



The Silk Road: from past to the future

- Over 2,000 years ago, the industrious and brave people on the Eurasian continent opened several trade routes connecting major civilizations across Asia, Europe and Africa.
- According to the statistics of Ministry of Commerce during the first half of 2015 China has directly invested in 48 countries with total investment of US\$7bln. with year on year increase of 22%.
- During Boao Forum for Asia, President Xi Jinping said: “Chinese annual trade with countries along “One belt, and One Road Initiative could reach to US\$2.5trln. in 10 years.

OBOR today

	% share in world population	% share in GDP
North and East Asia	21	20.1
Central Asia	1.4	0.7
West Asia	5	6.26
Southeast Asia	9	0.99
South Asia	23	6.36
Eastern Europe	1.4	1.5
Southern and Western Europe	2.3	8.37
East Africa	2	6.35
Total	65	50.6

Source: % share in Population and GDP is calculated by author and data of GDP and Population was taken from World Bank.

Important driver for China's long-term development strategy

- Economic growth
- Boom in agriculture and mining industries
- Diversification
- Increased stability and connectivity in interior states
- Larger leadership role internationally
- Enhanced ties with neighbouring nations

Threats

- Economic turmoil in the Central Asia region
- Sanctions
- Unpredictable volatility of most currencies (including rubl, tenge and yuan)
- Risk of underfunding or delayed timing due to political reasons

Importance of the Central Asia region to OBOR



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- Moscow-Kazan high-speed railway;
- Khorgos-Aktau railway;
- Central Asia-China gas pipeline;
- Central Asia-China gas pipeline, line D;
- China-Kyrgyzstan-Uzbekistan railway;
- Khorgos Gateway;
- Trans-Asian railways;
- Rail connection to Tehran;
- China-Pakistan highway.

Impact on Kazakhstan economy

- Freedom from transport isolation
- Investment boom
- Infrastructure boom
- Leadership within Central Asia
- Opportunity to become a financial center of Central Asia
- Formation of new free trade zone in the region

Country focus: Kazakhstan - A transit bridge to Europe

- China is Kazakhstan's second largest trading partner and largest export market, especially for Kazakhstan's major exports of oil, gas and uranium.
- Agreements between Kazakhstan and China: US\$50bn.
- Investments in Kazakh infrastructure projects: US\$20bn.
- Construction of a railway line in the east Kazakhstan region.
- Chinese companies such as Aiju Corporation, Rifa Holding Group, and Guangdong Xinyin Fund Management Co. are seeking to invest in agricultural and food projects in Kazakhstan.

Projects

- “Nurly Zhol” and “One Belt, One Road” programs integration:
 - In the past two years, the countries have signed bilateral investment deals worth 70 bln U.S. dollars
 - Presently, Kazakhstan and China jointly implement more than 20 agricultural projects.
- Chinese companies now own close to a quarter of Kazakhstan’s oil production.
- The Khorgos Special Economic Zone on the China-Kazakhstan border.

*Thank
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