

# Framework of One Belt One Road and Made in China 2025

## One Belt One Road(OBOR)

### OVERVIEW

In 2013, Chinese President Xi Jin Ping initiated OBOR. OBOR is a strategy in relation to foreign investments and mega projects especially infrastructure development. It is a joint development effort between the Ministry of Foreign Affairs, the National Development and Reform Commission and the Ministry of Commerce.

Figure 1



This initiative comprised two international trade connections, namely the land-based “Silk Road, Economic Belt” and ocean-going “Maritime Silk Road” as illustrated in Figure 1. In short, OBOR connects China with other 64 countries within Asian, European and African continents.

The “Silk Road” is a network of overland road and rail routes, oil and natural gas pipelines, and other infrastructure projects that will stretch from Xi’an in central China through Central Asia and ultimately reach as far as Moscow, Rotterdam, and Venice.

The “Maritime Silk Road” is its maritime equivalent; a network of planned ports and other coastal infrastructure projects that dot the map from South and Southeast Asia to East Africa and the northern Mediterranean Sea.

### Boost trade connectivity between China and Asia

The principal aim is to boost trade connectivity between China and Asia, European as well as African continents through various infrastructure, trade and investment projects. Hence, enabling China to structure its national economic development strategy and international trade transactions.

OBOR has implications for a huge cross-border business activity spanning more than 60 countries, 4 billion engaged populations involving USD 21 trillion of gross domestic production. It creates an immediate positive impact on trade flows and long-term economic growth which would benefit all participating countries.

Massive financing commitment and policy had been introduced to support the implementation of OBOR. China established various financing special purpose vehicles such as Asian Infrastructure Investment Bank and New Silk Road Fund to assist in the allocation of the fund into relevant projects amounting to US\$100 billion and US\$50 billion respectively.

### Conclusion

OBOR presents tremendous investment prospects to those countries along the “Silk Road” and “Maritime Silk Road”.

## Made in China (MIC) 2025

### OVERVIEW

The MIC was first discussed in 2011 and later adopted in 2013. Subsequently, it was released by the State Council in May 2015. This plan was developed jointly by the Chinese National Development and Reform Commission and the Ministry of Science and Technology.

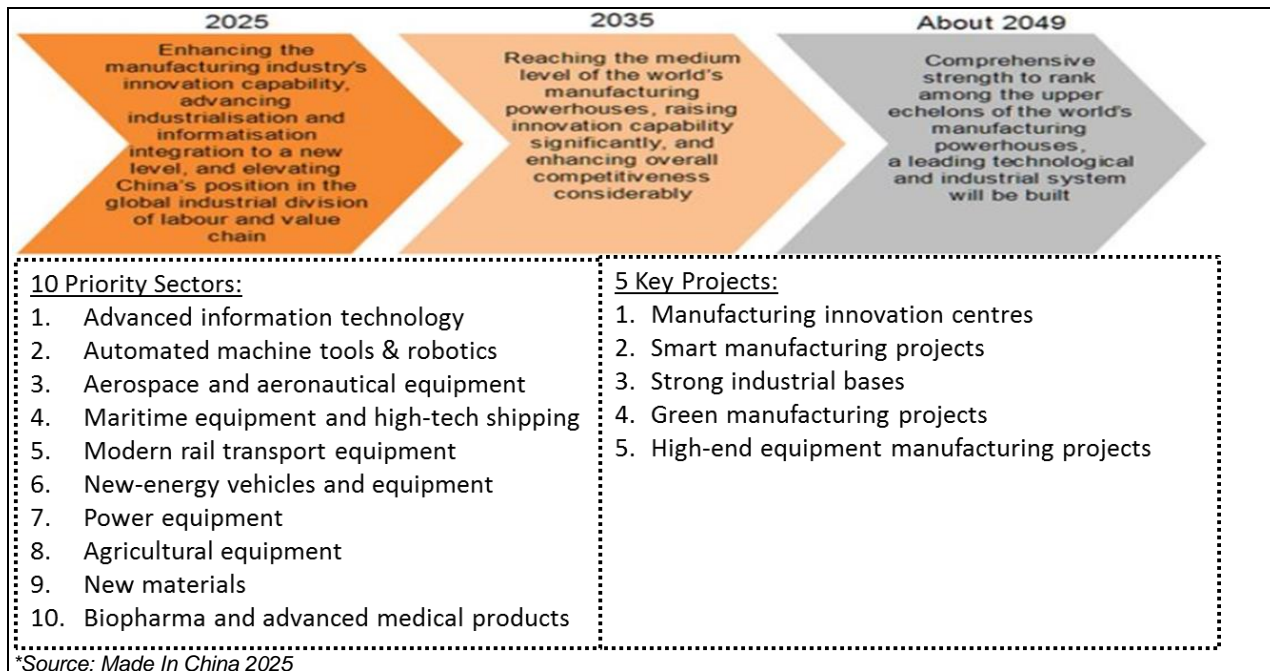
The idea of this strategy is a direct influence from Germany's "Industry 4.0" plan, namely intelligent manufacturing, which applies the tools of information technology and system to the manufacturing production.

The MIC has set out a "Three Steps" roadmap from 2025 to 2049. The key objectives are:

- i. By 2025, a big leap in innovation, manufacturing efficiency and realise basic industrialisation.
- ii. By 2035, to compete with developed manufacturing powers.
- iii. By 2049 (100th anniversary of New China), to lead the world's manufacturing.

In addition, China also identified 10 priority sectors and 5 key projects as exhibited in Figure 2

**Figure 2**



### Low-end manufacturing to more value-added production

MIC aims to upgrade Chinese industry entirely from low-end manufacturing to more value-added production.

Manufacturing activities would be highly innovation-driven, emphasise quality over quantity, achieve green development, optimise the structure of Chinese industry and nurture human talent. As a result, making it more efficient and integrated so that it can occupy the highest value of global production chains.

**Conclusion**

Countries around the world can benefit from the massive investments in the identified sectors and projects. Therefore, in order to reap the benefits of MIC, interested countries should align their economic policies with MIC initiative by focusing on the advanced manufacturing sector.