

I will focus on two 'what':

- 1. What are China's aspirations for the Maritime Silk Road, and
- 2. What are the implications for Europe in general

One of the key motivations of the Road is to further develop China's blue economy, by seeking new sources of growth from the emerging markets, such as the countries in SCS and IOR, to enhance the security of its domestic economy.

China's investment and construction on the ports at the countries along the Road will allow China to increase its exports of construction-related goods. The improved port-affiliated infrastructure will stimulate the local blue economy, improve the connectivity and then further facilitate bilateral trade between China the recipient countries.

Apart from the economic value of the port, there is also strategic value. The port infrastructure projects grant China access to these facilities. Especially in some cases, China's State-owned enterprises have acquired shares in the port infrastructure through lease agreement for operating container terminals or managing the ports.

This has raised concern on whether these ports will be dual-use and provide logistical support for PLA Navy to enhance its capability in power projection at the IOR and beyond.

The growing footprints of the Road increase China's need to have a stronger PLA Navy protecting its expanding overseas interests, citizens and assets.

Another key driving factor for China to promote the Road is to secure the supply chains and improve China's energy security.

China heavily depends on oil imports. 80 per cent of China's seaborne imports on oil pass through the Malacca Strait, a potential maritime chokepoint.

China has been working on connecting the pipelines along the Belt and the ports build along the Road, which will bypass the Malacca Strait. Apart from that, China is also working on diversifying its energy resources, such as the China-Myanmar natural gas and oil pipelines that run from Kyaukpyu port to Kunming. China is trying to secure the existing routes, create alternatives and diversify its import sources through the Road.

What are the implications for Europe?

- Economically, the Road has increased the competition for the European companies operating their business in Asia. Many European companies are interested in engaging with BRI related projects, but the lack of transparency in project information at early stage, and the bidding procedures might affect the free access to the market and cause the problem on unfair competition. And the government subsidies Chinese SOEs received might further exacerbate the unfair competition, especially in infrastructure related projects.
- There are also potential implications on the security of Europe's maritime trade routes. European seaborne exports to Asia pass through the sea lanes in the Indian Ocean. China's increasing footprints in port related projects in Indian Ocean region have caused concerns and a resurgent of the QUAD (quadrilateral security dialogue). The

EU may find itself trapped in the middle, between the QUAD and China. And these developments may affect the regional stability, and Europe's trade routes for its exports to Asia.

- The growing economic engagement and investment may increase China's political influence over some EU member states and undermine the EU cohesion. Examples can already be seen in platforms like 16+1 and EU statements on the South China Sea. This might not be China's initial intention, but the implications are there.
- Also, these growing economic engagements from China, China will bring in its governance, development approaches, business and human rights standards that may not always match with the ones in Europe.
- In Europe, there are huge interests in the projects along the BRI, especially from the business sector, but the side effects of the Road, especially the political and security implications are making them hesitate to join, especially the western European countries.