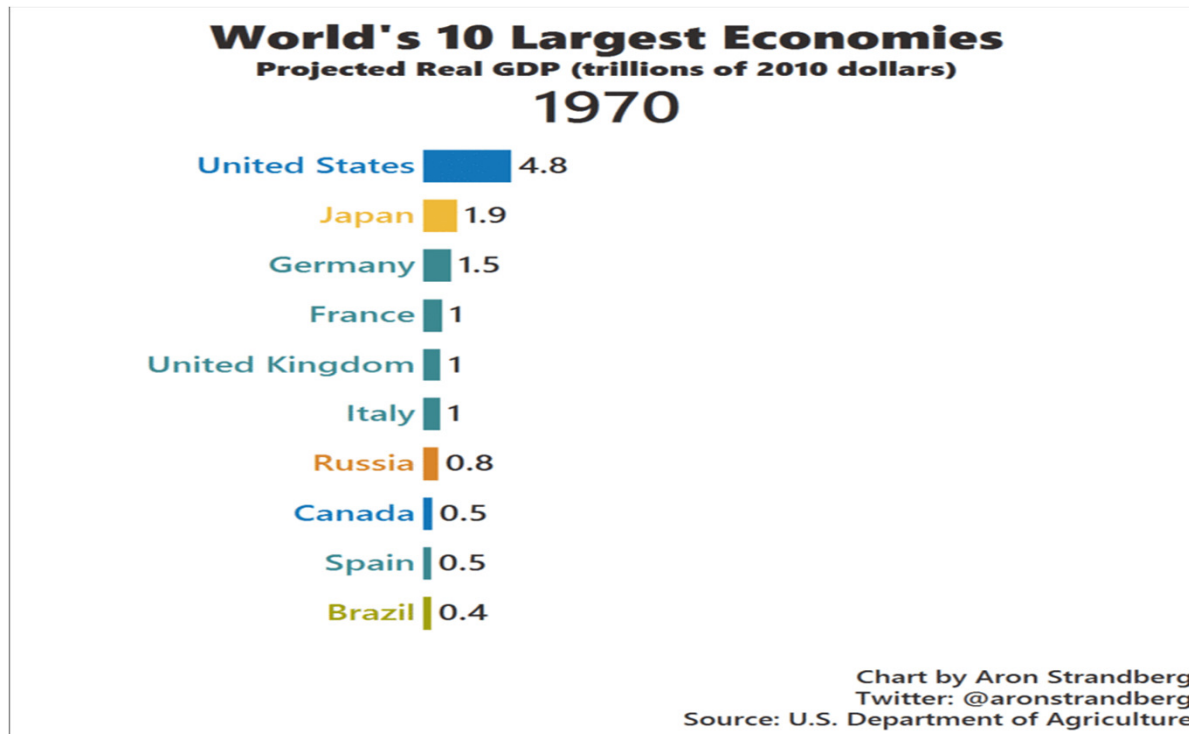


Asia: geopolitical building blocks and OBOR

Peter Hwang
Professor of Asian Economy
University of Tartu

World's 10 Largest Economies



The Map of Asia Pacific



The geopolitical building blocks

- **Greater China (China, Hong Kong, Macau, Taiwan)**
- **Northeast Asia (China, Japan, Korea)**
- **ASEAN: Indochina (Vietnam, Laos, Cambodia)**
- **ASEAN: Philippine, Indonesia**
- **ASEAN: Singapore, Malaysia, Thailand, Myanmar, Brunei**
- **South Asia: India, Pakistan, Nepal, Bhutan, Sri Lanka, Maldives**
- **Central Asia: Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Tajikistan.**

Northeast Asia



ASEAN



SOUTH ASIA



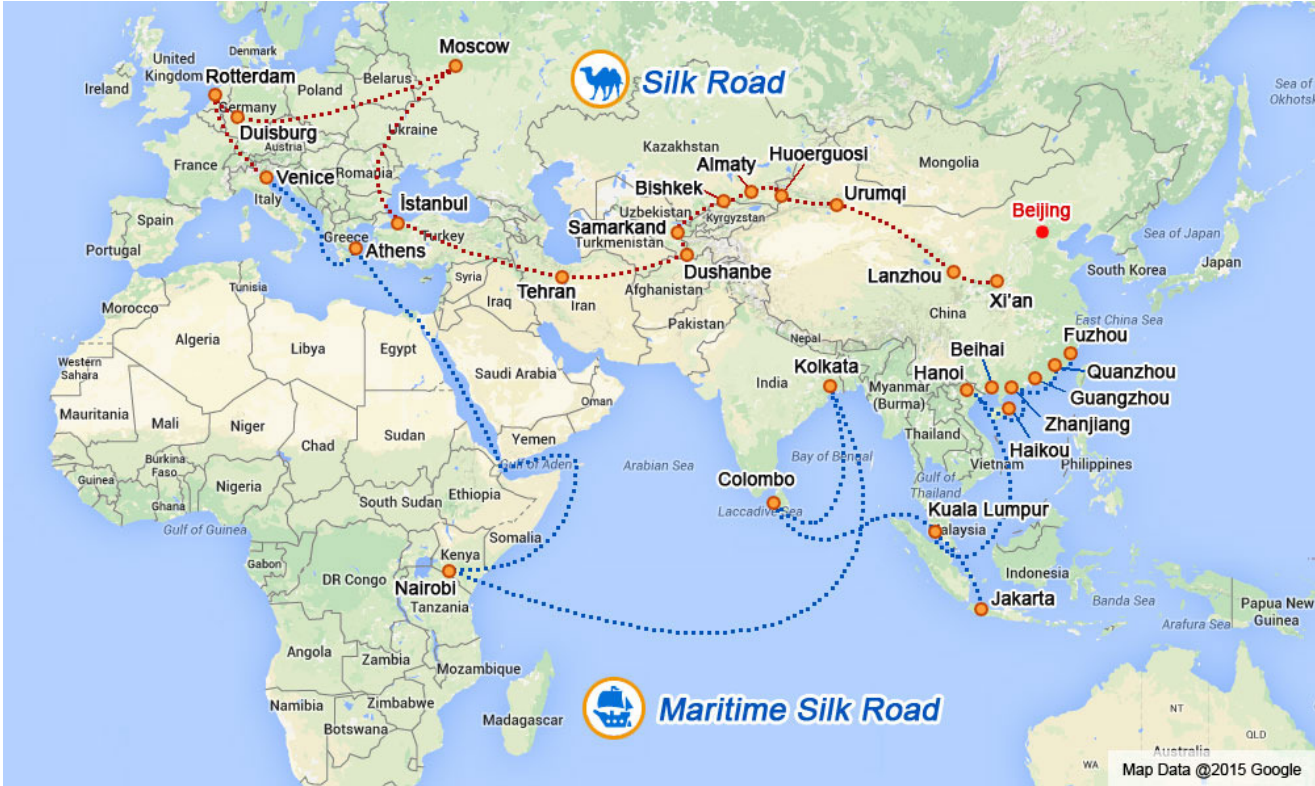
CENTRAL ASIA



One Belt, One Road

An Initiative Proposed by China

One Belt One Road



What's Behind OROB?

- “We have no intention to form a small group detrimental to stability,” Xi said. “What we hope to create is a big family of harmonious co-existence.”
- Win-Win vs. Winner takes all
- 王道 (Willingness) vs. 霸道 (Power)
- Sea Power vs. Land Power
- Making use of excess capacity and the ability to build infrastructure
- Globalization of RMB (De-Dollarization)

Boxing



Tai Chi



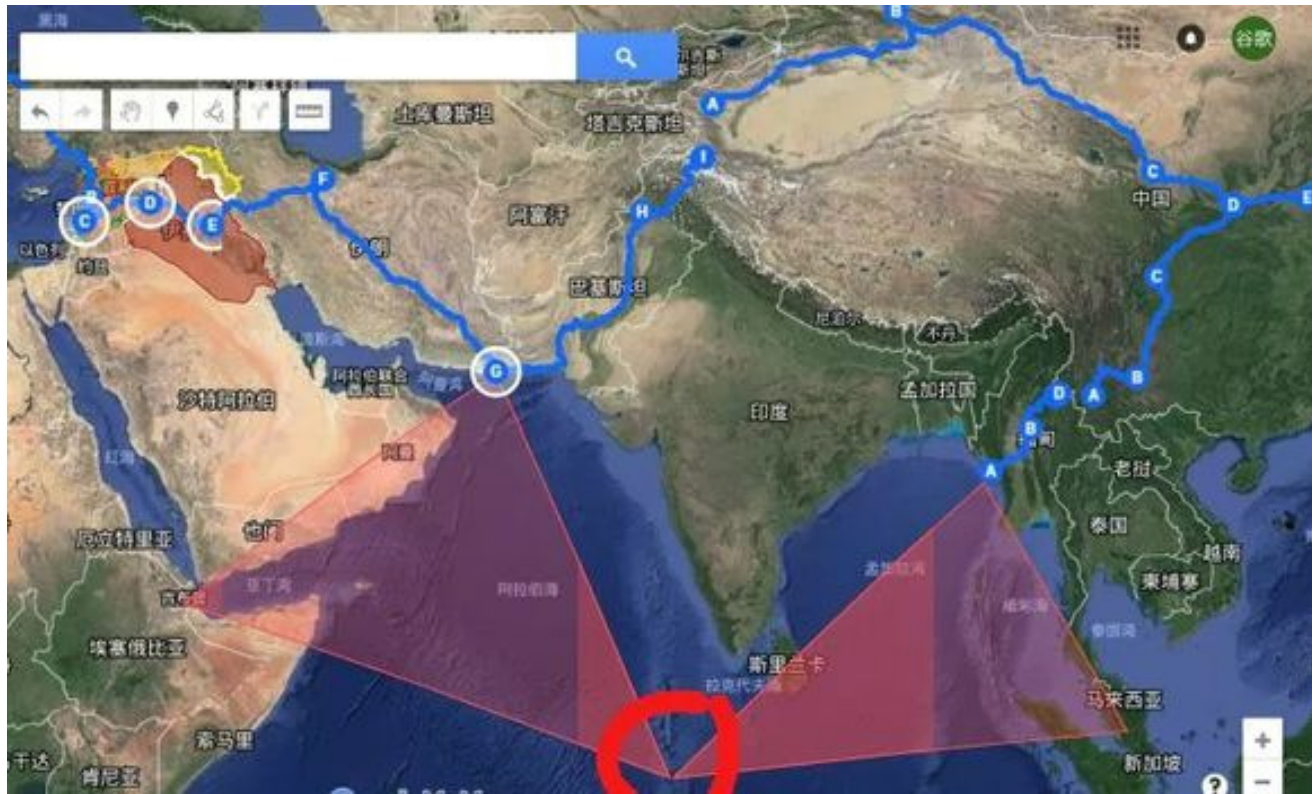
Major Events in Asia

China

- AIIB (Asian Infrastructure Investment Bank)
- SCO (Shanghai Cooperation Organization)
- CIPS : Cross-Border Interbank Payment System
- BRICS+
- OBOR

Counterpart

- IMF
- NATO
- SWIFT
- G8
- “Old” Global Leadership



China-Pakistan Corridor

中巴经济走廊



China-Myanmar Corridor



OBOR and Europe



High-Speed Train







Tianhe-2: The Fastest Computer in the World





- 5G
- Electric Car
- Semiconductor
- Alibaba Single's day (11/11) sale = 8-9 times of GDP of Estonia in 2016

Uncertainties

- Crony capitalism, Rampant corruption and Capital flight
- Rich and Poor divide
- Massive debt at individual and county level
- Housing bubble
- Aging
- Pollution
- Immobility of social class
- Zombie SOEs and overcapacity
- Industrial base upgrading?
- Geopolitical conflicts: OBOR, South China Sea, South Asia

China-Ice and Fire



What to come?

- Change of constitution
- Deleveraging and focus on “real” economy
- De-emphasize GDP
- Clean Energy
- Manufacturing 2025
- OBOR and other geopolitical expansion
- Globalization of RMB

Thank You

