



## PERSPECTIVES

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# The Summit for the Establishment of the Silk Road Forum

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BESA Center Perspectives Paper No. 486, June 4, 2017

**EXECUTIVE SUMMARY:** On May 14-15, 2017, Chinese President Xi Jinping conducted a summit on the Chinese initiative to connect Europe, the Middle East, Africa, and Asia. In attendance were high-ranking representatives from Egypt, Iran, Kuwait, Saudi Arabia, the UAE, Turkey, Syria, and Tunisia. The object of the summit was to clarify the Chinese initiative in the wake of uncertainty that has surrounded it ever since it was announced by Xi in 2013. Israel's role in the summit was relatively subdued, but it is nevertheless very much in the picture.

On May 14-15, 2017, Chinese President Xi Jinping conducted a summit in Beijing on the Chinese initiative to connect Europe, the Middle East, Africa, and Asia. Many leaders, including Vladimir Putin, took part in the summit, as well as lower-ranking representatives from dozens of countries. The Middle East was represented by high-ranking individuals from Egypt, Iran, Kuwait, Saudi Arabia, the UAE, Turkey, Syria, and Tunisia.

The Chinese initiative has been the subject of uncertainty ever since it was announced by Xi in 2013. This summit was intended to clarify Chinese intentions. According to the Chinese, the initiative is open to all countries of the world, but they specified 65 along the route that they particularly hope will take part. Those countries, together with China, make up 60% of the global population and 30% of global GDP.

The initiative has aroused great interest among the international political and financial communities. Several countries have expressed support for the initiative and asked to take part, including several not on China's list of 65. Other countries, however, primarily in the west, are skeptical of the feasibility of the plan.

The initiative, which has been nicknamed “The New Silk Road” and “One Belt, One Road” among other names, actually consists of two main routes, one continental and one maritime. The continental axis will connect China to central Asia, Russia, and Europe via railroads and highways. The maritime axis will connect China to southeastern and southwestern Asia, the Middle East, and Africa via seaports along the route that will be either acquired or leased. It is to be supported by the Asian Infrastructure Investment Bank and the Silk Road Fund.

Why is China planning this bold endeavor? Neither Xi nor the Chinese leadership needs this or any other initiative to expand China's financial influence. It appears that the answer lies mainly in the president’s personal aspiration to take stronger hold of the country and the party and leave an impressive legacy. The historic element of the initiative could elicit the support of other countries, boosting its prospects.

Xi also hopes to leave behind enhanced Chinese influence on the Middle East, an influence he prefers to achieve through investment rather than intervention. The initiative is already having an effect. Middle Eastern leaders are paying more and more attention to China, and encouraging the Chinese leadership to invest more in the area.

The Middle East is essentially a way-station for the initiative, but one that could bear great fruit for the local economies. The costs of construction of these routes will be huge, with estimates in the billions in every country (for example, over the 2017-21 period, the minimal Chinese investment in infrastructure in Egypt, Saudi Arabia, Iran, and Iraq is estimated at at least \$10 billion per country). These investments will have a direct financial impact that can help many countries substantially develop their own economies.

Furthermore, the greater the number of trading routes – either continental or oceanic – that are active in the area, the more important the area will be to the Chinese, who would thus have an interest in conserving as stable a local situation as possible. The initiative might therefore have a restraining effect on area conflicts, including the Israeli-Arab and Shia–Sunni conflicts. Since financial incentives will be involved, the parties might be more inclined to find the will to cooperate with one another.

Although an Israeli delegation led by Minister of Regional Cooperation Tzachi Hanegbi took part in the conference, Israel was not included in the list of countries the Chinese defined as part of the initiative. The reason for this appears to be mainly political: it seems to reflect the Chinese desire to present the Muslim world with a program they will find easily digestible.

However, this does not mean Israel is out of the picture. Two days before the summit, Hanegbi met with the president of the Chinese investment fund that deals with promoting the initiative to discuss the Israeli aspect. According to

the minister, "In the focus of the conversations stood the interest Israel has in practical cooperation with the Chinese initiative." Indeed, the Chinese are already involved in many transportation projects throughout Israel: they are taking part in the mining tunnels on the Acre-Karmiel railway line and building the new Ashdod Port, and will operate the new Haifa Port as well.

China appears to be succeeding at dealing with both Israel and the Muslim world, and is working constructively towards its main goal: financial growth without intervention in other countries' internal affairs.

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BESA Center Perspectives Papers are published through the generosity of the Greg Rosshandler Family