

Trump and the Silk Road

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US president Donald Trump has just completed his first presidential tour of Asia, where he attended APEC (Asia-Pacific Economic Cooperation) and ASEAN (Association of Southeast Asian Nations) summits. Despite the low expectations with which it started out, the visit had considerable economic, geopolitical and strategic significance. The US president highlighted the need for greater fairness and reciprocity in trade with Asia, seeking to reduce the US trade deficit and to give an effective push to the challenge posed by North Korea.

As was to be expected, the highlight was the visit to Beijing and Trump's meeting with Chinese president Xi Jinping. China's large trade surplus with the US (US\$347 billion in 2016) and its reluctance to act more firmly on North Korea's nuclear ambitions have been points of friction in relations between the two countries. While it is true that the meeting ended with the signing of a number of trade agreements worth US\$253 billion, most of them were not binding. Moreover, Beijing did not make any lasting concessions on trade, nor did it signal any change in its policy towards North Korea. On the contrary, Trump's words of praise for Xi and Xi's positive comments about relations between the US and China seem to enhance Xi's prestige.

Be that as it may, there has been a shift in the power dynamic in favour of China, which raises doubts about the future of former president Obama's "pivot to Asia" foreign policy. All this comes at a time when China's influence in the region is growing rapidly, driven by the New Silk Road or One Belt One Road (OBOR) initiative announced in 2013, which has provided a general framework for China to strengthen its economic leadership, promoting the construction of infrastructure and improving communications in nearly 70 countries accounting for 33% of world GDP all along the Silk Road Economic Belt and the Maritime Silk Road in Eurasia.

Although the US is not currently a member of OBOR, it is possible that it will support projects that align with its strategic interests, since direct opposition would jeopardise regional economic development and alienate its Asian allies, many of whom are already disappointed by Trump's withdrawal from the Trans-Pacific Partnership (TPP).

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