

# Harmonious collaboration key to success of OBOR: Shanmugam

RUMI HARDASMALANI  
rumih@mediacorp.com.sg

**SINGAPORE** – Calling China's One Belt, One Road (OBOR) initiative the "most ambitious infrastructure project in history", Home Affairs and Law Minister K Shanmugam said the Asian giant has to work harmoniously with other countries for it to succeed.

"OBOR has the potential to bring Eurasia, China and Southeast Asia even closer together ... But the Chinese are not romantics with their heads in the clouds. They are practical, hard-headed. They know the Silk Route has historically been beset with conflict and violence. The risks are not insignificant," he said yesterday at the 2017 Asia Economic Forum at the Lee Kuan Yew School of Public Policy, National University of Singapore.

He pointed out that Central Asia remains one of the toughest regions in the world, suffering from serious instability as a result of violence and wars.

"(In) Central Asia, the institutions in the countries are still developing.

Much depends on a leader, or a few leaders. If there is a change in leadership, then there could be changes in policy," he said.

He also noted that Russia has substantial interests in the region, and that it is not a given that Russian and Chinese interests will always be aligned.

"Russia has the ability to impose its will, if it believes that its interests are affected. The Central Asian states are unlikely to want to choose between China and Russia," he said.

Meanwhile, India, Turkey and Iran also have key interests in the Central Asian region, Mr Shanmugam added. "China will have to try and work with these different interests, and try to align them. That is not going to be easy," he said.

Moreover, as China engages countries such as India and Japan, which have been less than enthusiastic about OBOR, aligning different interests and working with them will be much tougher than building the infrastructure. "It is good for China to be respected, liked and trusted ...

It's in China's interest — and ours too — that its rise to great-power status, or even superpower status, is peaceful, and be seen as peaceful," he said.

Saying that criticism of China has been skewed, Mr Shanmugam pointed out that the country has lifted 700 million people out of poverty within three decades, a feat unparalleled in history. On criticism that the Chinese political system does not allow innovation, he said Beijing has been showing its detractors are getting it wrong.

He said China has shown it can move up the tech value chain quickly, and also cited the example of IT giant Huawei, which makes world-leading hardware and software. However, Mr Shanmugam warned that OBOR will be undermined if the world turns protectionist or if there is a trade war between the US and China.

"In a globalised world, countries trade with many partners. And for many Asian countries, while China is the biggest trading partner, the ultimate consumer of most of the traded products is still the US.

"The products go as intermediate

products to China, and the finished products go from China to the US. This will likely remain so for some time," he said.

"Thus, for OBOR to succeed, you need the globalised economy to function. There must be no trade wars between China and the US. There must be continued growth, peace and stability," he added.

If China plays it right and successfully conveys that it has benign intentions, the opportunity is tremendous through the OBOR and other initiatives like the Regional Comprehensive Economic Partnership to "build a new economic architecture that can uplift economic growth in this hemisphere," said Mr Shanmugam.

Launched by Chinese President Xi Jinping in 2013, OBOR is aimed at connecting China with Europe, Asia, the Middle East and parts of Africa via roads, railways and other infrastructure. It is expected to create infrastructure projects worth US\$4 trillion across 60 countries, of which about US\$50 billion has already been invested.