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A New Silk Road - China's Maritime and Rail Transport Policy

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Abstract:

Purpose: *The purpose of this article is to present the New Silk Road (NSR) initiative was presented by China in 2013. It is a long-term project and relatively new, so it is evolving all the time and its scale is growing. In this context, the sea and land routes of the NJS were discussed and the main sources of funding for projects related to the initiative were pointed out. Attention was also drawn to the high activity of Chinese companies in taking ownership of entire ports or certain terminals in European seaports, and to China's military activity along the entire non-European maritime route of the NSR, which has become apparent in recent years.*

Design/Methodology/Approach: *The research approach is to analyze source materials and literature on the subject, use internet sources and own observation.*

Findings: *From China's point of view, the NSR initiative has created an opportunity for further development, expanding its sphere of economic influence and strengthening its position on the international stage. The practice of recent years has shown that freight between China and the European Union on NJS routes is definitely dominated by sea freight over rail freight. This implies much greater Chinese interest in Europe's seaports and terminals than in terminals and railroads. China's expanding expansion of ownership and management of European seaports has raised concerns not only in broad economic circles but also within the structures of the NATO defense pact. The seizure of ownership in European port terminals and a permanent presence there, the establishment of military bases along the NJS sea route, a kind of appropriation of the South China Sea, including conflict with neighboring countries (Vietnam, Philippines) and military provocations against Taiwan, all testify to China's military expansion and its aspiration to be a global power also in military terms.*

Practical implications: *With regard to the major ports and port terminals in the European Union, the strategy of the Middle Kingdom justified by its policy of creating the New Silk Road consists primarily of capital entries into operator companies and the acquisition of at least part and later even all of the port or terminal infrastructure.*

Originality/value: *The article contributes to broader research on China's realpolitik in relation to the New Silk Road. Particularly to be analyzed are the activities of Chinese companies operating transshipment terminals at European ports. Attention has also been paid to China's apparent military presence on the non-European part of the New Silk Road route, which requires further in-depth analysis.*

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1. Introduction

The Silk Road is a former overland trade route linking China with the Middle East and Europe with a length of about 12,000 kilometers used from the 3rd century BC until the 17th century AD, when the route ceased to be important due to the discovery of a sea route to China (around 1650). The route led from Xian, the former capital of China, through Lanzhou to the Dunhuang oasis, where it split into the main (northern) route and the southern route.

The northern route led between the southern foothills of the Tianshan mountains and the northern edge of the Takla Makan desert to Kashgar. There was also an even more northern variant - running along the northern foothills of the Tianshan Mountains through Tashkent, Samarkand and Bukhara. There were many further routes from Kashgar, including through the Hindu Kush to Gandhara, through Merw, Baghdad and Damascus into the Mediterranean to Constantinople (Frankopan, 2015).

In China's modern history, counting from the end of World War II, two periods can be distinguished. The first, a "revolutionary" one dominated by the communist concepts of Mao Zedong covering the years 1949-1977, characterized by the replication of Soviet concepts in the ideological, political, social and military spheres and, as a result, leading to the complete autarky of the economic system, and the second one initiated at the end of 1978 by the Chinese visionary economic, social and political reformer Deng Xiaoping, actually lasting into the current years, known as the course of "reform and opening to the world" (Walkowski, 2017).

Beginning in the 1980s, a period of economic and social transformation began in China that had no global precedent. Over the past four decades, China has lifted an unparalleled number of people out of poverty, rebuilt its infrastructure and developed its economy. In particular, this is evident in terms of the broad public transport infrastructure, a spectacular example of which is the construction of the world's longest high-speed rail network (2020, more than 35,000 km of high-speed rail lines were in operation in China, accounting for 70% of such lines in the world (https ...11) and the longest network of highways and expressways (in 2017. 131,000 km of highways and expressways were in operation in China - as recently as 1988, there were no such roads in the country at all (https ...10), the development of housing, higher education, power grids, mastery of the most advanced industrial technologies and an overall increase in the competitiveness of the economy as well as spaceflight and the growth of China's military significance.

Although the United States still has the greatest military potential at present, China is second, having long since overtaken Russia, Britain, France and also its close neighbor India in this regard.

2. The Concept of the New Silk Road

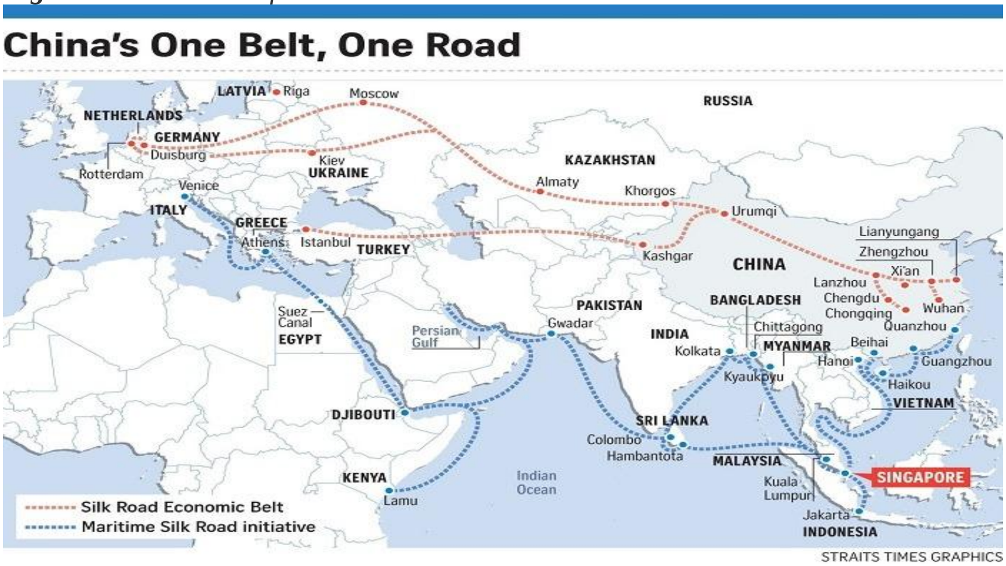
The New Silk Road (NSR) concept was put forward by China in 2013. It is a long-term project and relatively new, so it is constantly evolving and growing in scale. The NSR, also known as the Belt and Road Initiative, is an opportunity for China to further develop, expand its sphere of influence and strengthen its position on the international stage.

According to official Chinese statements, the initiative, announced at a time of widespread globalization, aims to enhance economic cooperation between countries along the route. So far, 143 countries have already confirmed their participation in this project (Lisewski, 2023) - including in 2015. Poland - which accounted for 73.3% of the existing 2022. 195 countries (https://www.wereldreizigers.nl/pl/doczesny/wszystkie-kraje-na-światowej-liście-ludności/).

There is no doubt, therefore, that China's Belt and Road initiative has been, at least in its declaratory aspect, almost universally accepted by the vast majority of countries potentially interested in increasing trade with China.

The strategy of creating the New Silk Road involves the construction of new communication and trade routes and infrastructure investments in countries along the route. Thus, it is reasonable to conclude that this initiative may lead to a change in the modern international economic order. So far, the power of the superpowers has always been associated with dominance on maritime trade routes, while the Chinese concept is based on two modes of transport: sea and rail, and at the same time the NJS is not to be a single road, but a network of routes connecting China by land with Central Asia and Europe, while by sea the entire Far East with the Middle East, Africa and Europe - see Figure 1. In the general assumptions, the sea and land routes of the New Silk Road are not to be in competition with each other, but complementary.

Figure 1. *The routes of the New Silk Road.*



Source: *https://www.chinskiraport.pl/blog/nowy-jedwabny-szlak/*

3. New Silk Road - Maritime Transportation

The main cargo route from China to Europe presented in Figure 1 is the southern sea route of the NJS running from the eastern ports of the Middle Kingdom (Shanghai, Ningbo-Zhoushan, Shenzhen, Guangzhou, Qingdao) located in the East China Sea and South China Sea through the Strait of Malacca to India, Pakistan, the Persian Gulf countries and further after sailing around the Arabian Peninsula, through the Red Sea, the Suez Canal, the Mediterranean Sea to Europe - the ports of Piraeus and Venice.

It can be added here that the destination points of the maritime Silk Road in Europe are not limited to the two ports indicated, and on a par with them are the ports of ARA (Amsterdam, Rotterdam, Antwerp), Hamburg, as well as other British German and Polish ports.

In the future, the northern sea route from China to Europe, sometimes referred to as the Arctic Silk Road, could potentially gain great importance. The northern sea route, which is admittedly shorter than the southern one by about 25%, is currently not heavily used, although some shipments, especially in summer, are made via this route.

It is estimated that Chinese shipowners have made more than 70 voyages along the northern sea route over the past eight years, gaining operational experience - most often carrying iron ore to European ports and also large parts for wind turbines or tunnel drilling machinery (Stefaniak).

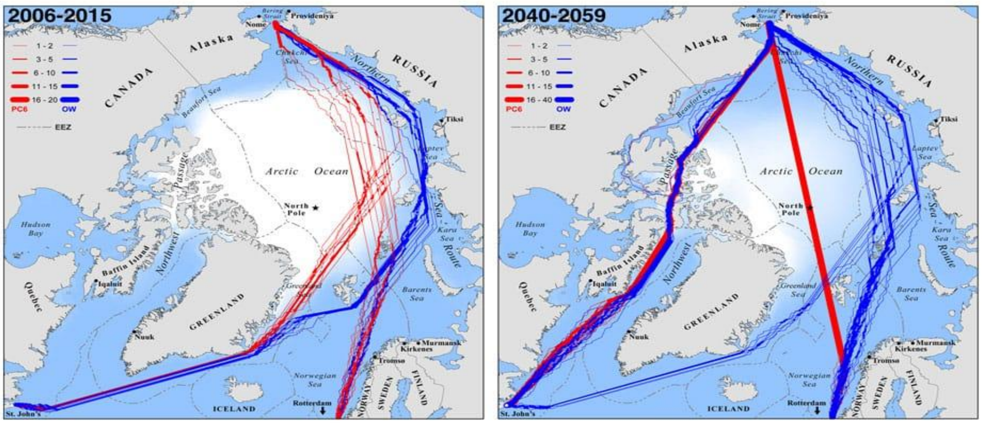
The low utilization of the northern seaway to date is influenced by several factors, the most important of which is the long period of ice cover resulting in the need for icebreaker assistance in the non-summer season, which significantly increases transportation costs.

Secondly, Russia's requirements regarding the necessity of obtaining approvals for the passage of commercial ships of foreign flags, since the road passes through bodies of water considered by the country as territorial waters, and thirdly, the lack of port infrastructure on long stretches of the route, which reduces the efficiency of transporting, for example, large container ships that roll up to several or even more than a dozen ports on their way from China to Europe.

For these reasons, it is now fairly widely believed that, under current conditions, the Arctic Silk Road is not a significant alternative to the NSR's southern maritime route (Stefaniak). However, this situation may change significantly in the next decades, the main reason being climate change. The loss of ice cover in the Arctic is of great importance for the permeability and capacity of the northern sea route, which could become an alternative not only to the southern maritime trade route through the Straits of Malacca, the Indian Ocean, the Suez Canal and the Mediterranean Sea but also to some of the New Silk Road land routes.

Researchers from the Arctic Institute in Washington and the University of California, Los Angeles, predict that as a result of climate warming, the current distance of 8,500 kilometers between the Bering Strait and Iceland will shorten to 7,100 kilometers in the next decades, significantly reducing the cost of transportation via the northern route from the Far East to Europe.

Figure 2. *Impact of climate change on the shortening of the main navigation routes between the Pacific and the Atlantic along the northern coast of Russia.*



Source: *https://www.researchgate.net/figure/The-Arctic-Routes-Source-Arctic-Institute-Center-For-Circumpolar-Security-Studies-2014_fig2_325590644.*

Figure 2 presents the results of a study by the Washington-based Arctic Institute that has been circulating in recent years. They show that the fastest navigational routes for ships wishing to cross the Arctic Ocean in summer currently favor the northern sea route along the Russian coast. The red lines indicate the fastest available trans-Arctic routes for Polar Class 6 ships (icebreakers with moderate capabilities, such as those currently used in the Baltic) between the North Atlantic and the Pacific.

The blue lines indicate the fastest available routes for popular open-water vessels. Thus, it is clear that compared to the situation in current years, in 2040-2060, as a result of melting Arctic ice, the blue lines will move away from Russia's northern coasts and thus the ice-free route between the Pacific and the Atlantic will gradually shorten.

In January 2018, a White Paper called "China's Arctic Policy" was published, outlining the main directions of China's Arctic policy (https://www.xinhuanet.com/english/2018-01/26/c_136926498.htm).

The document, in which China describes itself as a "quasi-Arctic" state, shows emphatically the Chinese government's ambition to play an even greater role in the region. The announcement of the delineation of the "Polar Silk Road" - the third axis of the new Silk Road project - as a complement to the Eurasian corridor and the Indo-Pacific seaway, confirms plans for a strong and sustained presence in the Arctic, backed by a greater investment commitment (Venard).

In recent years, China has jointly pursued the world's largest liquefied natural gas (LNG) project with Russia, marking the first joint venture in the Polar Silk Road. Partners in the project include Russia's Novatek, France's Total - 20%, and China's China National Petroleum Corporation - 20% and Silk Road Fund - 9.9% (www.chinadaily.com.cn/china/2015- 9/03/content_21785297.htm).

In addition, the Chinese side has declared the possibility of participating in several other important projects along the Northern Sea Road, especially with regard to investments in the ports of Murmansk, Arkhangelsk and also in the Norwegian port of Kirkenes, located near the Russian border. The joint Sino-Russian military maneuvers arranged from time to time in the Barents Sea and off the coast of Alaska (Venard) are also gaining symbolic, but also demonstrative, significance.

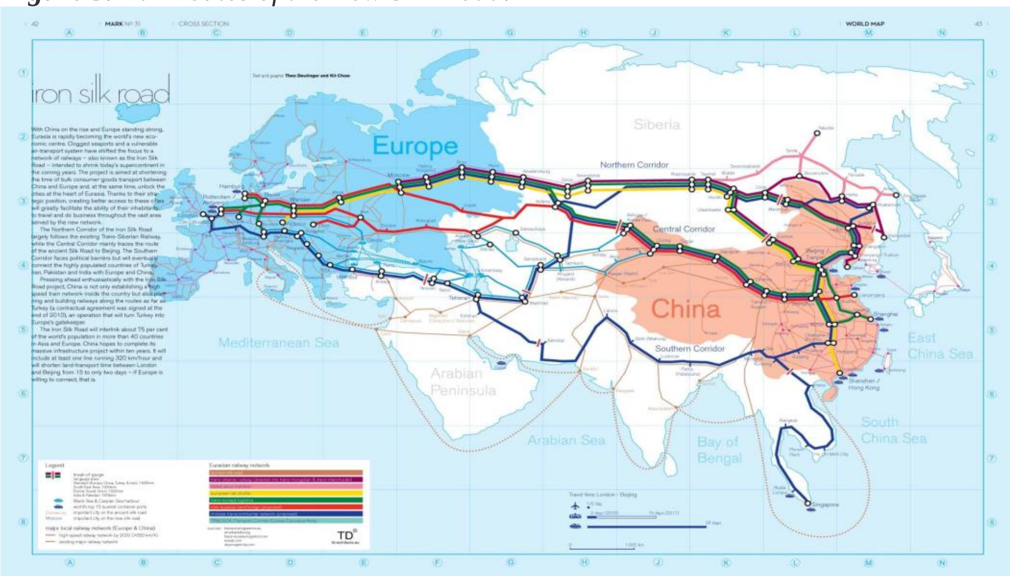
4. New Silk Road - Rail Transportation

The main land artery of the New Silk Road is the Northern Corridor (Figure 3) showing rail routes - coinciding with the historic Second Pan-European Transport Corridor: (Hamburg) - Berlin - Warsaw - Malaszewicze - Minsk - Moscow - Nizhny Novgorod, which was left to Irkutsk (Trans-Siberian Railway) and further to Northeast and Southeast China. However, a large part of the traffic is carried out using the Central Corridor, which runs from eastern to western Chinese territory, through Kazakhstan to Russia, where it branches off to Moscow and connects with the Northern Corridor, and to Kyiv and on through Poland to ARA ports.

Until the Russian aggression against Ukraine, more than 90% of China-Europe trains traveled via the Northern and Central Corridors. The dominance of these routes was due to the relatively good state of infrastructure and easy organization due to the membership of the main transit countries in the joint Customs Union of Russia, Belarus and Kazakhstan.

In Eurasian freight transport, there is also potential in the Trans-Caspian Corridor, designated on maps as the Southern Corridor, which handles traffic between China and Turkey and on to Europe. This corridor has two routes: the first from East China to West China and on to Kazakhstan and then to Baku by ferry crossing the Caspian Sea and to Tehran by road, and the second by the southern route from East and Southeast China, through Bangladesh, India to Tehran and on to Istanbul. Then through a tunnel under the Bosphorus Strait to the Balkans and to Western Europe (London, ARA ports) and Hungary towards Central and Eastern Europe and Germany.

Figure 3. *Rail routes of the New Silk Road.*



Source: *https://www.investasian.com/wp-content/uploads/2015/02/MapChinaNewSilkRoad.jpg.*

The opening of the Marmaray Tunnel under the Bosporus Strait in 2013 for passenger and freight train traffic - making a reality of the 19th-century idea of linking the two separate rail systems in the European and Asian parts of Turkey into a single entity - has helped highlight the route's main asset, which is its independence from the Russian Federation.

However, a drawback of this route is the need for a ferry crossing of the Caspian Sea for shipments from China and Kazakhstan to and from Europe bypassing Iran, which currently operates between the Caspian ports of Atkau (Kazakhstan) and Baku (Azerbaijan).

This crossing forces additional transshipments, over-complicating the entire transportation process, makes rail freight more expensive and, from a technological point of view, is a bottleneck of the entire route. In the case of transport to and from the Caucasus countries (Georgia, Armenia Azerbaijan), a variant of the route through the Black Sea bypassing Turkey, running by ferry from the Georgian port of Poti to the ports of Varna and Constanta and on to European countries, may also be of some importance, although the drawback of this route is similar to that of the Caspian Sea ferry crossing.

5. The New Silk Road: China-Europe Funding policy

The aforementioned participation of most of the world's countries in China's Belt and Road Initiative, as the NJS is interchangeably referred to, testifies to at least a declarative interest in and support for this project by these countries, primarily in economic terms.

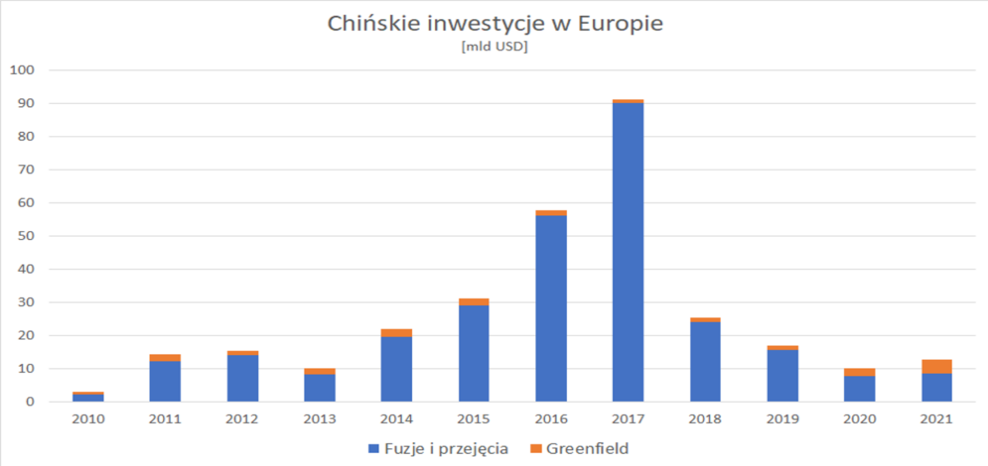
This is because the individual countries associate with it a number of economic benefits resulting from trade with the Middle Kingdom and also benefits related to the development of transport infrastructure. Since the announcement of the concept of the New Silk Road, China has established a number of financial institutions aimed at supporting investments of this kind in individual countries.

The most important of these are the China Development Bank, the Export-Import Bank of China, the Industrial and Commercial Bank of China (Lisewski, 2023). Investment funds have also been established, such as the Silk Road Fond or funds dedicated to cooperation with African countries, Russia and India. According to calculations by the Harvard Business Review, by 2020.

China had provided $1.5 trillion in direct loans and trade credits to more than 150 countries, becoming the world's leading lender, surpassing the World Bank and the International Monetary Fund (Cieślik). The bulk of this financing was for the Belt and Road Initiatives, as the cumulative investment for this purpose reached a ceiling of more than $885 billion - a total of 1,780 investment projects of various types were carried out (Cieslik).

It should also be added that Chinese capital participates in these projects in two forms, i.e., through equity entries into existing entities through the acquisition of shareholding rights and as repayable loan capital with preferential interest rates. In some cases, especially with regard to so-called third world countries, these are also non-refundable grants.

Figure 4. *Chinese foreign investment in Europe from 2010 to 2021.*



Source: *https://www.bankier.pl/wiadomosc/Chinskie-inwestycje-w-Polsce-i-Europie-w-2021-r-8279554.html*

In recent years, there has been a significant increase in Chinese investment around the world, including in Europe, except that on the Old Continent it is mainly in the M&A category - see Figure 4 (blue: M&A, red: greenfield investment). According to Chinese sources, the country's cumulative investment in Europe reached $385 billion in 2018 (https://www.chinskiraport.pl).

These were mainly investments involving majority acquisitions or buying out minority shareholding rights of existing companies, with a relatively small share of "greenfield" investments involving the construction of greenfield enterprises. The aforementioned source reports in his materials that in the last decade the Chinese have acquired more than 350 European companies, mainly in the UK, Switzerland, Germany, as well as the Netherlands and Finland (https://www.chinskiraport.pl).

In Central and Southeast European countries, Chinese investments and financial support in the form of loans or credits are sometimes linked to the Belt and Road Initiative and include infrastructure projects, spectacular examples of which include the 2016 buyout of a majority stake in the port of Piraeus by the shipping company COSCO (China Ocean Shipping Company) for €368 million, which is, from the Chinese point of view, the "gateway to Europe" for the Southern Sea Route (Stasik), and the financing of the modernization of the Belgrade-Budapest railroad line.

In 2020, Hungary received a loan of $2.1 billion from China, which accounted for about 85% of the investment required for the Hungarian segment of the project (158 km), while Serbia borrowed $297 million for its section (184 km), with the loan provided by the Export-Import Bank of China (https://www.blue-europe.eu/pl/pl-analysis/serbia-i-wegry-polaczenie-kolejowe/).

The same bank provided Serbia with another loan financing this investment and also the modernization of sections of the Belgrade-Piraeus line to the tune of 943 million euros (Kus), sections of the network that are also such a gateway to the southern rail route.

Overall, Chinese investment in Central and Eastern European countries compared to investment in Western and Northern Europe has been and remains relatively low. For example, at the end of 2020, Chinese foreign direct investment in Poland reached $1.24 billion (https://www.bankier.pl/wiadomosc/Chinskie-inwestycje-w-Polsce-i-Europie-w-2021-r-8279554.html).

China's low levels of financial involvement in Central and Eastern Europe are primarily due to the country's strategy under the New Silk Road policy. Indeed, the Chinese make no secret of the fact that “Central and Eastern Europe is a kind of hub for them, a place from which they would like to transfer their innovative technologies, machinery, such as superfast railroads or other types of equipment to Western Europe” (Kominek, 2020).

However, the main gateway to Europe and the drop-off point for Chinese goods under the NJS strategy remains the seaports, in particular the acquired Piraeus, but also Rotterdam and Hamburg, as well as Gdynia and Gdansk in Poland rather than the land rail routes, even though they also have some transport significance.

6. New Silk Road - Chinese Beachheads in Seaports

The Chinese authorities' strategy of expansion in European ports is undoubtedly confirmed by the already signaled complete takeover of the port in Piraeus, but not only this element. Chinese investments in ports around the world, including in Europe, were recently looked at by scientists from the USA, publishing a study with the significant title "The fight for the waterfront: China's superpower position in world ports" (Kardon, Leutert, and Competitor, 2022).

These researchers showed that Chinese companies control at least one terminal in 96 global ports (2020), including 22 European ports, the largest of which are Rotterdam, Antwerp-Bruges and Valencia. In Rotterdam, the Chinese have exclusive control over two of the four terminals, thanks to which at least 50% of container turnover is in their hands (Kardon, Leutert, Competitor 2022).

A large part of the terminals in these European ports is wholly or partially managed by three large Chinese companies: COSCO Shipping Ports, China Merchants Ports and Hutchinson Port Holdings (Kardon, Leutert, Competitor 2022). The latter company has been present in Poland for many years, in the port of Gdynia, where it manages a container terminal with an area of 20 ha, through its subsidiary Gdynia Container Terminal (GCT).

The activity of companies controlled by the Middle Kingdom in European ports has raised concerns not only among analysts but also has wider international repercussions, including in NATO. In July 2022, a NATO summit was held in Madrid and a joint document was adopted at that time, which recognized China as a strategic challenge, because its "ambitions and policies are a test for the interests, security and values of the Alliance" (Pacuła).

The allies also noted that the strengthening of the Russian-Chinese partnership and the coordination of the two countries' actions in their efforts to undermine the order based on international law are contrary to NATO's interests (Pacuła). Earlier in 2021, the Lithuanian government blocked the construction of a deep-water terminal by the Chinese state-owned company China Merchants Ports in the port of Klaipėda, arguing that Beijing's foothold would be a threat to national security and NATO (https://www.lrt.lt/en/news-in-english/19/1380360/lithuania-puts-off-deepwater-port-project-eyed-by-china-for-at-least-a-decade).

In 2022, after the NATO summit, the German government blocked the sale of shares in the terminal in the port of Hamburg to the Chinese shipowner COSCO for fear of becoming excessively dependent on China, emphasizing that more than half of Sino-German trade passes through this port (https://oko.press/chiny-porty-nato).

The main reason for fear of excessive Chinese expansion in European ports, undoubtedly rightly emphasized, is that the main seaports as an element of transport infrastructure are intended not only for civilian (trade) purposes but also for military purposes, i.e. they constitute dual-use infrastructure.

For example, American troops and weapons are delivered to European ports in Rotterdam, Antwerp-Bruges, Gdynia and others, which is of key importance for the defense of NATO's eastern flank, including, for obvious reasons, the borders of Poland. What is more, the American army has signed agreements with these ports: they are to serve as transfer points for military equipment and US soldiers.

In addition, many other seaports in Europe handle the transport of troops moving to various types of maneuvers and exercises. At the same time, in recent years, the presence of Chinese companies has grown significantly in many European ports, but also outside Europe, whose economic goals are disturbingly intertwined with the policy of the Middle Kingdom (https://oko.press/chiny-porty-nato).

The authors of the aforementioned report emphasize that China remains a party-state under the rule of the Chinese Communist Party, which has many mechanisms through which Chinese leaders can direct the use of commercial port assets for strategic purposes. International port terminals that Chinese companies own and operate already provide the People’s Liberation Army with dual-use capabilities in peacetime, establishing logistics and intelligence networks that materially enable China to project power in critical regions around the world.

Under the provisions of China’s 2017 “Transport Law,” Chinese companies and their foreign subsidiaries operating in the international transportation sector must cooperate with the military. The law gives the People’s Liberation Army access to the assets of Chinese companies operating abroad. If necessary, the regulations also allow the military to place soldiers and officers among the staff of transportation companies, including Hutchinson, COSCO, and China Merchants Ports (Groeneveld and Pankowska, (https://frontstory.pl/chiny-port-nato-bezpieczenstwo-inwestycje-wojsko/).

It is significant that the Chinese authorities are not trying to create military footholds in Europe because then they would have to reckon with strong international opposition that could harm the Belt and Road Initiative (Kardon, Leutert, and Competitor 2022). And it is for this reason - according to the cited American researchers - that commercial ports are an attractive alternative for China. "Large shares of Chinese companies in commercial investments abroad, in critical infrastructure, especially in ports, can serve as logistical, intelligence and other military support at low cost and without the geopolitical consequences that foreign military bases would cause," they write in their report (Kardon, Leutert, and Competitor 2022).

7. Chinese Military Terminals and Bases on the New Silk Road Sea Route to Europe

Currently, China's economic and military presence has become significantly visible along the course of the Maritime Silk Road. The South China Sea is considered a zone of almost exclusive influence of China - the authorities of this country claim territorial claims covering about three-quarters of this body of water. Since 2014, around the islets, rocks and reefs in this body of water, 2000 km from their own borders, the Chinese have been building - taking soil from the seabed - much larger artificial islands with concrete ports and breakwaters.

Then, on the newly created islands, they build airports, settlements and various technical structures for military and civilian purposes, including telecommunications and logistics infrastructure. In recent years, China has been planning to take over land and build three large port terminals at a cost of many billions of dollars. The first of these was to be the Pulau Melaka port on the Malaysian coast of the Strait of Malacca - initially, in 2014, the Chinese authorities did not hide the fact that the new facility was to be a competitor to Singapore.

However, this project did not work out as originally intended and was ultimately significantly revised and limited in 2022, with the announcement that the Pulau Melaka port would not threaten Singapore's position (Clark). The second major project on the New Silk Road Maritime Route is the Hambantota port, along a large adjacent area in the south of Sri Lanka - it lies on one of the three largest sea routes of global economic and military importance from East Asia through the Indian

Ocean, along South Asia and the Middle East, and further through the Red Sea and the Suez Canal to the Mediterranean and Europe. The port is leased under a 99-year lease agreement granted by the Sri Lankan government for the development, management and operation of the port area to China Merchant Port Holdings, which has invested around $1 billion 974 million in the terminal and holds an 85% stake in it.

The third major Chinese project on the Silk Road route is the port of Gwadar in Pakistan, which has a strategic location between South and Central Asia and the Middle East, and is located at the mouth of the Persian Gulf on the Indian Ocean, just beyond the Strait of Hormuz. It is also the end of the China-Pakistan Economic Corridor, which runs some 3,000 kilometers from Gwadar to the northwestern part of China with the city of Kashgar. In the future, after the completion of the large port project, the governments of Pakistan and China plan to build a railway line connecting Kashgar with Islamabad and on to the port of Gwadar (https://en.wikipedia.org/wiki/China–Pakistan_Economic_Corridor).

It is worth emphasizing that the construction of the indicated railway connection would be of great strategic importance to China in the event of a hypothetical armed conflict and blocking of the Strait of Malacca, through which a large part of the Middle Kingdom's oil supply passes. The port in Gwadar and the railway line running from it to Kashgar would allow the transport of oil from the Persian Gulf directly to China, bypassing the Strait of Malacca. Along with its trade presence, China's military presence on the main maritime route of the New Silk Road has increased significantly in recent years.

In 2017, as part of its Belt and Road policy and in connection with its presence in Africa, China opened a military base in Djibouti – the first overseas base of the Chinese army, combined with a civilian economic zone and a military-civilian seaport, located in eastern Africa, at the entrance from the Indian Ocean to the Red Sea. In 2019, China leased the Ream military base on the Gulf of Thailand in Cambodia, which significantly contributed to the change in the balance of power between China and the United States in the Far East.

In 2023, China built three military bases around Taiwan's main bastion in the disputed South China Sea, Itu Aba Island, located in the Spratly archipelago. This island, as part of Taiwan's defense system, is currently one of the most hot spots in the whole of East Asia. Around Itu Aba, China has created a ring of strong military bases on three islands: Subi Reef, Fiery Cross Reef, and Mischief Reef.

At the end of 2023, the media reported that China intends to create another military base in Oman, near the Strait of Hormuz (Perzyński). China's military plans also concern the creation of the possibility of military use of already taken over civilian terminals such as the Hambantota port in Sri Lanka or the Gwadar port in Pakistan. The latter was built as a deep-water dual-purpose port. The examples of creating military bases are evidence of China's military expansion and its aspirations to be a global power also in the military dimension.

8. Conclusions

When the New Silk Road project was announced in 2013, this Chinese initiative was almost universally accepted, at least in a declarative sense, by the vast majority of countries potentially interested in increasing trade with the Middle Kingdom. The strategy of creating the New Silk Road assumed the construction of new communication and trade routes and infrastructure investments in countries located along the route.

From China's perspective, the NJS initiative created the possibility of further development, expanding the zone of economic influence and strengthening its position in the international arena. Currently, there are two main NJS routes: sea and land, which, according to Chinese declarations, are not to compete with each other but to complement each other. The practice of recent years has shown that in freight transport between China and the European Union on NJS routes, sea transport clearly dominates over rail transport – e.g., in 2020, in both directions, 92.9% of cargo was transported by sea and only 2.2% by rail (the remaining cargo was handled by air and road transport) (https://logistyka.rp.pl/przewozy/art18864021-fracht-oceaniczny-odbierze-kolei-ladunki-na-jedwabnym-szlaku).

This seems to better explain China's much greater interest in seaports and terminals in Europe than in terminals and railway lines. While the latter are financially supported - sometimes quite generously - by Chinese capital, it is loan capital, interest-bearing and repayable. In the case of ports and port terminals, the strategy of the Middle Kingdom justified by the policy of creating the New Silk Road is completely different. In relation to this type of transport infrastructure facilities, the Chinese are primarily trying to obtain capital inputs into operating companies and take over at least part and later even the entire port or terminal infrastructure.

However, China's expanding expansion in the ownership and management of European seaports has raised concerns not only in broad economic circles but also in the structures of the NATO defense pact. The main reason for the fear of excessive Chinese expansion in European ports, undoubtedly rightly emphasised, is the fact that seaports, as an element of transport infrastructure, are intended not only for civilian (trade) but also for military purposes, i.e., they constitute dual-use infrastructure.

Large shares of Chinese companies in commercial investments abroad in critical infrastructure, especially in ports, can serve as logistical, intelligence and other military support at low cost and without geopolitical consequences. In recent years, China's economic and military presence along the Maritime Silk Road has also become visible outside Europe.

The South China Sea is considered a zone of almost exclusive influence by China - the country's authorities claim territorial claims covering about three-quarters of this body of water. China is building artificial islands in this body of water for military purposes. In addition to building large commercial terminals (Hambantota in Sri Lanka, Gwadar in Pakistan), it has established military naval bases (Djibouti, Ream) and plans to build more bases, e.g., in Oman.

China's military plans also include creating the possibility of military use of already taken over civilian terminals, such as the port of Hambantota or the port of Gwadar. In summary, taking over ownership of European port terminals and a permanent presence there, creating military bases on the NJS sea route, a kind of appropriation of the South China Sea, together with the conflict with neighboring countries (Vietnam, Philippines) and military provocations against Taiwan, all testify to China's military expansion and its aspirations to be a global power also in the military dimension.

China's expansionist policy behind the initiative to build the New Silk Road, as shown by the country's real policy more than a decade after the announcement of this initiative, raises justified concerns and fears in the entire region, in particular in countries such as Japan, South Korea, the Philippines, India, and the United States, mobilizing these countries for closer cooperation in the field of security.

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