

Chief Editor's Foreword

Let the Belt and Road Become a Common Language and Project for All Participating Countries

In recent decades, international politics, economy, culture, and diplomacy have been dominated by Western countries, principally the United States. They create concepts, formulate rules, make judgments, and steer public opinions, forming a Western-led international order. Other countries have no choice but to follow their rules or become marginalized.

New Changes in the International Order Brought Along by the Belt and Road

The international milieu has begun to change at the dawn of the twenty-first century. With their continuous and rapid development over the past few decades, China and other emerging countries have become substantially more powerful and more engaged in international affairs, with an increasing desire to redefine the international order. Existing economic alliances present their own handicaps. The EU fails to coordinate the enthusiasm of different countries under good will. ASEAN is rising and eager for an economic leap but is troubled by the reluctant assistance of the Western-led World Bank and Asian Development Bank. Central and Western Asian countries have always been underestimated by the world. In view of the above shortcomings, in 2013 China's President Xi Jinping proposed the strategic concept of the Belt and Road, which immediately aroused widespread and enthusiastic responses from around the world.

The Belt and Road is not intended to boost China to compete with the West for dominance. International affairs should not be monopolized by any country or countries. Each state, regardless of its size or strength, should have an equal say, and

its voice deserves to be heard in the international arena. That should be the normal situation of a new international community.

The purposes, principles, and implications of the Belt and Road strategy have been clearly and specifically illustrated in President Xi Jinping's speeches as well as in the "Vision and Proposed Actions Outlined on Jointly Building the Silk Road Economic Belt and the 21st Century Maritime Silk Road," jointly issued by the National Development and Reform Commission, the Ministry of Foreign Affairs, and the Ministry of Commerce of China. However, with their variant stances, stakeholders at home and abroad may have greatly variable understandings and interpretations of the Belt and Road. Some interested parties, including some from Hong Kong and Macao, have a partial or even incorrect understanding of the Initiative.

Adherence to Altruism for Mutual Benefit

One view interprets the Belt and Road from the perspective of national interests, saying that it is an adroit move on China's behalf to acquire overseas resources, export its excess productivity, accelerate its economic adjustment and transformation, and promote the development of its western provinces. Yet such insights are narrow-minded and one-sided. China's intentions in the Belt and Road are definitely not just selfish. Instead, China intends to shape a new international economic order, engendering egalitarianism against the backdrop of economic globalization. China itself stands as a leading advocate of peaceful development. At the same time, it cooperates with all relevant countries in different aspects in order to create a community of political mutual trust, economic mutual benefit, and cultural and religious inclusiveness. China is willing to utilize its advantages in infrastructure and funding and to help other countries address their financial constraints through the Asian Infrastructure Investment Bank (AIIB), so as to guarantee the smooth flow of goods and the best use of geography. Through this framework countries along the Belt and Road will progress economically and the entire regional economy will enjoy sustainable and stable development. Only in this way will there be a huge purchasing power for the excess productivity. China's export-oriented economy will then no longer rely heavily on the singular markets in Europe and America. To put it simply, we not only advocate mutual benefit, but should also adhere to altruism. As the old saying goes, "If you light a fire for others, it will also brighten your own way." How can we do business with others if we don't consider their interests first?

The key issue here is that China must think beyond statism (national interests and visions) and adopt a new concept of global nationalism, bearing in mind the common ideals and aspirations of peoples around the world for peace and

prosperity. The Belt and Road involves more than sixty countries. We must first pay more attention and listen more carefully to the views of other states, not only the governments and the social elite, but more importantly the middle and lower classes, so as to truly understand their concrete needs and the actual capacities of different countries at different times. The annual increases in bilateral trade do not necessarily benefit those at the grassroots level. When Chinese companies enter foreign markets, they know how to build positive relations with local government officials so as to facilitate the signing of contracts on energy and raw materials or infrastructure projects. Such a model is very common in Africa. But can the economic benefits brought by Chinese enterprises assist the different stakeholders? Can they assist the masses and underprivileged people? For infrastructure projects, can we train more local workers to increase the employment rate? When developing budgets, should we take into account the UN Millennium Development Goals (MDGs) such as improving water sanitation and building primary schools? Doing a good job in these aspects will be conducive to gaining extensive public support in countries along the routes, so as to reduce economic risks caused by possible regime changes affecting China's investment. All Chinese entities and nationals participating in Belt and Road construction must maintain a modest attitude and adhere to business ethics and integrity, so as to ensure reliable, sustainable, and long-lasting development under the Initiative.

Civil Diplomacy as the “Soft Power” in Promoting the Belt and Road Strategy

Promoting the Belt and Road strategy requires not only “hard power” in terms of funds and technologies but also “soft power” in the form of civil diplomacy. As a matter of fact, there are two prominent problems in the implementation of the Belt and Road strategy. First, China's rapid development has been met with distrust. The greatest obstacle to the Belt and Road Initiative is the relatively serious lack of mutual trust between China and some neighboring countries, which are concerned that China may take the opportunity to expand its international influence and accordingly endanger their own interests and security. Second, the inadequate branding efforts and lack of social responsibility of some Chinese companies have undermined China's image and reputation among its neighbors.

In view of that, it is necessary to carry out civil diplomacy in a sincere, friendly, extensive, and active manner in order to promote China's friendly image, cultural attraction, and positive reputation, which will contribute to the Belt and Road construction. Hong Kong has unique advantages in promoting civil diplomacy. Hong

Kong people can also participate in related efforts of organization and promotion under the Belt and Road strategy, contributing to national diplomacy at the civil level.

Having joined the Chinese People's Association for Friendship with Foreign Countries in 2004, I have since been engaged in civil diplomacy and am happy to share my experience. Throughout years of civil diplomacy involvement, I have made friends around the world. Civilians participating in civil diplomacy not only contribute to economic and cultural cooperation between countries but also establish extensive networks. Of course many aspects of civil diplomacy remain to be explored and developed by visionaries with patriotism and love for Hong Kong. Corporate responsibility and business profits can indeed coexist without contradictions.

Hong Kong in the Belt and Road Initiative as an Important Achievement of the Research Group

Hong Kong is a “lubricant” in China's interactions with countries along the Belt and Road. Hong Kong's common-law legal system provides a good foundation for international arbitration. As an international financial hub, Hong Kong serves as the best platform for fund-raising. As a third-party shareholder, Hong Kong enables cooperation with Mainland companies in “going global.” All these are well-known facts. How to maximize Hong Kong's role to promote the Belt and Road strategy and also Hong Kong's economic development is a topic that needs to be further studied and elaborated upon.

As such, I invited some renowned Hong Kong scholars and banking experts, including Professor Lau Siu-kai, Professor Wong Yue-chim, and Professor Yeung Yu-man, to form a research group on “Hong Kong in the Belt and Road Initiative.” I also requested Dr. Lo Man-tuen, Vice Chairman of the China Federation of Industry and Commerce and Deputy Director of the Foreign Affairs Committee of the National Committee of the Chinese People's Political Consultative Conference, to be a consultant to the research group. Practical research work was entrusted to Professor Li Xiaohui, CEO of the Hong Kong Cultural Development Research Institute (HKCDRI), with great support from the Chairman, Dr. Lam Kin-ngok. The research group's proposal was submitted in mid-July 2015 and highly endorsed by the Chinese Association of Hong Kong and Macao Studies (CAHKMS). Mr. Chen Zuo'er, President of the CAHKMS, attended to the project personally. Mr. Chen Duo, Vice President and Secretary of the CAHKMS, had discussions with me on the topic of “Hong Kong in the Belt and Road Initiative” when he visited the territory in late July. Upon thorough review and consultation, the CAHKMS formally approved the proposal and entrusted the research group with the project.

The related signing ceremony was held in Hong Kong in mid-August.

Unlike some other theoretical investigations on the Belt and Road, the current research features pragmatism rather than idealism as the major characteristic, with feasibility and operability as the major considerations. It is hoped that related research results can be implemented in Hong Kong and that breakthroughs can be made in the territory's participation in the Belt and Road. To this end, the research group needs to conduct field studies and investigations. For some research topics, it is necessary to investigate the operation of relevant institutions and projects as well as to interview local officials and experts, for the sake of proposing practical implementation plans.

The research group has a specific mission to publish related books in order to help Hong Kong people understand the Belt and Road strategy and to propel government departments and related sectors in Hong Kong to grasp opportunities under the Initiative. *Hong Kong in the Belt and Road Initiative* is indeed an important achievement of the research group.

The research group has been able to publish such a high-quality and practical book thanks to the cooperation of scholars from both Hong Kong and the Mainland. During the process, I have had the chance to appreciate the academic excellence and stringent attitude of Mainland scholars, which is the basis of the quality of this book. Madame Cai Chimeng, Director of the Topics Department of the CAHKMS, served as associate editor of this book. She invited Mainland scholars to write high-quality and professional articles for this book, making an indispensable contribution in the process. The value of this book is further enhanced by the contributions of other heavyweight writers, including Dr. Victor Fung, Chairman of the Fung Group, Mr. Peter Wong, Vice Chairman and CEO of the Hong Kong and Shanghai Banking Corporation Limited, and several prominent figures in Hong Kong. Professor Li Xiaohui and HKCDRI have done a lot of diligent work in coordination, review, and editing for the publication of this book. Mr. Hau Ming, Managing Editor of Joint Publishing, has directly supervised the compilation work. And our editors-in-charge have made extraordinary efforts to ensure the quality of this book. I would like to express my most sincere respect and gratitude to all the aforementioned persons for their hard work and contributions!

Last but not least, I would like to express my special thanks to Mr. Leung Chun-ying, Chief Executive of the HKSAR, for writing the foreword for this book and for endorsing HKCDRI's academic research on "Hong Kong in the Belt and Road Initiative." Mr. Leung's foreword not only has greatly boosted the morale of our research group but also will further encourage nongovernmental organizations and individuals to offer more valuable policy recommendations based on in-depth research.

Editor's Foreword

A "Concise Encyclopaedia" of Hong Kong in the Belt and Road

With the emergence of the Belt and Road boom have come many related research papers. But few have addressed Hong Kong's role and opportunities in the Initiative. And few have explored the topic by analyzing different aspects and regions in a comprehensive and systematic manner. *Hong Kong in the Belt and Road Initiative* literally fills the gap in this respect.

In a nutshell, this book is unique in five ways: First, it is coauthored by experts from both Hong Kong and the Chinese Mainland; second, it provides research results that Hong Kong needs and lacks; third, it has the characteristics and style of a monograph; fourth, it offers many highly valuable policy recommendations; and finally, it can be regarded as a concise encyclopaedia for understanding Hong Kong in the Belt and Road Initiative.

Coauthored by Experts from Across the Boundary and Unique in Five Ways

First, this book is coauthored by experts from both Hong Kong and the Chinese Mainland, which is its more prominent feature. This monograph has been written through the efforts of some twenty experts from across the boundary. Hong Kong needs to cooperate with the Mainland in order to seize opportunities under the Belt and Road. Likewise, it would be impossible to study the topic of Hong Kong in the Belt and Road Initiative without the participation of Mainland experts, who, among others, have conducted more in-depth research on the Belt and Road strategy than have their Hong Kong counterparts. A more realistic problem is that the Belt and

Road involves many countries along the routes, such as those of the Arab world, South Asia, the Shanghai Cooperation Organization, Europe, and ASEAN. There are few Hong Kong scholars on such aspects, in which the Chinese Mainland has strong research capabilities. Contributors were justifiably invited from both Hong Kong and the Chinese Mainland since this book involves elements in both places and the topic requires joint efforts from across the boundary.

Second, with a broad vision, this book offers research results that Hong Kong needs and lacks. Thanks to the joint efforts of experts from both Hong Kong and the Chinese Mainland, this book features a part on “National Strategy,” which provides a comprehensive introduction to the national initiative. It also features two parts titled “Opportunities for Hong Kong: Local Perspectives” and “Opportunities for Hong Kong: Cooperation Perspectives,” exploring various prospects for the territory in the Belt and Road as well as Hong Kong’s cooperation with relevant regions along the routes, including ASEAN, Europe, the Shanghai Cooperation Organization, and Arab states.

Cai Chimeng, Director and Researcher of the Economic Office of the Hong Kong and Macao Research Institute under the Hong Kong and Macao Affairs Office of the State Council, gives a full account of the background, basic characteristics, strategic significance, principles, framework, cooperation mechanism, and vision of the Belt and Road Initiative in the second and third chapters of Part I. She also briefly touches upon the progress of the strategy so that readers can have a clear understanding of the inherent characteristics and latest developments of the Belt and Road strategy.

Professor Dai Jinping, Associate Dean of Nankai University Institute of State Economy, provides “Regional and Strategic Priorities of the Belt and Road Initiative” and “The Belt and Road Strategy: Conflicts and Challenges,” which not only give a panoramic view of the regional priorities to be addressed along the routes, including the ten ASEAN countries, the Middle East, Pakistan, Central Asia, Kazakhstan, and Russia, but also provide a thorough analysis of the challenges for the United States, Japan, and India. These chapters present unfamiliar and even new information to Hong Kong people and are indeed worth reading. For example, the “Classification of Investment Prospects in Countries along the Belt and Road” may serve as a practical reference for both the SAR government and the business community of Hong Kong.

Zhang Xiaojing (Associate Research Fellow of the Institute of International Economics, University of International Business and Economics), Professor Jiang Ying (Associate Dean of School of Economics of Sichuan University), and Professor Ma Lili (Researcher, Institute of Silk Road Studies, Northwest University) offer “Cooperation between Hong Kong and ASEAN in the Belt and Road Initiative,”

“Cooperation between Hong Kong and Europe in the Belt and Road Initiative,” and “Cooperation between Hong Kong and the Shanghai Cooperation Organisation in the Belt and Road Initiative,” respectively. They are experts in related fields, and their studies make up for the inadequacies of Hong Kong scholars in those aspects.

Liu Li, Associate Researcher Fellow of the Belt and Road Research Center of China Institute of International Studies, is former Director of the Research Office of the Chinese Embassy in Israel, with an in-depth and intuitive understanding of the Arab world. “Cooperation between Hong Kong and Arab States in the Belt and Road Initiative,” for which she is the lead author, not only provides a professional and to-the-point analysis of the strategic positioning and functions of Arab states and the potential for cooperation with them under the Belt and Road Initiative, but also suggests some practical solutions for Hong Kong. Those research results are what Hong Kong needs and lacks.

Third, based on a solid professional foundation, this book has the characteristics and style of a monograph. With contributions from some twenty experts, this book could have easily become a collection of diverse essays. Fortunately, with the effective coordination of the Chief Editor and the full cooperation of all the contributors, this book has instead become a monograph with depth and weight, in both form and essence. Dr. Victor Fung, Chairman of Fung Group, provides the second chapter of Part II, which reveals the three new trends resulting from the reform of the global supply chain landscape under the Belt and Road Initiative. He also profoundly and insightfully points out, “Hong Kong’s future development opportunities lie in the provision of services for the large number of consumers, SMEs, and micro enterprises along the Belt and Road by means of innovative models in the new economy.” This is indeed a farsighted and inspiring view. Professor Wong Yue-chim and Professor Yeung Yue-man, both renowned scholars, contribute “Hong Kong as an Emerging Industry Platform for the Belt and Road Initiative” and “Hong Kong as a Training Platform for the Belt and Road Initiative,” which illustrate the solid academic foundation of this book.

Unlike a collection of essays, where the name of the author is placed under the title of an article, this book consists of three parts, each including several chapters, with the names of contributors to be placed in a uniform manner. To ensure the characteristics of this book as a monograph, we have determined the overall framework as well as the themes and scopes of individual parts and chapters. We have designed a uniform outline for the chapters. And the Chief Editor was in charge of the arrangement of the whole book, for the sake of consistency in style.

At the same time, there is also a special arrangement as regards the right of authorship, in order to fully respect and display the research results and contributions of each author. To be specific, the names of all contributors, their titles, and their

chapters are listed in order of appearance before the main text of the book. The name of each author is then provided at the end of each chapter as well.

It should be noted that since each chapter deals with a specific topic, there is inevitably overlap and even repetition of some elements among different chapters. The integrity and independence of each chapter are thus retained, and readers may understand, master, and even apply relevant information.

Fourth, by pooling the results of discussions in related industries, this book puts forward a lot of highly valuable policy recommendations. As a basic guiding ideology and starting point, the project study of “Hong Kong in the Belt and Road Initiative” is intended to put forward some practical and feasible policy recommendations to promote breakthroughs in Hong Kong’s participation in the Initiative. We can say that the prevailing research is a practical and empirical study, instead of an ideological and purely academic project. To this end, we have made efforts in two aspects:

Among others, we asked all contributors to make policy recommendations as much as possible. This book is quite successful in this respect. In “Cooperation between Hong Kong and Guangdong in the Belt and Road Initiative,” Professor Chen Guanghan, Director and Professor of the Center for Studies of Hong Kong, Macao and Pearl River Delta of Sun Yat-sen University, describes the history and characteristics of cooperation between the two places. He also analyzes the strengths of both Guangdong and Hong Kong in geographical, industrial, institutional, competitive, and cooperation aspects. He even offers a number of policy recommendations on joint efforts of Guangdong and Hong Kong to make their presence in countries and regions along the Belt and Road. Nicolas Kwan (Director of Research, Hong Kong Trade Development Council), Luo Xing Hui (Deputy Chief Editor of *Hong Kong Commercial Daily*), and Song Sio-chong (Doctor of Laws) discuss Hong Kong’s role as a platform for promotion of trade and logistics, for high-end professional services, and for diversified tourism, respectively. Their chapters not only contain professional insights but are also close to the reality of Hong Kong, thus serving as useful reference.

Besides, we ensured that this book reflects the latest discussions within relevant industries in Hong Kong as much as possible. To this end, we have added information about the ideas and suggestions from related industries, so as to provide valuable reference for central authorities and the SAR government. Many scholars and think tank representatives have done much work for this purpose. Peter Wong, Vice Chairman and CEO of the Hong Kong and Shanghai Banking Corporation Limited, elaborates on how to channel international financial flows and make Hong Kong a financing and treasury management center for the Belt and Road.

His argumentation, both professional and persuasive, also clearly represents the aspiration of the financial industry.

Finally, this book is literally a concise encyclopaedia of Hong Kong in the Belt and Road. To make this book more practical, we have especially added some related knowledge and information as well as a detailed chronology of the Belt and Road Initiative, thus facilitating readers' understanding of the background of important events and their search for relevant details. Such an arrangement, in conjunction with the integrity and systematicity of the entire book, highlights the characteristics of knowledge, professionalism, serviceability, practicality, and pertinence. This book contains all relevant information about Hong Kong in the Belt and Road Initiative and serves as a reference book for the field.

Authoritative Interpretation of "Superconnector"

Chief Executive Leung Chun-ying's exposition about Hong Kong being a "superconnector" under the one country, two systems framework has drawn attention. Some chapters in this book also reflect Hong Kong's role as a superconnector. We are honored to have Mr. Leung provide a foreword titled "An Ideal Superconnector in the Belt and Road" for this book, which specifically explains the role and functions of Hong Kong as a superconnector under the Initiative. It is a unique interpretation for the prevailing research and shows yet another unique feature of this book.

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