

Abstract

Decades of rent-seeking in China exposed massive systemic corruption and power abuse which have shaken the Communist Party to the core. China's unbalanced, uncoordinated, unstable and unsustainable development model is also threatening the survival of the very nation. President Xi has harnessed a broad Party consensus that the crunch time has come for China to sink or swim. He has chosen to up the ante by pushing wide-ranging and dynamic reforms calculated to restore China to its historical place in the world's pecking order. In addition to transformative changes in the economy, China's Renaissance is to be built on a 21st Century New Silk Road Strategy. This consists of a "Maritime Silk Road" linking Fuzhou on China's east coast, through Malaysia, Indonesia, to Kenya, and traversing the Red Sea, to Athens, ending in Venice. This in turn is to be linked by an overland "Silk Road Economic Belt" to Duisburg in Germany, through Moscow, Turkey, Iran, Kyrgyzstan, onwards to China's Urumqi, then all the way to Xi'an. This mind-boggling blueprint is supported by President Xi's launch at the recent October/November APEC meetings in Beijing of an Asian Infrastructural Investment Bank (AIIB), to which China is pledging \$50 billion towards half of the initial capital. 21 countries in the region have already signed an accord in support. This is further buttressed by China's proposed Free Trade Area for the Asia-Pacific (FTAAP) and a Silk Road Infrastructural Fund of \$40 billion. This aims to benefit 30 countries of 3.8 billion people overland from Europe to Asia. China's epochal Silk Road strategy with the FTAAP is designed to counterbalance the dominance of the United States in global affairs, particularly in the Asia-Pacific, characterised by the US Pivot to Asia and a Trans-Pacific Partnership (TPP) excluding China. How China manages to realize her ambitious Silk Road vision will define if and how a New Asia-Pacific Century is to take shape.