

Research on the Necessity and Feasibility of Shaanxi-Central Asia Trade Cooperation under the Strategy of “Silk Road Economic Belt”

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Abstract: Xi'an is the starting city of the Silk Road Economic Belt, and Shaanxi-Central Asia trade cooperation is an important direction and content of the Silk Road Economic Belt. This paper elaborates and analyzes the necessity and feasibility of the cooperation of both sides under the background of Silk Road Economic Belt. The results show that Shaanxi and Central Asia both have their own element endowment and comparative advantages. The trade complementarity of both sides is higher. In the new era, promote deeply the bilateral trade cooperation can better drive the sustainable and healthy development of “Silk Road Economic Belt”.

1. Introduction

“Silk Road” refers to the trade route in history from China to South Asia, West Asia, the Mediterranean and Europe, named for the silk trade, and it is the general name of many routes. It starts from Chang'an in the east, from Yumen Pass to South Asia, West Asia, the Mediterranean and Europe through north road, south road and central road. This busy trade and commercial route connecting China with South Asia, West Asia, Europe and Africa. [1]

In September, 2013, Xi Jinping put forward the strategic conception of constructing together Silk Road Economic Belt in his speech in Kazakhstan, which means to form a new major cooperation of regional economy based on the ancient Silk Road. This region specifically refers to countries along the ancient Silk Road and surrounding countries, including China (mainly western area, southwest area and northeast area), Russia, the five countries in Central Asia, Europe and Africa. Xi Jinping advocates that these areas and countries shall make good use of each strength, by inclusive and open innovative regional cooperation mode, intensify the connectivity between countries, establish a economic major corridor crossing Europe and Asia and connecting eastern and western major economic circles, through the mutual benefit and win-win result and innovative cooperation mode, and inject new vitality and growth point in global economic development. It can be seen that economic and trade cooperation is the key of cooperation between countries along the Silk Road Economic Belt.

2. The Advantages of Co-built Silk Road Economic Belt by Central Asia and China

Central Asia, located at the heart of Eurasia, is the transportation junction of economic and trade communication in prosperous period of ancient Silk Road, the important component and core cooperation area of Silk Road Economic Belt promoted by China, the region powerfully practicing the neighborhood diplomacy strategy and policy of creating an amicable, secure and prosperous neighborhood, with peace, development and cooperation, is the key to the implementation of Silk Road Economic Belt. There are many advantages in the co-built Silk Road Economic Belt by Central Asia and China.

First of all, Central Asia region is an important component of ancient Silk Road. There is a long history of more than 2000 years between China and Central Asia. The special cultural symbols like Silk Road in Western Regions and poetry of frontier fortress record the friendly communication history between China and Central Asia.

Secondly, the co-built Silk Road by Central Asia and China has geographic advantages. China is bordered by Kazakhstan, Kyrgyzstan and Tajikistan. It is close to Uzbekistan and Turkmenistan.

Central Asia and China have a common boundary of more than 3,400 kilometers. Its closeness to China in nationality, religion, language, culture and customs and geography is the most convenient condition and the most natural and powerful driving force for China to enter Central Asia.

Thirdly, there is good political foundation for the cooperation between Central Asia and China. China built diplomatic relations with Central Asian countries in 1992. Since then, China supports and actively takes participation in multilateral economic and regional cooperation with Central Asia, advocates to reduce western war and terrorism, avoiding the spreading of political volatility in the Middle East to Central Asia, and opposes any behavior to deteriorate the prosperity and stability of Central Asian region. For recent years, the high-level reciprocal visits of both sides are frequent, the international cooperation and civil regional exchanges are extensive, and political relations consolidate and deepen, which achieves a certain results in jointly destroying terrorism forces and promotes the development and prosperity of northern China to a certain extent.

Fourthly, there is solid economic foundation for the cooperation between China and Central Asia. Commodity trade is the driving factor of the economic development of China and Central Asia. Since early 1990s, a large quantity of Chinese low-cost daily necessities swarm into Central Asia and occupy rapidly the market of middle and low-grade daily necessities. Further, with the development of bilateral relations and stable policy, frontier trade also develops greatly. After the collapse of the Soviet Union, "Made in China" becomes an important part of Central Asian market, which also marks the existence of China in Central Asia. After 2000, with the transformation from introverted economic strategy to cooperative economic strategy in Central Asian countries, Central Asian countries have great requirements for Chinese energy electromechanical equipment, including drilling machine, petroleum, natural gas pipeline etc., and investment, China also has strong demand for energy resources. China and Central Asian countries sign bilateral trade agreement, investment protection agreement, agreement on avoidance of double taxation and taxation evasion, agreement and memo on mutual cooperation in energy resources, and economic and trade negotiation mechanism of solving disputes in trade. The participation of China in Central Asian economy deepens. China has become the biggest trade partner, investment source, and financial assistance, it is the important output market and transportation exit of Central Asian energy resources, and the economic existence of China in Central Asian economy is deeper.

Finally, the construction of Silk Road Economic Belt is mutually friendly cooperation for China and Central Asia. Central Asia is rich in oil and gas resources, and it is the only way from east to west and south to north. For China, Central Asia is doubtlessly has important security and economic strategic status. For Central Asia, through the Silk Road Economic Belt, both sides expand trade, improve domestic infrastructure construction of Central Asian countries, and deepen the reform of Central Asian financial system, solve the unemployment and poverty to a certain extent, fully suitable for the wishes and benefits of Central Asian countries.

3. The Necessity of Shaanxi-Central Asia Economic and Trade Cooperation

3.1 The inevitable trend of practicing Silk Road Economic Belt and the requirement of Party Central Committee for Shaanxi

On September 9, 2013, when President Xi visited Uzbekistan, he mentioned Shaanxi in particular. He said that Xi'an is a new starting point for the Silk Road and also his hometown. He welcomed Uzbek friends to China and Xi'an. On February 16, 2015, General Secretary Xi Jinping pointed out in his inspection work in Shaanxi that, "The implementation of the "Belt and Road" strategy will change the opening-up pattern of the western region, especially the northwest region, and make Shaanxi enter the forefront of opening to the west. It can be seen that Shaanxi shoulders the heavy responsibility of opening-up of the northwest to the outside world, connecting the east to the west, connecting the south to the north, and developing an international open economy. The advantage of Shaanxi's regional transportation junction in the construction of the Silk Road Economic Belt shall be exerted, so that Shaanxi can become a new starting point and an important bridgehead of the Silk Road Economic Belt. It is the central government's demand for Shaanxi.

3.2 The inheritance of ancient Silk Road spirit and important part of implementing Silk Road Economic Belt

The strategic conception of Silk Road Economic Belt provides a great opportunity for deepening Shaanxi economic transformation and upgrade, building new pattern of opening-up, and realizing cultural development and prosperity. Central Asian countries are the core region of Silk Road Economic Belt promoted by China. With the ancient Silk Road, people in northern China can build friendly trade and cultural exchanges with Central Asian people through Altai grassland. The construction of Silk Road Economic Belt receives the active response from Central Asian countries. Central Asian scholars think that Chinese Silk Road Economic Belt provides new possibilities for the economy of Central Asian countries, conducive to strengthening the relations of Central Asian countries with European countries. In this way, Central Asian countries have marine outfall and can integrate in world financial and trade circulation system. [2] China's Silk Road Economic Belt connects with Kazakhstan's new Silk Road, Turkmenistan's strong and prosperous plan, Uzbekistan's welfare and prosperity plan, Tajikistan's 2030 national development strategy, and Kyrgyzstan's 2013-2017 national stable development strategy development goals, to realize the stable, prosperous and developed Central Asian region and surrounding areas. [3] The strengthening of economic and trade cooperation with Central Asian countries by co-building Silk Road Economic Belt is an important link to realize the successful implementation of Silk Road Economic Belt.

4. The Feasibility of Shaanxi-Central Asia Economic and Trade Cooperation under the Strategy of Silk Road Economic Belt

Economic and trade cooperation is the important cooperation field for Shaanxi-Central Asia in the strategy of Silk Road Economic Belt, which, inversely, brings new opportunities for the trade development of Shaanxi-Central Asia.

4.1 The foundation of economic and trade cooperation

Xi'an is the connection and junction of south, west, south and north Silk Road. In 2015, Shaanxi issued *2015 Action Plan of Shaanxi "Belt and Road" Construction*, which aims to promote the development and cooperation with Central Asian countries in energy resources, support enterprises manufacturing energy equipment to go outside to the world and carry out economic and technological cooperation. The construction of Xixian New Area, the construction of Silk Road Economic Belt, the Investment & Trade Forum for Cooperation between East & West China (ITFCEW), the permanent site for Euro-Asia Economic Forum, and the success of "2016 Silk Road International Expo and the 20th Investment & Trade Forum for Cooperation between East & West China", lay a good foundation for Shaanxi to take participation in Silk Road Economic Belt and carry out trade and investment cooperation with Central Asia.

4.2 The realistic basis and regional and logistic advantages

From the perspective of realistic basis for cooperation, there are two Shaanxi offices of commercial representative in Central Asia. From the position for economic and trade cooperation, the eight urban agglomerations with scale and economic and trade cooperation potential developed along the Silk Road in western China and Central Asian countries are the Guanzhong urban agglomerations starting from Xi'an. The position advantage of Guanzhong - Tianshui economic zone and the 7th national new area, Xixian New Area may produce industrial cluster effect, which will drive the foreign trade of both sides. From logistics, Xinzhu logistics center become the largest railway logistics center in the Silk Road Economic Belt. Xi'an International Trade & Logistics Park realizes the regional connection with east and west port towards Central Asia. The first cross-border e-commerce direct flight route of truck-air-truck transportation is opened. Xi'an International Trade & Logistics Park and Helgas port will promote the Shaanxi-Central Asia freight logistics cooperation to enter the "counting era", and provide more new commercial opportunities for

bilateral trade cause.

4.3 The historical and cultural foundation

The customs and habits of Shaanxi and Central Asia are similar, and urban exchanges are frequent. In ancient times, Zhang Yi visited the Western Region and opened the Silk Road. The monk Xuanzang went to the West for Buddhist scripture, and rooted the essence of Buddhism into Sanqin land. In 2014, the Shaanxi-Central Asia Silk Road joint application for World Heritage was successful. At present, more than 1,200 Central Asian students are studying in Shaanxi colleges and universities, and the development of Shaanxi Village in Central Asia is also increasingly apparent.

4.4 The transportation advantage

Shaanxi has a complete land and air network, the largest railway passenger station in Asia, and China's largest land port. The Xinfeng Station of New Eurasian Land Bridge in Lintong District, the Air Silk Road of Xi'an Xianyang International Airport, the normalized operation of Chang'an Railway and the first Air Silk Road of Xi'an-Alma-Ata, the operation of international airside concourse, the development of Airport New City and airport economy, the complete land transportation, and three-dimensional transportation network lay a solid foundation for Shaanxi-Central Asia trade cooperation and development.

4.5 The internal impetus

Shaanxi has the advantages of science and education resources and basic advantages of education cooperation. The higher education resources of Xi'an have strong competitiveness in the entire western region and even the whole country. In Xi'an, there are 108 public colleges, 106 private colleges, more than 3,000 scientific research institutes, more than 60 academicians, 1.1 million professional and technical personnel, and more than 460 independent scientific research units. The comprehensive scientific and technological strength ranks 8th in China, and the regional innovation ability is also constantly improving, which provides talent and technology support for Shaanxi to carry out economic and trade cooperation with Central Asia.

4.6 The great potential and complementary requirement of trade structure connection

In terms of industrial structure, there is great potential in industrial connection based on trade mechanism of Shaanxi and Central Asia. The industrial structure of Central Asia is single, the manufacturing and processing industry is relatively backward, the economic internal impetus is insufficient, the foundation of light industry, agriculture, electromechanical industry is weak, and the demand for textile, electromechanical product, agricultural product and clothing is great. [4] The light, agriculture and processing industry of Shaanxi is developed, which is complementary with Central Asian countries in industrial structure.

5. Conclusion

The socialist with Chinese characteristics enters the new era, so it is necessary to grasp the historical period of strategic opportunity. It can be seen that Shaanxi-Central Asia trade cooperation under the background of "Silk Road Economic Belt" is necessary and feasible. At present, with the joint efforts of China-Central Asia government, China has signed bilateral cooperation agreement on co-building Silk Road Economic Belt, and achieved the strategic link of Silk Road Economic Belt with five countries in Central Asia, including the bright road strategy with Kazakhstan, the era of prosperity and happiness with Turkmenistan, the welfare and prosperity with Uzbekistan, and energy, transportation and cereals with Tajikistan [5], which lays a solid foundation for economic and trade cooperation of Shaanxi-Central Asia. At the same time, it is also required to know that due to small-scale and non-standardized national market of Central Asia, the bilateral trade of Shaanxi-Central Asia is still in the initial stage of strengthening cooperation and mutually beneficial policy. Thus, the foreign trade of Shaanxi-Central Asia is still long-term, arduous and complex, and it is impossible to realize major breakthrough in Shaanxi-Central Asia foreign trade in a short term.

However, it can be believed that with the efforts and coordination of each side, Shaanxi-Central economic trade can achieve sustainable development and promote the rapid growth of regional economy and global stability.

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