China energy resources-oriented OBOR: Research on OBOR growth strategy of China

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ABSTRACT

This paper aims to depict the strategic deployments for OBOR home and abroad as completely and digitally as possible in the following 3 aspects: inner/outer regions, financing sector and China energy resources; examines China OBOR growth strategy based on Arthur Thompson ‘s strategic concepts (Arthur Thompson, 2001); further makes analyses and explanations on the above 3 strategic layouts, e.g., Xinjiang and Fujian main hubs, infrastructure relations between AIIB and OBOR, China energy resources cooperation with the countries and regions along the ways of OBOR in which acquiring and exploiting varied energy resources such as oil/gas, nuclear or solar/wind power, etc. fall within one of the core benefits; visualizes a close loop framework of OBOR, OBOR continuum, overcapacity production industries, physical volume of OBOR vs. TPP + TTIP, comparisons between OBOR vs. TPP+TTIP, oil/gas pipelines, planning to cut Kra Isthmus, etc. via figures and tables; and furnishes the OBOR growth strategy with 4 valuable suggestions finally. The aim of OBOR is not only to serve as the 3rd pole to set pace for the cooperation and development apart from Pan-Pacific TPP and Pan-Atlantic TTIP, but also to transfer the domestic excess capacity, excess foreign exchange reserves and excess manpower with the following competitive advantages such as capacity, cost, differentiation and resources acquisition/ exploration to the outside world.

Keywords: OBOR (One Belt One Road) Growth Strategy, Silk Road Economic Belt (SREB), 21st Century Maritime Silk Road (21st CMSR), Energy Resources.

Growth Strategy for OBOR

Definition of OBOR

The OBOR strategy encompasses a kind of growth strategy that China is pursuing; China has become the world’s 2nd largest economic entity with over $10-trillion-dollar GDP and the world’s largest trading entity with imports and exports of $4.16 trillion US dollars. The rise of China must undergo the growth strategy for long-term or short-term periods, because only if the growth strategy, by nature, enables China to constantly expand Chinese economies of scale, can China turn out to be a big country from a less competitive one.

China first widely pushes its own OBOR economic expansion strategy that is composed of the Silk Road Economic Belt (SREB) and 21st Century Maritime Silk Road (21st CMSR) sub-strategies, namely: 
OBOR = SREB + 21ST CMSR,

Hereinafter referred to as the OBOR economic expansion strategy in this article. Among them, the Silk Road Economic Belt (SREB) strategy is to cover the areas from the Southeast Asia, Central Asia and Middle East countries which they assimilate finally together as a regional economic entity to lead to Europe, forming a trend of Eurasian Economic Integration. Whereas, the 21st Century Maritime Silk Road (21st CMSR) strategy is to connect China with Asia, Africa and Europe continents where OBOR can eventually form a closed loop on both land and sea routes that serve as the trading channels and economic corridors (Baidubaike, 2015).

The SREB refers to the Silk Road Economic Belt. In September of 2013, China President Xi Jinping proposed to jointly construct the Silk Road Economic Belt (SREB) at Nazarbayev University, Kazakhstan, it is a new regional economic development idea derived from the concept of the ancient Silk Road which was ever a land passage on where Envoy Zhang Qian (the Western Han Dynasty, 202 BC to AD 9, viz. 2,217 years ago) went on mission to the western regions from Changan (now Shanxi Xi'an) as starting point, to the Guanzhong Plain, Hexi Corridor, Tarim Basin and Central Asian areas such as Transoxiana and Greater Iran between the Syr Darya River and Oxus River, and finally reached the Mediterranean countries. (Figure 1).

The 21st CMSR involves the 21st Century Maritime Silk Road. In October of 2013, While China President Xi Jinping paid a visit to the ASEAN countries and proposed this program. Ever since the Qin and Han Dynasty (221 BC to AD 221, viz. 2,236 years ago) opened the China ancient Maritime Silk Road on where it has always been an important bridge between the East and West economic and cultural exchanges, and since ancient times, in particular, the Southeast Asian regions have always played an important hub role on SREB. The 21st CMSR strategic partners include not only ASEAN, point leading line, line leading plane, but also enhance exchanges in the countries and regions along the lines of OBOR, it will communicate with ASEAN, South Asia, West Asia, North Africa, Europe and other major economic market chains so as to work out the expansion strategy facing the South China sea, Pacific and India Oceans strategically cooperated economic belt as well as to develop a long-term goal of integrating economy and trade into Asia, Europe and Africa.

Arthur Thompson theoretical framework of growth strategy

According to Arthur Thompson's strategic concepts, he argues that to acquire the competitive advantages is to take advantage of growth strategy successfully, making it relies on the following strategic actions: cost, differentiation or resources/capacity-oriented ones; any successful action can be divided into 3 phases, viz., Phase-I Inception, Phase-II Benefit and Phase-III Loss; there are 6 types of successful actions as follows:

To take steps to catch up with or surpass the rivalry strengths;
To adopt measures to make use of the rivalry weaknesses;
To attack the fronts from a multi-access;
To conduct summative actions;
To engage in guerrilla actions;
To pursue preemption actions.

Phase-I Inception in which China initiates the OBOR growth strategy successfully (e.g., AIIB establishment);

Phase-II Benefit in which China shall benefit from the scope of competitive advantages in infrastructure, energy resources, capacity, foreign exchange reserves, manpower, and so on;

Phase-III Loss in which the rivalry shall gobble up the OBOR competitive advantages through simulation, copy or attack.

Based on Arthur Thompson’s theory, China utilizes a growth strategy to obtain the globally competitive advantages via a creative OBOR growth strategy which is hard to be defeated by the competitors. OBOR adopts the multi-way to win the global market, for instance, the multi-channel access to oil/gas resources. OBOR takes an action catching up with and challenging competitors. At the same time, China can not only provide equal or even better products, but also compete at the low prices, e.g., to help the countries along the ways of OBOR with building high-speed railway, highway, digging the canal, and also to provide them with infrastructure construction investment. The aim of OBOR is to transfer the domestic excess capacity, excess foreign exchange reserves and excess manpower in the following competitive advantages such as capacity, cost, differentiation and resources acquirement/exploration to the outside world. (Figure 2)

The east meeting the west in OBOR economic growth strategy

Tai Ji (The great ultimate) Element

Chinese believe in Tai Ji, an ancient philosophy in China, which argues that “Yin and Yang are the Tao”, Tao consists of the heaven Tao, earth Tao and man Tao, which says that all things have two aspects of Yin and Yang, for example, heaven and earth, day and night, mountains and rivers, man and woman, rigid and flexible, etc. and both sides change constantly, possess some ties relevantly between them. Of which the man Tao mainly refers to thought, thought decides behavior and attitude. Tai Ji advocates that people should respect their own ideas, respect the laws of nature and learn to control their emotions.

Thus, Chinese like fuzzy, softness, China does not pursue the American boxing to KO (knockout) anybody, the American boxing focuses on strength style, straightness, strikeout, and so on, the best shot is to KO (knockout) opponents, then everything is clear-cut; but China tries to resolve all the movements of opponents. Therefore, Chinese like Tai Ji boxing, too, and in fact, Tai Ji boxing is indeed cleverer than American boxing. OBOR applies well Tai Ji idea to the present situation and believes Rome was not built in a day. If China thought that the situation is in favor, then China would have won right away, it is out of the question, because OBOR is a process of integrating hearts and minds of the peoples.
along the countries of OBOR, to integrate peoples is much slower than to build high-speed railway and highway, lay oil/gas pipelines or erect power stations, etc. Only China reins the hearts and minds of peoples, can OBOR move in a right orientation.

**Feelings of the world**

The OBOR strategic thinking contains the feelings of the world ‘All serves me, I serve all, too’ rather than definitely taking a country’s selfish interests into considerations. After the 30-year-reform, opening up and rapid development, China’s economy has become an indispensable link in the global resources and capital markets. Initiating OBOR is not only to more effectively integrate global resources and capital, but also to more effectively give full play in industry and capital advantages so that the countries along the ways of OBOR can achieve common development and prosperity.

Mr. Zbigniew Brzezinski, a famous American geopolitical strategist, restated that Thucydides Trap and said, “China and the United States is about to fall into the trap of Thucydides. This phenomenon derives from the ancient Greek and Roman, since then people began to talk about that all emerging countries finally would inevitably fall into a trap of challenging the old imperial. China provides the countries along the OBOR with money, technology, equipment, etc. to engage in infrastructure construction such as high-speed railway, highway, oil and gas pipelines, power stations, etc.), which enable peoples of the countries along the OBOR to enjoy the convenience and progress of public infrastructure, it can either solve China’s excess capacity, foreign exchange reserves and labor or pull the domestic demand of the countries along the OBOR, and also avoid the zero sum game, achieve mutual benefits and smart win-win situations between China and the countries along the OBOR. This means that not all of the rise of great powers must fall into the trap of Thucydides; the zero sum game is no longer necessarily a unique choice among great powers.

Therefore, OBOR is not only beneficial to China, but also conducive to China’s strategic choice. OBOR consists of both Arthur Thompson growth strategy and the thinking elements of oriental management; OBOR is a typical combination of the east and west thinking.

Within the OBOR, China has domestic 23 provinces, municipalities directly under central government and autonomous regions that have started a comprehensive OBOR deployment: the Silk Road Economic Belt (SREB) contains 6 provinces and autonomous regions in N.W. China, 5 provinces and autonomous regions in S.W. China; the 21st Century Maritime Silk Road (21st CMSR) involves 8 coastal provinces and municipalities in S. E. China; together with other 4 provinces involved in OBOR construction.

**The economy and trade on land route**

In September of 2013, China President Xi Jinping proposed to jointly construct the Silk Road Economic Belt (SREB) at Nazarbayev University, Kazakhstan, it is a new regional economic development derived from the concept of the ancient Silk Road which was ever a land passage on where Envoy Zhang Qian (the Western Han Dynasty, 202 BC to AD 9, viz. 2,217 years ago) went on mission to the western regions from Changan (now Shanxi Xi’an) as starting point, to the Guanzhong Plain, Hexi Corridor, Tarim Basin and Central Asian areas such as Transoxiana and Greater Iran between the Syr Darya River and Oxus River, and finally reached the Mediterranean countries.

**The economy and trade on sea route**

To build 21st CMSR, in October of 2013, While China President Xi Jinping paid a visit to the ASEAN countries and proposed this program. Ever since the Qin and Han Dynasty (221 BC to AD 221, viz. 2,236 years ago) opened the China ancient Maritime Silk Road on where it has always been an important bridge between the East and West economic and cultural exchanges, and since ancient times, in particular, the Southeast Asian regions have always played an important hub role on SREB. The 21st CMSR strategic partners include not only ASEAN, point leading line, line leading plane, but also enhance exchanges in the countries and regions along the ways of OBOR, it will communicate with ASEAN, South Asia, West Asia, North Africa, Europe and other major economic market chains so as to work out the growth strategy facing the South China sea, Pacific and India Oceans strategically cooperated economic belt as well as to develop a long-term goal of integrating economy and trade into Asia, Europe and Africa (Baidubaike, 2015).

OBOR growth strategy is parallel to forge ahead in 27 countries along the ways of OBOR in the following steps: national infrastructure interconnection, industry financial cooperation, construction of mechanism and platform, acceleration of implementing the free trade areas, deep economic cooperation and trade, enhancement of exchanges and cooperation in the field of safety, founding the Asian infrastructure investment bank, construction of fundamental culture, priority to the development of sea interconnection and intercommunication. China will join hands in creating a regional prosperity strategy in port shipping, ocean energy, economy and trade, science and technology innovation, ecological environment and other fields, and promote the policy communication, road intercommunication, trade flow, the circulation of money...
and people interconnection.

**Context of OBOR growth strategy**

**International context:**

As the world economic recovery grows weak, the monetary policy of developed economies lies under differentiation, the economy of many countries may face difficulties, there needs a new economic point of growth and new economic locomotive to drive the world economy. It is China that takes this opportunity to integrate China strategy and policy into OBOR, there will be conducive to almost all countries of the Asian economic system and APEC in a bit to achieve the multi-win situations. China formulated a lot of strategies to promote regional economic integration, including the SREB, 21$^{st}$ CMSR, Bangladesh-China-India-Myanmar economic corridor, China-Brazil economic corridor, Northeast Asia economic integration, etc. Among these strategies, each of them centers on the regional economic integration, is based on national strategy of China as well as in line with the strategic interests of almost all members of Asia, Pacific Ocean and Europe. (Figure 3).

**Domestic context**

China overcapacity production transfer brooks no delay! OBOR serves as an important, long-term national development growth strategy which is to solve several strategic problems such as China excess capacity market, resources acquisition, strategic depth, strengthening trade development, national security and trade dominance, etc. China excess capacity caused plenty of problems on economic operations, through the OBOR, it is a very means to open up new export market. China has both excess capacity and excess foreign exchange assets; whereas, the emerging markets and less developed countries still lack the construction of infrastructure, China makes full use of foreign exchange reserves as driving global growth capital, at the same time, the China capital output drives excess capacity to be digested abroad.

**China all-round domestic deployment for OBOR growth strategy**

OBOR includes 23 provinces, municipalities and autonomous regions at home.

**Deployment for SREB**

**Provinces and Autonomous Regions in Northwest China**

a. Xinjiang autonomous region location: Xinjiang will rely on the geographical advantages, deepen exchanges and cooperation with neighboring countries and regions, form the SREB important transportation hub, logistics and trade and cultural center of science and technology and create SREB core areas as well. Node cities: Urumqi and Kashgar.

b. Qinghai province location: Qinghai is building strategic channel, and is a fulcrum and the humanities exchange center, SREB enables Qinghai to become the main position opening to the West China and promote the economic development as the province's

c. Gansu province location: Gansu is to build the SREB golden section, an important gateway and sub-regional cooperation strategy base for construction of China’s opening to the West China. Node cities: Lanzhou, Yinchuan, Jiuquan, Dunhuang and Jiayuguan.

d. Shaanxi province location: Shaanxi Province will focus on the construction of the SREB fulcrum in a bit to form an important hub opening to the West China. Node city: Xi’an.

e. Ningxia autonomous region location: Ningxia will further build the strategic fulcrum of SREB under the national OBOR strategy.

f. Inner Mongolia Autonomous Region location: Inner Mongolia is to be incorporated into the SREB construction scope, to establish a bridgehead opening to North China.

Municipality, 4 Provinces and Autonomous Regions in Southwest China

a. Chongqing municipality location: Chongqing will be built into the western hub of the Yangtze River Economic belt.

b. Sichuan province location: Sichuan is to build an important transportation hub and economic hinterland to implement the OBOR strategy. Node city: Chengdu.

c. Yunnan province location: Yunnan is to become the OBOR strategic fulcrum and communication channel hub to the South and Southeast Asian countries.

d. Tibet autonomous region location: Tibet will construct the South Asia high channel as an important region, an important annulus for BCIM economic corridor, and directly promote the construction of economic zone around Himalaya.

e. Guangxi autonomous region location: Guangxi will set up an important gateway organically linking OBOR and opening to the Southwest and South China as a new strategic fulcrum of development.

Deployment for 21st CMSR

8 Coastal Municipalities and Provinces in Southeast China.

a. Shanghai municipality location: Shanghai will exert a far-reaching influence on the national strategic level of Two Belts One Road, that is to say, the Yangtze River Economic Belt, SREB and 21st CMSR. The Yangtze River Delta economy involves Shanghai, Jiangsu, Hubei, Chongqing, other 9 provinces and 2 municipalities, and the SREB is to broaden the western region of China and west countries, the 21st CMSR is to further extend to China and 10 ASEAN countries.

b. Tianjin municipality location: Tianjin is to operate the business of shipping vessels as well as the related financing lease, to enhance the ability to integrate the resources of Tianjin and Binhai New Area, and to play a leading role in developing the Beijing-Tianjin-Hebei regional economy.

c. Jiangsu province location: Jiangsu will construct the OBOR new pattern of converging node. Node cities: Xuzhou and Lianyungang.

d. Zhejiang Province location: Zhejiang will create and drive the trial zones of economy and trade cooperation for OBOR strategy, trial zone of the On-Line Silk Road, trade and logistics hub area; and lay plans on land and sea routes, erect a new pattern which would be reciprocal between east and west, and connected each other from north to south. Node cities: Hangzhou, Ningbo and Wenzhou.

e. Fujian province location: Fujian is to create an important hub of interconnection construction linking OBOR, the front platform for trade and economic cooperation and cultural exchanges of 21st CMSR. Node cities: Xiamen, Zhangzhou, Quanzhou and Fuzhou.

f. Guangdong province location: Guangdong will strive to build the 21st CMSR bridgehead for Guangdong has been playing a vital role of both the ancient Silk Road on the sea and piloting area of China reform and opening up. Node cities: Guangzhou, Shenzhen, Zhanjiang and Shantou.

g. Hainan province location: Hainan is to create a portal strategic fulcrum for 21st CMSR, it is situated closely around the two main national bases of natural resources development service guarantee and sea rescue in South China Sea. Node cities: Haikou and Sanya.

h. Shandong province location: Shandong will be an important area along the lines of OBOR of maritime strategic fulcrum and new Eurasian Continental Bridge Economic corridor. Node cities: Rizhao, Qingdao and Tantai.

Deployment for integrating 4 Provinces and autonomous regions into SREB and 21st CMSR.

4 Provinces and autonomous regions integrated locations:

a. Heilongjiang province is to build the SREB on land and sea routes, and provide the eastern China coastal regions, Japan, Korea and North America with cross-border transport on both land and sea routes.

b. Henan province will put forward the construction of the Eurasian bulk commodity trade and logistics, the Silk
Road culture exchange, energy storage trading centers; strengthen the supportive role in the construction of the SREB strategy, create the strategic core hinterland of OBOR, and play a greater role in serving the central China as well as the overall rise of China. Node city: Zhengzhou.

c. Hubei province is to deeply assimilate into the OBOR, strengthen cooperation in trade and investment with Europe, the United States, Hong Kong and Macao developed entities. Node city: Wuhan.

d. Liaoning province will establish a seaport area of the Eurasia Bridge in OBOR, it is an annulus for China-Mongolia-Russia economic corridor and important platform for the coastal economic belt involved in OBOR. Node city: Dalian.

China international deployment for OBOR growth strategy

The Silk Road international economic areas cover Southeast Asian, Central Asian, Middle East countries and regions. China has become the major trading partner of the 5 Central Asian countries: Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, and Tajikistan, of which China is the second largest trading partner of Kazakhstan, Uzbekistan, Kyrgyzstan and Tajikistan, respectively. Under China preferential government loans and assistance, Chinese enterprises undertake the road, telecommunications, electricity and other infrastructure projects in the central Asia. The China-Kyrgyzstan-Uzbekistan highway, Tajikistan-Uzbekistan road, and transmission line within Tajikistan, etc., a number of economic cooperation projects have been successfully started and actively implemented. With the continuous improvement of the regional infrastructure, in these Asian regions, the networks connected with energy, transportation, telecommunications, etc. have already shown the contour.

The Shanghai cooperation organization, SCO

In April of 1996, the five leaders from China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan met in Shanghai. Since then, the "Shanghai Five" meeting mechanism has been established formally. The member countries include China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan; observers: Iran, Pakistan, Afghanistan, Mongolia and India; dialogue partners: Sri Lanka, Belarus and Turkey; guest participants: Turkmenistan, the Commonwealth of Independent States and Asean. (Table 1, Figure 4).

OBOR vs. TPP + TTIP

It is known that OBOR is a growth strategy viewing Europe and Asia as a whole and mobilizing some 65 countries and regions to urge Europe and Asia forward. Whereas TPP (Trans-Pacific Partnership Agreement) means a multilateral relationship agreement of trade liberalization initiated by New Zealand, Singapore, Chile and Brunei. Now the USA dominates TPP whose aim is to promote the trade liberalization in the Pacific-Asian regions, to erect a platform on where TPP attempts to encompass the entire East Asian regions and get rid of dilemmas for USA stays out of the 10+3 development course (Asean+ China, Japan and Korea), being perilous of marginalization; TTIP (Transatlantic Trade and Investment Partnership) involves that on taking advantage of G8 summit, the EU leaders and U.S. President Barack Obama plan to start the transatlantic trade and investment partnership agreement (TTIP) negotiations. Once this agreement has been reached, it will become the largest free trade agreement in history: to zero tariff between the United States and Europe, covering 1/3 of the world trade volume and 1/2 of the global GDP. To a large extent, the TTIP will change the world trade rules, industry standards as well as challenge the emerging countries, especially the quasi trade union, e.g., BRIC countries. (Table 2).

According to Arthur Thompson theory, China takes the differentiation action and attacks the fronts from a multi-access so as to give full play at home and abroad. Compared with TPP and TTIP, China OBOR growth strategy adopts the physical economy + financial-oriented steps so that China can assist in building infrastructure, basic industries and developing energy resources. China adheres to a differential principle that to build any cross-border infrastructure such as high-speed railway, highway or power stations, etc. shall supply these infrastructure projects with capital, technology, equipment to build them, after the completion of construction, the countries along the lines of OBOR will get involved in the operations. In this process, China will negotiate with relevant countries and replace the local resources with the construction costs of infrastructure (Lianhe Zaobao, 2014), AIIB, Silk Road Fund, BRICs bank, SCO fund, etc. lend money to developing countries, whereas TPP+TTIP do only financial-oriented ones which enable World Bank, IMF, ADB, etc. to lend money to poorer countries; The China-led OBOR welcomes any side of joining and promoting the Asian growth, whereas USA-led TPP + TTIP = EBC (Everyone but China). Thus, OBOR can serve as the 3rd global pole to set pace for economic cooperation and
Table 1. Physical Volume of OBOR vs. TPP + TTIP

<table>
<thead>
<tr>
<th>Agreement</th>
<th>OBOR</th>
<th>TPP</th>
<th>TTIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries &amp; regions</td>
<td>65</td>
<td>12</td>
<td>29</td>
</tr>
<tr>
<td>Potential market (Billion Demography)</td>
<td>4.4</td>
<td>0.5-0.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Scale of economies (Trillion US dollars)</td>
<td>21</td>
<td>27</td>
<td>34</td>
</tr>
<tr>
<td>Percentage in the global GDP (%)</td>
<td>31</td>
<td>40</td>
<td>50</td>
</tr>
<tr>
<td>World trade volume WTV (%)</td>
<td>23.9</td>
<td>&gt;33.3</td>
<td>33.3</td>
</tr>
</tbody>
</table>

Source: Jiang Yuechun, The Main Problems and Their Impact on TPP. http://www.360doc.com/content/13/1230/15/14685785_341248693.shtml

Figure 4. Physical Volume of OBOR vs. TPP + TTIP

Table 2. Making Comparisons between OBOR vs. TPP+TTIP

<table>
<thead>
<tr>
<th>Agreement</th>
<th>OBOR</th>
<th>TPP</th>
<th>TTIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation</td>
<td>Physical economy+financial capital</td>
<td>Financial capital</td>
<td>Financial capital</td>
</tr>
<tr>
<td>Operating Style</td>
<td>China assists in building infrastructure, basic industries and developing energy resources; AIIB, Silk Road Fund, BRICs bank, SCO fund, etc. lend money to developing countries.</td>
<td>World Bank, IMF, ADB, etc. lend money to poorer countries.</td>
<td>World Bank, IMF, ADB, etc. lend money to poorer countries.</td>
</tr>
<tr>
<td>Openness</td>
<td>Compatible FTAAP</td>
<td>Exclusive FTAAP</td>
<td>Exclusive European-US RTA</td>
</tr>
<tr>
<td>Impact</td>
<td>The over-past-three-decade reform enabled the east regions at home to grow speedily and China economic entity to be ranked 1st in Asia and 2nd in the world; the future-3-decade reform shall also enable the west regions at home to grow speedily and China to be ranked 1st in the world.</td>
<td>Once into effect, TPP shall contribute 224 billion US dollars annually to the global economy; enable each American family to increase an annual income of $854; and enable China to suffer from an annual loss of about $1,000 US dollars of exports.</td>
<td>Once into operation, leading to zero tariff, TTIP shall contribute 133 billion US dollars annually; reach 1/3 of the world trade volume and 1/2 of the global GDP; a 4-member family of the EU countries can increase disposable income €545 euro yearly.</td>
</tr>
</tbody>
</table>
development. In fact, OBOR will be opposed to neither TPP nor TTIP, only if the USA moves forward in a right direction, can it benefit much more from OBOR.

FTAAP means Free Trade Area of the Asia Pacific, at the 2010 Yokohama APEC Ministerial Meeting, the ministers said, “On the basis of bilateral and small free trade agreements amidst the43 countries, APEC shall establish FTAAP in the Pacific-Asia regions. In the early 1990s, ASEAN initiated the process of regional cooperation in East Asia, and gradually formed a including ASEAN plus China, Japan and the ROK (10 + 3), ASEAN and China, Japan and South Korea (10 + 1) respectively, a series of ASEAN at the core of the regional cooperation mechanism. In addition, in January 1, 2010, China - ASEAN Free Trade Area was officially launched, and now it has become a relatively matured regional FTA within APEC.

RTAs refer to the Regional Trade Agreements, which are a major feature of today's economic globalization. The number of preferential agreements as well as the world share of preferential trade has been steadily increasing over the last ten years.

As of December 2013, TPP consists of 12 negotiating member countries, including USA, Japan, Australia, Vietnam, Canada, Malaysia, Singapore, New Zealand, Chile, Brunei, Mexico, and Peru. TPP declines China's application for its membership. TTIP includes the USA plus 28 EU member countries, namely, Austria, Belgium, Bulgaria, Cyprus, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom.

Analysis and explanations of deployment for OBOR growth strategy

As for China, the idea of OBOR with a multi-level regional cooperation vision attaches importance to both domestic and international segments along the Silk Road.

The domestic segment

OBOR is leading the future orientation of China west development and an up-to-date version of opening up to the west China. The western regions have 72% of China's land area, 27% of the population with 13 neighboring countries, there are the land border lines up to 18,500 km long, but the total amount of foreign trade volume accounted for only 6% of China, accounted for less than 10% in the utilization of foreign capital and foreign investment. Therefore, the OBOR largest potential of opening up lies in the west, the main direction of expanding the breadth and depth of the open economy does in the west, too. The big west development has been practiced for 15 years and has made unprecedented achievements. The future development of western regions need to be established on the basis of opening up to both inside and outside China, expanding the opening up to the west enables the West China and Central Asia, South Asia, West Asia to strengthen trade and economic cooperation. The Silk Road Economic Belt (SREB) plays a role of key link in an all-round opening up pattern, the balance and coordinated development between the East and West China.

23 provinces, municipalities and autonomous regions engage in an overall layout for the OBOR growth strategy, of which Xinjiang and Fujian become the main hubs, there are the reasons analyzed as follows:

The xinjiang main hub

It is Pakistan's Gwadar port from where China imports oil at the shortest distance in India Ocean. This port is situated near the Persian Gulf, if China loaded and unloaded oil and gas with the pipeline to transport to Xinjiang, it might save tens of thousands of kilometers of the voyage. Thus, China's oil route can simply bypass 12,000 km of the Malacca Strait, directly from the Gwadar port on board through a pipeline or high-speed railway, there will cover only about 2,400 km into Kashgar in Xinjiang. Besides, China and Pakistan have reached an agreement on a pipeline from Gwadar port to Iran, which means that China's oil and gas will be fully delivered through the pipelines rather than tanker from the Middle East. Gwadar Port has been put into use, the next step for the Sino-Pakistan economic corridor shall be to conduct the large-scale construction projects such as high-speed rail, oil transmission pipeline, highways, electric power, communications, etc. Xinjiang can be one of core areas in OBOR, the energy industry has determined its path of development in Xinjiang, namely: Three Bases and One Passageway. Three bases refer to a large oil/gas production, processing and reserve base; a large-scale coal, coal power and coal chemical base and a large-scale wind power base; One Passageway encompasses one national energy resources passageway on land.

There is an area of 1.66 million km² in Xinjiang, accounting for about 1/6 of China, except for the ocean diversity of surface topography, Xinjiang boasts its richer underground resources, of which the coal reserves reach 37.7% of the total China; the oil/gas reserves contain 30 billion tons, taking up more than 25% of the total China. In addition, the wind/solar energy is the most promising clean energy in Xinjiang, and also available in the forefront of China.

As such, Xinjiang is China's coal, oil, natural gas important strategic substitution areas and one key energy
passageway as well.

The fujian main hub

According to Mr. Lin Jialai, a CPPCC (Chinese People’s Political Consultative Conference) member, put forth a proposal at the 2015 National Congress of the CPPCC: Establishing a set of goals of achieving an economic integration to promote the Haixi economic development and resonance between both sides of the Taiwan Straits. And also, he submitted 5 proposals to the 2015 CPPCC session, one of them was recommended to promote the economic integration between Fujian and Taiwan, promote the Haixi economic development first through the construction of a Xiamen-Kinmen bridge across the sea. His 5 proposals include also the following tens of recommendations: Fujian and Taiwan residents traveling to and fro border free; Fujian and Taiwan import and export goods mutual exemption of tariffs; Fujian and Taiwan double-sided vehicle license plate customs clearance free; to construct the Xiamen-Kinmen bridge; to allow Xiamen to declare the Taiwan city group construction; to build the subsea tunnel from the Pingtan Island straight through Taiwan Hsinchu; to establish the cross-strait Buddhism and Buddhist art cultural base; to erect a sister city relationship between Taipei and Fuzhou, Kaohsiung and Xiamen; to allow the Fujian and Taiwan universities and vocational institutes to enroll students mutually; to strengthen medical cooperation between Fujian and Taiwan and allow patients to freely choose medical services; to specially approve Xiamen to set up the Xiamen Stock Exchange and to found the emergency relief organization between Fujian and Taiwan, etc. in a bit to urge the economic and cultural exchanges between Fujian and Taiwan. The Haixi Economic Zone refers to the west coast of Taiwan Straits, Fujian Province as the main body around its neighboring areas, its north and south parts connect both the Pearl and Yangtze River Delta Economic Zones, the east part links Taiwan Island, the west part links up Jiangxi vast hinterland. Generally speaking, Fujian characterizes in the world class regional economic complex conducive to the return of Taiwan to the mainland.

Fujian province will soon introduce, implement the Fujian Province Development Strategy Implementation Opinions in Fusion with SREB and 21st CMSR; and accelerate the interconnection construction of railways, highways, ports, airports and other infrastructure. The key direction of Fujian in OBOR will move towards Southeast Asia, Fujian will accelerate the construction of Xiamen southeast international shipping center, focusing on the construction of the new airport in Xiamen so as to add the Southeast Asia, South Asia and other international flight routes. It shall focus on the construction of the Hefei-Fujian, Qu Ning, Pu Jian Long Mei, Ji Yongquan and Fuzhou-Xiamen high-speed railways. It shall speed up the construction of Ningbo to Dongguan, Putian to Yanling, Zhangzhou to Meizhou highways. There shall be a layout for listed companies: as for one of the leading enterprises of transportation construction in Fujian, Fujian High-Speed Co. has been granted an issuance of 10 billion CNY of medium-term notes, which is the largest directly financing in the transport infrastructure industries in Fujian province.

The overseas segments

The neighboring countries and regions around China

The OBOR strategic idea is in line with the new direction of regional economic cooperation under the framework of the Shanghai Cooperation Organization (SCO) in which its formal members of the Central Asian countries and Russia are facing the economic development, besides, security and cooperation drive the organizational development as the two wheels, and regional economic cooperation has become an important topic at the SCO Summit and meeting of prime ministers. In addition, the Silk Road Economic Belt (SREB) and the Eurasian Economic Community (ECC) has a certain complementarity. Especially the ECC and SCO member states and observer countries across Europe and Asia, South Asia, West Asia possess certain duplication that most of them are located on the Silk Road Economic Belt, through the strengthening the cooperation amidst SCO, EEC, etc. and the relevant countries can obtain greater development space.

The Rest of the World

The OBOR concept shows China new ideas, new blueprint, new ways and new models of regional development and smart win-win cooperation; it puts forward that the countries along the ways of OBOR are to work together to build Communities of Interest & Destiny on the basis of equality, mutual benefits, cooperation and smart win-win conception; draws a picture of economic transportation corridor from the Baltic Sea to Pacific Ocean, from Central Asia to the Indian Ocean and Persian Gulf as well as a blueprint of economic corridors which pass through the Eurasian Continent from the east to west, connect Pakistan and Bangladesh, China, India and Myanmar from the north to south. Being based on strategic coordination and policy communication rather than deliberately pursuing consistent and mandatory institutional arrangements, OBOR is to strengthen policy communication, road interchange, trade flow, currency in circulation, common feelings of people, to make use of
the existing regional cooperation mechanisms such as the SCO, EEC, APEC, ASEAN, GCC (Gulf Cooperation Council) and EU so as to grow coordinately. OBOR can be described as down-to-earth, highly flexible and elastic. China will be available for the following choices: the economic belt, economic corridor, trade facilitation, technical assistance, economic aid and economic integration to the countries and regions along the ways of OBOR in order to jointly promote the development of the Eurasian regional economy and trade. As such, the OBOR initiative will bring the closer economic ties, more in-depth cooperation and broader development space amidst the European and Asian countries.

In a word, China initiates the OBOR construction which is not only conducive to promoting China's development, but also beneficial to Asia, Europe, Africa and the rest of the world. It can be predicted that the grand blueprint for the benefit of the people of the world will be realized in mutual trust and cooperation.

Deployment for financing source of OBOR growth strategy

Asia infrastructure investment bank (AIIB)

It is a regional multilateral bank created and proposed by China in October of 2014, the main business is to aid in the construction of infrastructure of countries amidst Asia-Pacific regions, it will be headquarters-based in Beijing with legal fund $100 billion US dollars, preliminary funds paid in $50 million US dollars by China, accounting for 50%. Apart from China, there have been altogether 57 countries to be willing to join AIIB as of April 15th, 2015, including Bangladesh, Brunei, Kampuchea, India, Indonesia, China, Jordan, Kazakhstan, Kuwait, Laos, Malaysia, Maldives, Mongolia, China Burma, Nepal, Pakistan, Philippines, Oman, Qatar, Saudi Arabia, Singapore, South Korea, Sri Lanka, Tajikistan, Thailand, Turkey, Uzbekistan, Vietnam, Kyrgyzstan, Israel, Georgia the United Arab Emirates, Azerbaijan, Iran, Austria, Denmark, France, Germany, Italy, Spain, Holland, Luxemburg, Switzerland, Britain, Sweden, Finland, Norway, Iceland, Portugal, Poland, Russia, Malta, Australia, New Zealand, Brazil, Egypt and South Africa as its intended founding members, of which there are 30 founding ones already.

The silk road fund (SRF)

SRF is an open fund created and proposed by China in November of 2014, China would contribute $40 billion US dollars. The Silk Road Fund will provide the infrastructure construction, resources development, industrial cooperation and other related projects along the ways of countries in OBOR with financing and investing support. The relationships between Asia infrastructure investment bank (AIIB) and Silk Road Fund (SRF) and other global/regional multilateral development banks are complementary rather than substitutes for each other, AIIB and SRF will run on the current international economic and financial order.

The SCO national development bank

China commitment at the SCO summit would supply Central Asia with a loan of $10 billion US dollars, and also the National Development Bank led by China is to carry out the credit and amount of financing scale that has exceeded $50 billion US dollars, mainly used for Central Asia railway, highway, cable, crude oil and gas pipelines as well as other infrastructure construction.

The BRICs development bank

In July of 2014, China, Brazil, Russia, India and South Africa in Brazil, Fortaleza signed an agreement to found the BRICs Development Bank and the BRICs contingency reserve arrangements, headquartered in China Shanghai. Development Bank of start-up capital is $50 billion US dollars, each member state is to provide $10 billion US dollars within 7 years, and they will invest $100 billion US dollars in the bank. The reserve fund totals $100 billion US dollars, of which China shall contribute $41 billion US dollars, Russia, Brazil and India will provide $18 billion US dollars, respectively; whereas South Africa shall provide the remaining $5 billion US dollars (Wang Can, 2014). The function of BRICs development bank shall be in charge of the BRIC countries and other countries in the construction of infrastructure investment projects, expanding overseas interests of BRIC countries; and the foreign exchange reserve fund shall be responsible for the funding of capital outflows, the debt crisis and other financial emergencies amidst the member states.

Analysis of deployment of financing source for OBOR growth strategy

a. China advocates that the Asian Infrastructure Investment Bank (AIIB) be built. On the one hand, it enables to further promote the reform of the International Monetary Fund (IMF) and the World Bank (WB); on the other hand, it also supplements for the current Asian Development Bank (ADB) in the Asia-Pacific region investment financing and international aid functions. AIIB will make up an
existing huge gap for Asian developing countries in the field of infrastructure investment, reduce Asia outflow of funds as well as invest the ‘vigor and growth’ in Asia.

b. AIIB is another step trying to dominate the international financial system after having proposed the BRICs Development Bank (NDB) and the SCO Development Bank. This also reflects China's attempting to exert the power of capital in international finance in the growth strategy. AIIB is worthier of looking forward to likely safeguarding the internationalization of the RMB system, and enables the BMB yuan to walk out of China.

c. AIIB aims at promoting the economic development and regional economic integration of Asian countries. Only through the establishment of AIIB and cooperation of the public, private sectors, can China effectively compensate for the gap of Asia infrastructure funding and drive the regional economic integration in Asia. AIIB shall be conducive to expanding global investment needs and support the world economic recovery; conducive to the adoption of infrastructure projects to promote the economic growth, development of private economy and improve employment in Asia. AIIB shall supply those high savings rate countries along the ways of OBOR with a platform for guiding their deposits to be invested directly in infrastructure construction, efficiently and effectively allocating capital, and ultimately promote the rapid development of financial market in the Asian regions.

**OBOR growth strategy focus on energy resources**

China oil, gas and mineral resources depending on overseas export exceeds 50% or more, these key resources are mainly imported through the coastal sea route to China, and the import channel is relatively single. The Middle East and Africa are still the future important source of China's oil imports. Transport is dependent on the waterways, especially through the Malacca strait.

OBOR will add lots of effective land and maritime resource channels into China, that is, Sino-Central Asian, Sino-Myanmar, Sino-Russian oil and gas pipelines and offshore liquefied natural gas (LNG) import channels, these 4 oil-gas channels attach an importance to the diversification of acquiring resources. (Figure 5).

**Sino-Central Asian Natural Gas Channel**

The Sino-Central Asian gas pipeline is designed for an annual gas transmission capacity of 30 billion-40 billion m³. From the end of 2009 to 2013, it has accumulated the transmission with the natural gas about 60b.m³, equivalent to a half of the total gas yield in 2010. The three China - Central Asian gas pipelines A, B and C all pass through Kazakhstan via Huoerguosi entry port of Xinjiang autonomous region into China, while gas line D bypasses Kazakhstan via Tajikistan and Uzbekistan. To take energy security into considerations is the reason why different path has been chosen. After gas line D is completed in 2016, the total design transport capacity of 4 Sino-Central Asian gas pipelines will reach 85b. m³ / year.

**Sino-Kazakhstan Crude Oil Pipeline (Kazakhstan Caspian Sea Atyrau-China Xinjiang Alashankou)**

The Sino-Kazakhstan crude oil pipeline totals 2,798 km. Since the official opening in 2006, the overall planning is an annual transportation capacity of 20million tons. It has become a big energy artery linking China with the Caspian Sea, and until now Kazakhstan has accumulated...
a transport about 50m.tons of crude oil to China.

Sino-Myanmar Oil and Gas Channel (Myanmar Sittwe - China Kunming and Chongqing)

The Sino-Myanmar oil/gas pipeline amounts to 2,402 km distant, the preliminary design of oil and gas pipeline's capacity is designed for an annual transport 22 million tons of crude oil and 12 billion m$^3$ natural gas. The oil and gas pipelines are generally parallel one from Myanmar Sittwe Kyaukpyu and Mudd island port which is a deep water port built by China in the Bengal bay from where oil-gas pipelines extend to Kunming and Chongqing, China. Here, the oil mostly from the West Asia and Africa will be injected into a pipeline with a Myanmar/China section length of 771 km. and 1,631 km., respectively; investment of about $2 billion US dollars. In July 28th, 2013, the Sino-Myanmar oil/gas pipelines were put into effect. (Figure 6).

The construction of Sino-Myanmar oil-gas pipelines enable China to ease the degree of dependence on oil/gas imports from Africa and Middle East via the Malacca Strait through where 80%-95% of China imported oil used to pass. There has been more than 250 million tons of foreign oil demand each year in China. The Malacca Strait with a length of about 1,080 km is an international waterway communicating the Pacific Ocean with India Ocean. Singapore is located in the Malacca Strait throat position, and also a USA ally with a United States military base (Chen Jibao, 2003).

In March of 2014, the China-ASEAN cooperation preparing group of Kra canal of Thailand Isthmus began operation, planning to cut Kra canal 102 km in length and attempting to communicate India Ocean with Gulf of Thailand. The Kra canal will be one of Asia’s largest artificial canals. After having been opened, the trade between the ASEAN FTA and the rest of the world will no longer pass through the Malacca Strait. Compared with the original Malacca route, the linear sea route will be shortened for 1,200 km range and save the shipping and time costs for freight logistics in the ASEAN FTA (Bbs.tianya, 2014). (Figure 7)

Sino-Russian oil channel (Russia Far East Skovorodino-China Heilongjiang Daqing)

The Sino-Russian oil pipeline is a China branch belonging to the East Siberia - Pacific oil pipeline from the Russian Far East Skovorodino oil offtake station to the Daqing oil station, the total length of about 1,000 km, it was completed and put into production in October 31st, 2010 as planned, and the contract period would last for 20 years. According to a "loan for oil" deal reached between the two countries from January of 2011 to 2030, China will receive 300,000 barrels/day, the total supply would arrive at 300 million tons.

The Sino-Russian east natural gas channel (Heilongjiang Heihe city to Shanghai municipality)

According to the preliminary design of China Petro, China trunk section of the Sino-Russian east natural gas pipeline stops at Baihe Town terminal station, Qingpu District of Shanghai municipality, the pipeline length totals 3,342 km. From the 2018 year onwards, Russia is to supply China with gas through Sino-Russian east natural gas pipeline, the transmission capacity of gas will be increased year by year, eventually reach 38 billion m$^3$/year, the accumulative total contract period will be 30
years, the total contract value $400 billion US dollars. CNPC said, “The Sino-Russian east pipeline is expected to start the construction of China section in the first half of 2015, striving to be completed in 2018.”

The Sino-Russian west natural gas channel

In addition, the 2nd Sino-Russian natural gas transportation line (west pipeline) is also brewing, the Russian west natural gas supply can reach 30 billion m³/year, plus the east Russia 38 billion m³, China's natural gas future supply is expected to reach nearly 70 billion m³/year.

China offshore liquefied natural gas (LNG) Channel

The source of China's LNG imports has been expanded to nearly 10 countries. LNG from Qatar accounted for 35% of total imports, Qatar has become China's largest LNG source of imports; LNG imported from Australia took up 20% of China's total imports, its proportion dropped sharply.

Along with the Indonesia, Malaysia LNG output growth in recent years, China's imports from Southeast Asia also rise significantly, LNG imports from African countries show a rapid growth trend.

China's imports of liquefied natural gas projects were started officially in 1995. The LNG projects built already, under construction or planning to be built are mainly distributed in Guangdong, Fujian, Shanghai, Zhejiang, Hainan, Jiangsu, Shandong, Liaoning, Tianjin, etc., the southeast coastal areas have become China's largest bases of importing LNG.

Analysis and explanations of energy resources of OBOR growth strategy

The OBOR planning context lies in the weak recovery of the world economy, the surrounding areas of China need another new economic engine to drive economic prosperity, the change of new world energy pattern provides OBOR with the energy cooperation opportunities. Along the rise of Asian emerging economic entities, the energy consumption growth appears accordingly; the U. S. energy independently decreases in the Middle East on which the U. S. energy relies so that the latter needs to seek new buyers, plus a crisis in Ukraine, the Russian energy strategy shifts towards Asia, the gravity of the world energy market shifts eastward, it follows that China becomes the center of the geopolitics of energy, which will be conducive to the development of energy cooperation along the ways of OBOR, then China energy enterprises consist of the main force.

Interconnectivity and intercommunication of OBOR in energy business shall be mainly reflected in the following
four aspects.

**Infrastructure first**

The whole OBOR file tone is that the infrastructure shall forge ahead first, the interoperability of cooperation in energy does, too among the energy channels such as oil/gas pipelines and power corridors. OBOR shall strengthen the energy infrastructure interconnection cooperation, jointly safeguard the oil/gas pipelines, etc., maintain the transport security of cross-border power and transmission channels, and actively carry out regional power grid upgrade cooperation.

China's overseas energy security and channels have been traditionally divided into northwest, northeast, southeast, southwest four directions where they are located in the regions along the ways of OBOR. China is currently planning to construct a couple of energy channels, including the construction of Central Asia four energy pipelines, Maritime Silk Road energy hub, Sino-Russia oil/gas pipeline cooperation, Sino-Pakistan energy corridor, Sino-Myanmar energy channels and the surrounding area grid. OBOR brings about a positive driving force and can serve as a fulcrum in energy cooperation. In particular, we view them as some important starting points to radiate the energy cooperation along the way of OBOR, these adjacent regions rich in energy resources just fall within one of the advantages of China.

**Strengthening the oil/gas investment and integration along the ways of OBOR by borrowing the low price of oil**

The OBOR file also expresses the needs for lifting the exploration and development cooperation of coal, oil/gas, metals, minerals and other traditional energy resources, locally processing and conversing so as to formalize an energy/resources integration of upstream and downstream industry chain; for the cooperation in energy resources deep processing technology, equipment and engineering services.

Thanks to an enduring period of time for the low oil prices, it is just right for Chinese oil/gas companies to bring an opportunity for oil/gas resources, mergers, acquisitions and integration along the ways of OBOR. The low oil prices make the oilfield market capitalization go down along the ways of OBOR, e.g., the Central Asia, Middle East and other regions in where the oil/gas industries, due to the impact of low oil prices, lie at a loss of status and need to seek opportunities outward for cooperation, and even sell off their assets.

With the low oil prices, Chinese enterprises may acquire and merge the oil/gas blocks along the ways of OBOR to build the energy development, refinery processing and marketing centers in fusion with upstream, medium stream and downstream oil fields which combine with the Xinjiang oil/gas reform plate for the pilot. In the meantime, OBOR shall expand its renewable energy industry market share along the regions of OBOR.

**Establishing the energy financial systems of OBOR**

The whole OBOR file tone is that the infrastructure shall forge ahead first, of which it contains a wide variety of investment projects, a large number of strategic funds required, so it is necessary to establish a mature energy and financial system to operate them. Therefore, AIIB and OBOR, to certain extent, shall be complementary one another. The most countries that have joined AIIB already are situated along the ways of OBOR. AIIB shall provide those required funds for the infrastructure construction as well as the mutually strategic benefits along the countries of OBOR.

**Creating a new order from the bilateral to multilateral energy cooperation in OBOR**

The energy interconnection along the ways of OBOR is based on the Chinese regional cooperation, the countries along the ways of OBOR will be concatenated by the cross-border infrastructure, which also means that China's foreign energy cooperation will be a cooperation mechanism with integration of producer, consumer and transit countries from unilateral to multilateral. This is one of institutional realism links in international relations. On the one hand, China needs to refer the Energy Charter and other international institutions to develop the game system involved in multilateral governance; on the other hand, China is conveying a mutual beneficial, win-win spirit of the Silk Road on where it contains in itself the cooperation and being open up to the outside world.

**Suggestions for OBOR growth strategy**

**Strengthening the policy communication**

The countries along the ways of OBOR may communicate on the economic development strategy; while differences reserved so as to seek common ground, in line with the principle of consultation, it is to jointly work out the plans and measures to promote regional cooperation, and open "green lights" for the regional economic integration at levels of policy and law.
Strengthening the circulation of RMB

China needs to be concerned about developing the energy financial derivatives for OBOR, including oil/gas spot and futures, financial contracts, green finance, for instance, the crude oil futures prepared for many years; establishing influential energy benchmark prices for China; improving the energy trade settlement currency scale, e.g., the natural gas trade shall be settled in Renminbi in order to urge the process of internationalization of the RMB. China’s pipelines, power grids, hubs and other infrastructure networks in the regions along the ways of OBOR have been gradually formed, it can not only create favorable conditions for the energy trading hub, but can promote the development of Asian pricing center.

Besides, China, Russia and other countries have not only had good cooperation in local currency settlements and made gratifying achievements, but accumulated rich experiences. It is necessary to promote these good practices. If all the countries achieve the currency exchange and settlements under current and capital accounts, it can greatly reduce the cost of circulation, enhance the ability to resist financial risks and improve the international competitiveness of the local economy.

Increasing people intercommunication

The diplomatic relations between country and country lie in the intimacy between people and people. To do a good job in the above-said fields of cooperation, the peoples of all countries must support and strengthen the friendly exchanges among them, only if we enhance mutual understanding and traditional friendship, and can we lay a solid foundation for public opinion and social foundation for the developing the regional cooperation.

Engaging in cooperative competition amidst OBOR, TPP and TTIP

Harmony is most precious, the OBOR growth strategy, especially including AIIB and other new financial institutions, is open to the world, willing to not only collaborate with TPP, TTIP and the existing international financial institutions, but also welcome the United States, Japan, etc. with open arms. The diplomatic relations between country and country lie in the intimacy between people and people. To do a good job in the above-said fields of cooperation, the peoples of all countries must support and strengthen the friendly exchanges among them, only if we enhance mutual understanding and traditional friendship, and can we lay a solid foundation for public opinion and social foundation for the developing the regional cooperation.

CONCLUSIONS

To sum up, this article does a panorama research on China OBOR and all-round deployments for the next decade.

Firstly, OBOR fits in Arthur Thompson growth strategy well. China OBOR benefits from Arthur Thompson growth strategy theory such as competitive advantages, attacking the fronts from a multi-access action, differentiation action, etc.; in the meantime, OBOR is a typical combination of the east and west thinking.

Secondly, OBOR might eventually form a closed loop on both land and sea routes in the globe;

Thirdly there are 23 provinces, municipalities directly under central government and autonomous regions that have started a comprehensive OBOR deployment;

Fourthly, China possesses 4 financial institutions (AIIB, SRF, SCONDB and BRICDB) to furnish the countries and regions along the way of OBOR with capital and money for infrastructure construction (oil/gas pipelines, energy resources development, etc.);

Fifthly, OBOR will add the four big inlet passages for oil/gas, that is, Sino-Central Asian, Sino-Myanmar, Sino-Russian oil and gas pipelines and offshore liquefied natural gas (LNG) import channels.

Finally, OBOR growth strategy pursues harmony, and is willing to not only collaborate with TPP +TTIP, but also welcome the United States, Japan, etc. with open arms.

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