What is the Role of Railway Transport in Iran in the Efforts to Launch a new Silk Road?

Silk Road Cycles over about Two Millennia

The New Silk Road: China’s Belt and Road Initiative

Russia, Eurasia and the Silk Road
What Is the Role of Railway Transport in Iran in the Efforts to Launch a New Silk Road?

Silk Road Cycles over about Two Millennia

The New Silk Road: China’s Belt and Road Initiative

Russia, Eurasia and the Silk Road

STEPHAN BARISITZ
MAHDI GHODSI
PETER HAVLIK
WALTRAUT URBAN
CONTENTS

Graph of the month: China’s New Silk Road: The ‘One Belt, One Road’ Strategy ......................... 1

Opinion Corner: What is the role of railway transport in Iran in the efforts to launch a new Silk Road?.......................................................................................................................................... 2

Silk Road cycles over about two millennia .......................................................................................... 5

The New Silk Road: China’s Belt and Road Initiative........................................................................... 10

Russia, Eurasia and the Silk Road........................................................................................................... 17

The editors recommend for further reading .......................................................................................... 24

Monthly and quarterly statistics for Central, East and Southeast Europe........................................... 25

Index of subjects – October 2015 to October 2016.............................................................................. 47
China’s New Silk Road: The ‘One Belt, One Road’ Strategy

Note: — — — Silk Road Economic Belt
       — — — 21st-Century Maritime Silk Road
Source: http://greaterpacificcapital.com/chinas-new-silk-road-tactics-overstretch-or-grand-strategy/
Opinion Corner: What is the role of railway transport in Iran in the efforts to launch a new Silk Road?

ANSWERED BY MAHDI GHODSI

**Historical background**

Since ancient times, Persia had been one of the main and the largest transit regions connecting China to Europe among few alternative roads and passages. Luxury goods such as Chinese silk, Persian pearls and gold, exotic animals such as lions and gazelles, Indian spices, perfumes, fruits, and Roman luxury glassware were among the top traded products by merchants transiting via the route. Imports of silk from China and exports of Persian carpets and rugs linked the first supply chains across the Silk Road in antiquity.

**Fading role of Iran**

This Persian passage gradually lost its importance due to numerous wars and bloodshed, changes of local and neighbouring dynasties, Atlantic-Indian maritime transports, etc. More precisely, with the industrial revolution in Europe, the Persian economy and trade diverged extensively from other and specifically the European trade partners. While the first railroads opened in the United Kingdom as early as 1830 and the rail network through Europe connected maritime ports in the third quarter of the 19th century, the construction of the first railway line in Iran, with a length of 8.7 km, was finished only in 1887. While the Qajar Dynasty (which ruled Persia in 1789-1925) was highly controlled and manipulated by the Russians and the Europeans, it did not have the financial capability and foreign support to build an entire network. In 1938, a joint venture with Americans and Germans constructed a 1,392 km trans-Iranian railway network connecting a port on the southeast of the Caspian Sea to the northern-west part of the Persian Gulf through Tehran. It was the first ambitious attempt of Reza Shah, the King Father of the last Royal dynasty, to establish a good infrastructure in Iran. This one-decade project gave a boost to the Iranian economy and ultimately paid off for the government budget as well, as it could collect taxes on major shipped products such as sugar and tea. However, this railway was not passing through the East-West Silk Road but crossing it.

Iran’s railway network was connected to Nakhchivan, Azerbaijan through the Jolfa-Tabriz connection constructed in 1916. Since World War II, the trans-Iranian rail network has been slightly extended. Some major cities were now connected to Tehran. The connection to Turkey through Tabriz was finished in 1971. After the Islamic Revolution in 1979, construction of additional railroads connected some other cities. Having a connection from Tehran to Mashhad in the Eastern part of Iran already since 1958, Iran became linked to Turkmenistan through a rail connection going through Mashhad in 1997. With this link, a Silk Road railway connection was finally in place.
**Recent developments**

In 2014, with a total of 8,560 km of rail lines, Iran transported 24.5 billion tonnes of goods and 16.3 billion passengers per km. For comparison, Turkey, a similar country in terms of development level, had 10,087 km of railroads, but a lower transportation intensity of 11.2 billion tonnes of goods and 4.4 billion passengers per km\(^1\). Thus, despite a 15% shorter railway network in a double-sized land area, Iran’s more than two-fold higher goods transport and about four-fold passenger transport intensities with respect to Turkey show the important role of rail transportation in Iran. Still, these figures are much lower than in emerging markets such as Brazil or many advanced economies. This indicates that this part of the Silk Road is not yet sufficiently developed to reap the true benefits of East-West trade and transportation.

Since 20 March 2014 – the start of the Persian calendar year 1393 – China has been the most important trading partner of Iran, covering 29-34% of Iranian imports and 27-31% of exports.\(^2\) On 15 February 2016, the first train from the eastern Zhejiang province of China carried 32 containers of goods to Tehran. This cargo travelled 10,399 km through Kazakhstan and Turkmenistan within 14 days – 30 days shorter than a maritime transfer through Bandar Abbas, a port on the Strait of Hormuz, would take. Moreover, during a visit in Tehran in February 2016, Chinese President Xi Jinping and Iranian President Hassan Rouhani agreed to increase the economic ties to USD 600 billion within a decade. Also, the President of China agreed with his Iranian counterpart to give financial aid building a high-speed train to enhance the ‘One Belt, One Road’ project. This was the major development after 16 January 2016, the implementation day of the Joint Comprehensive Plan of Action (JCPOA), the nuclear deal between Iran, the P5+1\(^3\) and the European Union.

Increasing trade was not the only consequence of the JCPOA. Pledged investment and cooperation were other important events to develop the economy of Iran. Attracting foreign direct investment (FDI) and leading technology is the key goal of Iran for the further development of infrastructure. Iran is aiming to extend its railway network to 25,000 km by 2025, of which 7,500 km is already under construction. Another major landmark was the signing of a Memorandum of Understanding (MOU) in Tehran in February 2016 by the deputy transport minister, the president of Iranian Railways and the Chief Executive of Gruppo Ferrovie dello Stato Italiane. This MOU aims at a EUR 5 billion export credit operation. It will cover the design and construction of a 410 km high-speed line connecting Tehran to Qom and Isfahan, and assistance for electrification of an about 900 km line from Tehran to Mashhad.\(^4\)

Another MOU was signed in May 2016 by the presidents of Iran and South Korea which includes a USD 5.3 billion railway construction connecting Isfahan and Ahvaz, a southern city of Iran close to the Persian Gulf. This MOU also covers other infrastructure, refinery constructions, hospitals, etc.\(^5\)

---

\(^1\) Source of data: World Development Indicator (WDI) of the World Bank.

\(^2\) Source of data: Tehran Chamber of Commerce.

\(^3\) P5+1 includes China, France, Russia, the United Kingdom and the United States as the five permanent members of the UN Security Council, plus Germany.

\(^4\) More information can be found at [http://www.fsitaliane.it/](http://www.fsitaliane.it/)

\(^5\) Media indicated another MOU signed between India and Iran to establish a railway from the south eastern Iranian port of Chabahar to the trans-Iranian railway network.
Concluding remarks

Geopolitics has always kept Iran a key player of international relations during its history. In spite of its ups and downs, Iran is still following that path. Trade ties with China, which used to be strong during the time of the ancient Silk Road, are reviving now as the JCPOA facilitates improved relations of Iran with the West. As reiterated by Iranian officials on various recent occasions, Iran is making efforts to wisely take advantage of this opportunity and gain benefits from its location in the middle of the potential new Silk Road. This will assist Iran, first, in boosting its economy and improving employment via the pledged infrastructure investments. Second, it will enhance the internal transportation of goods, facilitating the access to resourceful but scattered intermediate inputs, which will lead to a boost in production and value chains. Third, it can increase Iran’s revenues through transportation, transit and re-exports along the new Silk Road.
INTRODUCTION

Trade and exchange between various parts of the Eurasian double continent go back very far in the past. The following brief contribution attempts to give a snapshot of the most important ups and downs in Silk Road trade and their probable determinants since Roman times.

The Silk Road was a network of overland trade routes running through Central Asia that provided commercial and cultural exchange between Europe, Central Asia, India and China. While there are disagreements on when exactly the Silk Road emerged and when it ended, most authors agree that it already existed in Roman times and that it still existed in the Mongol era. In the author's view, the (pre-modern) Silk Road functioned from about 100 BCE to around 1850 CE. It was ‘inaugurated’ through the official launching of Chinese commercial activities with the country’s western Eurasian neighbours. The Silk Road expired upon the European (Russian) conquest and colonisation of large parts of Central Asia and their inclusion as raw material suppliers into the capitalist industrial world economy.

The network of overland routes originally focused on the Central Asian oasis belt and links to Mesopotamia and the Levante. Over the centuries, there was a tendency to integrate connections and areas lying further north – in the Eurasian steppe belt – into the network. This goes e.g. for the ‘steppe route’ leading from Central Asia north of the Caspian Sea to the shores of the Black Sea and Crimea. The political factor, i.e. whether political stability reigned in a territory crossed by the Silk Road, turned out to be one of the most important determinants of the location and prosperity of trade itineraries across Eurasia. The spatial extension of the Silk Road network was largest during the Mongol era. Thereafter it partly receded, and was partly bypassed by increasingly important maritime routes (Western seaborne competition) and land routes (Russian Siberian route) to China and/or India.
THREE HEYDAYS

The Silk Road is estimated to have existed for almost two millennia – up to the 19th century – and to have enjoyed at least three heydays:

a) Han Dynasty – Roman Empire (ca. 100 BCE – ca. 200 CE),
b) Tang Dynasty – Caliphate (ca. 675 – 875 CE),
c) Mongol Empire (ca. 1245 – 1345).

Map 1 / First heyday of the Great Silk Road connecting Roman and Han Empires (ca. 100 BCE – 100 CE)

The first heyday of the Silk Road was initiated by the Middle Kingdom (China) for geopolitical, not primarily for economic, reasons. This period featured political stability and simultaneous flourishing of all four empires along the Eurasian trade network (Han China, Kushan state, Parthia, and Roman Empire – see Map 1, taken from the forthcoming publication referred to in footnote 1). The second heyday was characterised by the political consolidation and economic stabilisation of three new Silk Road empires (Tang dynasty in the east, Arab Caliphate in the southwest, Khazaria in the northwest of the Silk Road network). During the third heyday, the Mongol Empire controlled practically the entire bi-continental system. Silk Road security was upheld, and trade was initially even subsidised in a vast politically
integrated playing field. Under the Pax Mongolica it took around eight to ten months to reach Beijing from Crimea. This was somewhat quicker than the one year it had approximately taken travellers to cross Eurasia in Antiquity and the early Middle Ages.

Between the mentioned peaks, there were periods of Silk Road weakness, which included the outbreak of political instability along the trade network, climate change, the resurgence of nomadic military pressure from the Eurasian steppe, and the splintering of the Islamic polity (the Caliphate). As Table 1 shows, the four centuries between the second and the third heyday included a post-Caliphate temporary recovery in the 10th century (political re-stabilisation, Samanid Empire as an east-west trade hub focused on Bukhara and Samarkand), followed by a renewed receding of activities in the 11th and 12th centuries (repeated invasions by Turko-Mongol dynasties).

Table 1/ Heydays of the Silk Road (main points)

<table>
<thead>
<tr>
<th>Period</th>
<th>Overland trade development in Central Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 – 105 BCE</td>
<td>‘Ancient precursor’ to the Silk Road&lt;br&gt;Re-export of Chinese luxury goods through nomadic Xiongnu Empire/Mongolia (tribute trade)</td>
</tr>
<tr>
<td>105 BCE – 200 CE</td>
<td>First heyday of the Silk Road&lt;br&gt;Han Dynasty – Kushan state (Afghanistan, northern India) – Parthian Empire (Persia) – Roman Empire: transcontinental demand for Chinese silk</td>
</tr>
<tr>
<td>675 – 875 CE</td>
<td>Second heyday of the Silk Road&lt;br&gt;Tang Dynasty – Caliphate (Middle East, Northern Africa) – Khazaria (Eastern Europe): Political consolidation of new Silk Road empires</td>
</tr>
<tr>
<td>925 – 1000</td>
<td>Post-Caliphate temporary recovery of the Silk Road&lt;br&gt;Political re-stabilisation, Samanid Empire (Bukhara, Samarkand, Herat) as east-west trade hub, ‘Islamic renaissance’</td>
</tr>
<tr>
<td>1245 – 1345</td>
<td>Third heyday of the Silk Road&lt;br&gt;Mongol Empire (Yuan Dynasty, Chagatay Khanate/Turkestan, Il-khanate [Persia, Iraq, Afghanistan, Transcaucasia], Golden Horde/Russian principalities):&lt;br&gt;Silk Road security upheld (and trade initially subsidised) on a bi-continental politically integrated playing field; Pax Mongolica</td>
</tr>
<tr>
<td>1575 – 1625</td>
<td>‘Mercantilist’ renaissance of Silk Road trade&lt;br&gt;Simultaneous rule of strong political leaders who carried out economic reforms and largely maintained peace: Khanate of Bukhara, Chagatay Khanate, Mughal India, Kazakh Khanate, Muscovite Russia, Safavid Persia</td>
</tr>
<tr>
<td>1775 – 1825</td>
<td>‘Last glimmer’ of the Silk Road&lt;br&gt;Lease of life for what remained of traditional trade in landlocked, newly isolated Central Asian space difficult to access for modern European shipping technologies: Bukhara, Khiva/Khorezm, Khogand, parts of Russia and China; Pax Sinica</td>
</tr>
</tbody>
</table>

Note: ¹ Approximate indications.

For more than 400 years, there was a period of post-Mongol decline of the Silk Road (from the 15th to the mid-19th centuries), accelerated by rising Western maritime competition (following the European discoveries of seaborne routes to India and China), a tendency of increasing internecine conflict and warfare, and spreading religious dogmatism. However, this did not correspond to a continuous loss of importance, there were some ups and downs here too: Two relatively short-lived recoveries of Silk Road

---

5 The Pax Mongolica (or Mongol Peace) is a historiographical term, coined after the phrase Pax Romana, which describes the stabilising effects of the conquests (notwithstanding their brutality) of the Mongol Empire on the economic, social, and cultural life of the inhabitants of the vast Eurasian territory that the Mongols had subjugated in the 13th and 14th centuries. The unified administration eased communication and commerce and helped to create a period of relative peace.
trade and exchange interrupted the overall decline. These temporary recoveries were (see Table 1): the ‘mercantilist’ renaissance of overland trade (simultaneous rule of strong leaders who maintained peace and carried out economic reforms) in the late 16th and the early 17th centuries (in the Uzbek Khanate of Bukhara, the Chaghatay Khanate [East Turkestan], Mughal India, the Kazakh Khanate, Muscovite Russia, and Persia), and the ‘last glimmer’ of the Silk Road (as a relatively isolated and backward trading space, and partly benefiting from the Pax Sinica\(^6\)) in the late 18th and early 19th centuries (i.e. ‘The Khanates’ – Bukhara, Khiva [Khorezm] and Khoqand [the Ferghana Basin]).

**POLITICAL STABILITY – THE PRECONDITION OF FLOURISHING TRADE**

Transcontinental political stability, sometimes supported by successful economic (fiscal, monetary, or structural) reforms, may have been the most important factor favouring Silk Road activity. In extreme cases, political unification of (large parts of) the overland trade network (e.g. Mongol Empire, Tamerlane) brought about economic unification (fewer border controls, fewer inspections and tolls, greater mobility of merchants, lower costs of trade) across vast parts of Eurasia. Other factors supporting heydays of the Silk Road were: investments in Silk Road infrastructure (caravanserais, bazaars, bridges, policing etc.), climate change: warming up (may have facilitated e.g. second heyday of Silk Road), and tendencies towards religious unification (spread of Islam and its social rules of behaviour add to economic cohesion across Central Asia). Furthermore, spillovers of Western silver flows from European-conquered America onto the Silk Road in the second half of the 16th and the early 17th century animated transcontinental trade. Europeans reportedly used a substantial share of these flows to pay for coveted Chinese goods (including silk and silkware, tea, china, lacquer). Finally, networks of enterprising merchants were prepared to take risks and get trade going, e.g. Sogdians (eastern Iranians), Uighurs, Bukharans, Indians, Armenians, Khorezmians, Arabs, Chinese, Turks, Tatars and, less frequently, Italians (mostly Genoese and Venetians), Jews, Greeks, and Russians.

In contrast, spreading political instability and warfare most often caused declines of Silk Road activity, and rising Western maritime competition relentlessly eroded the overland network. Among the factors triggering downturns of the Silk Road one can point to the unravelling or lack of economic reforms (often a result of political destabilisation), more frequent bouts of hyperinflation and debasements of currencies. Moreover, climate change played a role: increasing aridity may have contributed e.g. to the decline of the Silk Road after its first heyday, and to setting the stage for the Mongol ‘break-out’ from ancestral lands in the early 13th century. Religious differences and conflict at the borders of Central Asia (Sunnis – Shites) weakened Silk Road activities; from the 11th century we witness increasing religious dogmatism, conventionalism, even fanaticism, lack of curiosity. Diseases/pandemics spread by the Silk Road, notably the ‘Black Death’/bubonic plague (mid-14th century). Rising Western maritime competition circumvented Central Asia and the Silk Road from the early 16th century. (Vasco da Gama reached India on the maritime route in 1498, Fernao Pires de Andrade reached China by sea in 1517.) In the late 17th century Russian Cossacks opened the Siberian route to China, equally bypassing Central Asia and the Silk Road. The demise of the Silk Road arguably came with the conquest of most of Central Asia and its trade network by the Russian Empire: traditional Silk Road exchanges were discontinued and the

\(^6\) The Pax Sinica (or Chinese Peace) is here applied to a period of peace in East and Central Asia, maintained by Chinese hegemony. During this period, trade flourished and Central Asian economies recovered from previous conflicts. It refers to the apex of the Qing dynasty’s political and economic power in the second half of the 18th and the first decades of the 19th century.
region’s economy was transformed by industrial capitalism to fulfilling the role of a specialised raw material supplier (cotton, grain, livestock).

Coming back to the political factor, a possible vicious circle may be detected between political instability and loss of Silk Road revenues: unrest/turmoil leads to decline of Silk Road traffic, which leads to decline of revenues of Silk Road tolls and taxes. This loss of funds available to rulers reduces money for policing the trade routes and/or triggers a search for new funds e.g. by extorting resources from neighbours which both give rise to more instability, which in turn depresses Silk Road revenues further. Moreover, less revenue inflow can also directly reduce rulers’ interest in upholding Silk Road security.

THE GOODS TRADED

Exorbitant transport costs meant that initially only goods with very high value-to-weight ratios such as silk, horses, spices, glass, furs, gems and slaves would be carried or moved over long distances for profit. Over the centuries, regional markets for lower-cost bulkier goods such as grain, olive oil, other preserved foodstuffs, livestock, ferrous metals and metalware, wax and lumber expanded as well. During Antiquity and well into the Middle Ages silk (or bolts of silk, most often Chinese) was so popular as merchandise that it also served as a de facto means of payment. From the late 16th century, silver (whether minted or in bullion form) also attained importance as a medium of exchange. While silk, horses, spices and slaves gradually lost some importance in Silk Road commerce over time due to rising competition in product markets via alternate trade routes and progress on the technological front, they remained significant as commercial articles almost until the demise of the traditional Eurasian trade network.

Finally follows an overview of principal exported products by key regions of the Silk Road:7

East (China, India):
silk and silk textiles, satin, brocades, dyes, ivory products, porcelain (china), lacquerware, tea, spices, rice, ceramics, precious handicrafts, pearls, corals, rhubarb, medicinal plants, tobacco.

Central Asia (Transoxiana, Chagatay Khanate/East Turkestan, Dzungars, Kazakhs, Uzbeks, etc.):
cavalry and race horses, camels, livestock, cotton, cotton cloth, sheepskin, slaves, carpets, rugs, archery weapons, saddlery, jade, glass, paper,8 dried fruit, silk, caviar.

West (Roman Empire, Western Europe, Russia):
gold, silver, fine cloth and other textiles, apparel, glass and glassware, furs, leather, grain, wood, amber, metalware, manufactured products.

The above examples of intensive and well-established economic interaction of major players of the pre-modern world may serve as a modest example of what might be achievable through a revitalised Silk Road across Eurasia in the future.

7 Given the long life of the Silk Road, the importance of the mentioned commercial articles for exporting regions of course varied much over time.

8 Paper was invented in China, but papermaking skills were acquired by the Arabs in the mid-8th century and papermaking workshops were established in Samarkand, Bukhara and other centres of the Islamic world. Central Asia was a renowned paper producing and exporting region for centuries.
INTRODUCTION

Under President Xi Jinping, the ‘Belt and Road Initiative’ (BRI) has become the centrepiece of China’s foreign as well as economic policy. The aim of the BRI is to better connect the vibrant emerging Asian economies with the highly developed European countries, by land (belt) and by sea (road). In reminiscence of the ancient Silk Road, this should be achieved, at land, by means of various ‘economic corridors’ and in a multi-modal way. At sea, the initiative focuses on upgrading existing and establishing new maritime infrastructure to build secure and efficient transport routes. Better connectivity between East and West and comprehensive economic cooperation should stimulate growth in the countries along the Belt and Road and the world at large. Although the BRI is primarily an economic concept, the geopolitical impacts cannot be ignored either.

FROM VISION TO ACTION

Travelling Central Asia in September 2013, Chinese President Xi Jinping for the first time introduced his vision of an ‘innovative and deeper mode of cooperation’ between the countries along the ancient Silk Road and proposed to jointly ‘build a Silk Road Economic Belt’. In doing so, he referred to the ancient Silk Road, standing for a vast network of trade routes crossing the Eurasian continent from China to Europe and connecting to India, which during its heydays saw a vivid exchange of goods, people, culture and religion. But shipping traffic, too, had linked the East to the West, passing through the South China Sea and the Indian Ocean to reach the Mediterranean Sea. The concept of a ‘21st Century Maritime Silk Road’ was first presented by Xi on his Southeast Asian tour in October 2013. At the same time, he proposed to establish the Asian Infrastructure Investment Bank (AIIB), ‘to finance infrastructure construction and promote regional interconnectivity and economic integration’. Both initiatives, the ‘Silk Road Economic Belt’ and the ‘21st Century Maritime Silk Road’ were then combined to the ‘One Belt, One Road’ (OBOR) initiative, which was later renamed ‘Belt and Road Initiative’ (BRI). The Initiative soon became an integral part of China’s foreign as well as economic policy and a first map of the ‘New Silk Road’ was circulated in public (Map 1).
Over the year 2014, the Chinese government communicated its vision of a New Silk Road to various counterparts, such as President Putin of Russia, leaders of Arab states and representatives of the European Union. In November, China announced to contribute USD 40 billion to set up a Silk Road Fund, which should be used to fund infrastructure, industrial cooperation and other projects in countries along the New Silk Road. In December 2014, Chinese Premier Li Keqiang introduced the BRI to the Shanghai Cooperation Organisation (SCO) and immediately thereafter to the Central and East European (CEE) countries, attending the 3rd CEE-China Summit in Belgrade, in the framework of the 16+1 initiative. On this occasion, he stressed the important role the CEE countries might play as a bridgehead of the New Silk Road in Europe.

Finally, in March 2015, Xi Jinping presented the BRI at the 2015 annual conference of the Boao Forum for Asia (BFA), a most prestigious forum for leaders in government, business and academia. At the same time, the National Development and Reform Commission, the Ministry of Foreign Affairs and the

---

4 The 16+1 initiative was launched in 2012 to promote closer economic cooperation between 16 CEE countries and China. 11 of the CEE countries are EU members and 5 are not (Serbia, Bosnia and Herzegovina, Montenegro, Albania and Macedonia).

5 See also: Liu Zuokui, 'The Role of Central and Eastern Europe in the Building of Silk Road Economic Belt', China Institute of International Studies, 18 September 2014; http://www.csis.org.cn/english/2014-09/18/content_7243192.htm
Ministry of Commerce jointly released a comprehensive ‘Action Plan’, which outlines the conceptual framework, the key areas of cooperation and cooperation mechanisms.6

On 25 December 2015, the Asian Infrastructure Investment Bank (AIIB) started operation, with 57 (founding) member states and a registered capital of USD 100 billion, half of which comes from China.

SIX ECONOMIC CORRIDORS AND THE SEA TO CONNECT THE EAST WITH THE WEST

The basic idea of the BRI is to better link up the ‘vibrant East Asia economic circle at one end and the developed European economic circle at the other’7, but going far beyond a simple ‘logistic corridor’. Better connectivity and increased economic cooperation, political coordination and people-to-people contacts should stimulate growth and increase prosperity in the countries along the Belt and Road and in the world at large.

The Silk Road Economic Belt should bring together China, Central Asia, Russia and Europe; link China with the Persian Gulf and the Mediterranean Sea through Central and West Asia; and connect China with Southeast Asia, South Asia and the Indian Ocean. To start with, China will focus on jointly building the following six so-called Economic Corridors, taking advantage of existing international transport routes and including major cities (see Graph of the Month on p. 1).

1. New Eurasian Land Bridge
2. China–Mongolia–Russia Economic Corridor
3. China–Central Asia–West Asia Economic Corridor
4. China–Indochina Economic Corridor
5. China–Pakistan Economic Corridor
6. Bangladesh–China–India–Myanmar Economic Corridor

The China–Pakistan Economic Corridor (CPEC), connecting the Chinese province of Xinjiang to the port of Gwadar on the Indian Ocean, and the ‘Bangladesh–China–India–Myanmar Economic Corridor’ (BCIMEC), connecting the Chinese province of Yunnan to Kolkata in India, have been agreed already among the parties involved and first actions have been taken.

The 21st Century Maritime Silk Road should mainly link up China with the South Pacific and the Indian Ocean through the South China Sea, connecting the Asian, African and European continents, by upgrading existing and establishing new maritime infrastructure to build secure and efficient transport routes.

To realise the objectives of the BRI, the countries along the Belt and Road should promote regional cooperation and coordinate their economic development strategies. Priority should be given to improving the connectivity of infrastructure facilities, including highways, railways, air routes, energy transmission, telecommunication and ports. Existing investment and trade barriers should be removed to create a

7 Ibidem, Section III.
sound business environment along the Belt and Road. Cooperation in natural resource exploration and use should be improved and industrial cooperation enhanced. To support cooperation in the real sector, deeper regional financial cooperation is needed as well. Also, increased people-to-people contacts such as cultural and academic exchanges, tourism, meetings of experts, of NGOs etc., are considered very important to provide public support for implementing the BRI.

All proposals for building a New Silk Road should be planned and carried out in a cooperative manner among the parties involved. Existing mechanisms of cooperation, such as ASEAN8, ASEAN+China (10+1), SCO etc. should be used, and new instruments, e.g. city partnerships, should be created to push forward the building of the Belt and Road.

Given the huge effort China is putting into publicising and promoting the BRI, the question arises, what are China’s interests and expected gains from the Initiative?

**WHAT MAKES CHINA PROPOSE A NEW SILK ROAD?**

There are many good reasons why the Chinese government is coming up with the BRI right now.

*Shorter and safer trade routes to Europe:* The EU is China’s largest market abroad. But other European countries which are not members of the EU are considered lucrative potential markets as well, such as the Western Balkans and Belarus.

*Diversification of markets:* China is an open economy, strongly relying on foreign markets for its development. The weak recovery of the global economy and China’s declining competitiveness in some sectors, due to higher wages and prices, are making the search for new markets an urgent task.

*Utilisation of excess capacities:* The current slowdown and restructuring of the Chinese economy from investments to consumption (the ‘new normal’) have created huge over-capacities in certain branches, such as construction and related finance, steel, cement, machinery and equipment. Engaging in infrastructure projects along the New Silk Road will help to tackle these over-capacities.

*Taking advantage of high-speed rail expertise:* Chinese enterprises have gained great experience in high-speed rail construction within China and are looking for projects abroad now.

*Extension of the ‘Go West Strategy’:* For some years already, China tries to rebalance its economy from the highly developed coastal provinces in the east to the less advanced central and western provinces. Under the BRI, the northwestern province of Xinjiang should become the gateway to Central Asia, which will open up new opportunities for trade and investment and boost development there. In central China, Xian (former Chang’an, the starting point of the ancient Silk Road) should develop into a new centre of

---

8 The Association of Southeast Asian Nations (ASEAN) is a forum for regional cooperation in Southeast Asia. The ten member countries are: Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei, Cambodia, Laos, Myanmar and Vietnam.
economic development and innovation. In the southwest, the province of Yunnan should become the
door to South and Southeast Asia.⁹

Securing energy supply and other natural resources: Central Asia is rich not only in oil and gas, but
some other important minerals, such as gold and uranium, as well. Moreover, the 21st Century Maritime
Silk Route will connect China with the Middle East and Africa, its most important suppliers of oil so far.

Internationalisation of the Chinese currency: The development of closer trade and investment relations
and deeper financial integration among the Road and Belt countries will promote the use of the Chinese
currency in international transactions and thus the internationalisation of the yuan.

Counterbalance to US initiatives: From a geopolitical point of view, the BRI can be seen as an
alternative to the ‘Transpacific Partnership’ (TPP) initiated by the United States, providing for closer
economic cooperation among the Pacific Rim states (without China), which is currently in the process of
ratification, and the planned Transatlantic Trade and Investment Partnership (TTIP) between the USA
and the EU.

Security considerations: The agreement on the China–Pakistan Economic Corridor, for example, could
be used as a leverage in the fight against Uighur rebels and their supporters in neighbouring Pakistan.

Finally, the BRI fits perfectly in the ‘Chinese Dream’, popularised since 2012 by the Communist Party of
China (CPC) and promoted in particular by Xi Jinping. In brief, it envisages prosperity for each individual
Chinese, on the one hand, and a renaissance of the greatness of the Chinese empire, on the other.¹⁰

The BRI is designed to be ‘open and inclusive’, all countries are invited to join the initiative and take their
specific parts in it. The countries along the Silk Road, altogether more than 60, are most likely to join the
initiative in some way. However, given the huge dimension and geopolitical relevance of the project, if it
is realised, also countries staying apart or outside the scope of the New Silk Road will need to formulate
a response to China’s initiative.

BRI AND CENTRAL AND EASTERN EUROPE

The international interest in the BRI is very broad. This is indicated, for instance, by the participation of
about 80 representatives of around 70 think tanks from more than 50 countries in the first ‘Silk Road
Dialogue’ in February 2016¹¹, and the large number of founding members (57) of the Asian Infrastructure
Investment Bank (AIIB), including countries along the Belt and Road mainly, but others as well. Notably,two major economic powers, the USA and Japan, have not joined.

---

⁹ Notably, Tibet is not included in the Belt and Road Initiative, probably because ‘open borders’ are politically not feasible
there. Nevertheless, a new railway is planned from Tibet to Nepal, which would facilitate trans-border trade and trade
with India via Nepal.

background and deeper meaning of the Chinese Dream, see: Gerd Kaminski, ‘Xi Jinping’s Chinesischer Traum und die

¹¹ This dialogue was jointly organised by the Center for Contemporary World Studies, Shenzhen Municipal Government
and Fudan University on 22/23 February 2016 and resulted in the founding of the ‘Silk Road Think Tank Association’,
issuing the ‘Shenzhen declaration’ on 23 February 2016.
The 18 European AIIB founding members include all major West European economies and two Central and East European countries, namely Poland and Russia. Other Central and East European countries who wish to participate in the BRI, such as Hungary, Serbia, Montenegro and Macedonia, do this in the 16+1 framework (see footnote 4). Their idea is to extend the 21st Century Maritime Silk Road from the Greek port of Piraeus all through to Budapest. A high-speed railway between Belgrade and Budapest, China’s first high-speed rail project in Europe, is already under construction. Only recently, the Czech Government under President Miloš Zeman has also become a supporter of the BRI, and a number of cooperation agreements with China have been signed already.12 Ukraine, too, is keen to take part in the Initiative and has proposed a railway-ferry route to Iran, bypassing Russia, to become a branch of the New Silk Road. Belarus is also part of the game; it signed a respective ‘Memorandum of Cooperation’ with China at the end of 2014 and its key project with China, the ‘Great Stone’ industrial park, should become an integral part of the New Silk Road.13

The European Union takes a relatively cautious approach to the BRI. In its recently published ‘New China Strategy’ it welcomes increasing connectivity between the EU and China, but makes cooperation dependent ‘on China fulfilling its declared aim of making it an open platform which adheres to market rules and international norms in order to deliver benefits for all’14. The EU–China Connectivity Platform should become the main vehicle for working with China to connect the Eurasian continent.

There is, of course, great enthusiasm from many non-European, economically less advanced countries along the Belt and Road, hoping that the Initiative will help them to upgrade their infrastructure, promote trade, transfer technology and boost economic development. To confirm their interest, a number of countries have already signed some ‘Memorandum of Understanding’ (MoU) or other forms of agreements with China. Most prominently, in April 2014, Pakistan and China signed various agreements in the fields of energy supply and road infrastructure worth USD 46 billion, to establish the China–Pakistan Economic Corridor. Kazakhstan is another important ally of China in the Silk Road initiative and a number of joint projects are under way already. The most prominent one is the Khorgos Eastern Gate at the border to China, which should become a major logistic hub on the way to Central Asia and Europe.

Russia, which is envisaged to become an important part of the New Eurasian Land Bridge and of the China–Mongolia–Russia Corridor, supports the BRI and hopes to take advantage of it. But because of the huge costs of the necessary infrastructure and the lack of funds under Russia’s current economic situation, concrete action will be slow. As an ‘early harvest’ project, China will help to build a high-speed railway between Moscow and the city of Kazan (the first segment of an ambitious transnational high-speed railway set to connect Beijing with Moscow) and promised to invest in a plant in Russia to build high-speed trains. As regards Central Asia, Russia and China have agreed to ‘link up’ the BRI and the Eurasian Economic Union (EAEU: Russia, Kazakhstan, Belarus, Kyrgyzstan and Armenia) by starting negotiations on trade facilitation measures between the EAEU and China.15 At least, as long as Russia

---


and China maintain profound friendly ties, the BRI is not expected to cause a serious power contest between the two countries.

GRAND STRATEGY OR BUBBLE – SOME CRITICAL REMARKS

First and foremost, the wide scope and huge geographic scale of the BRI are prone to raise doubts about the feasibility of the project, even in the longer run. Considering the enormous financial needs for the infrastructure projected, the necessary financial resources might be well beyond the reach of many countries, and perhaps of China as well, given the slowdown of its economy.16 Already now, certain projects in Kazakhstan which are ready for realisation have to wait because the funds committed by China have not arrived. Furthermore, several countries along the Belt and Road are politically instable, battling internal strife and extremist insurgences. Also, persistent political quarrels between individual countries along the Belt and Road (e.g. Pakistan with Afghanistan and India) could bring the BRI to fall.

The second set of reservations refers to economic issues. For the New Silk Road to become economically viable, trade has to flow both ways. But so far, trade flows from China have exceeded reverse trade flows significantly, and countries along the Belt and Road fear that, other things being equal, improved connectivity will further deteriorate their trade balances with China. In the first stage, the BRI has been focusing on infrastructure build-out, in particular in transportation. But although the BRI is declared to be ‘open and inclusive’, infrastructure so far has been constructed by Chinese companies mainly, helping them to reduce their excess capacities. Also, most of the infrastructure has been built with Chinese labourers, generating little employment and other benefits to the recipient countries. As a matter of fact, government financial and political support is putting Chinese companies in an advantageous position compared to competitors from other countries. A lack of proper feasibility studies might drive ambitious countries into high and unsustainable indebtedness (a famous example is the Hambantota seaport project in Sri Lanka).

The third group of concerns stresses geopolitical aspects. One major concern is the fear that the increasing economic engagement of China in the region will also increase its political power, at the cost of other major powers, such as the USA, Russia, India and Japan. This may result in fierce power struggles in South and Central Asia and along the 21st Century Maritime Silk Road, for instance in the South China Sea but in the Indian Ocean as well. Notably, the BRI will help China to develop from a land power to a sea power, with important strategic implications.

To conclude, the BRI has the potential to become a grand engine of growth and to give a major boost to regional cooperation for decades to come and has already triggered many projects which otherwise would not have been implemented. But certain obstacles have to be overcome and some concerns will remain.

---

16 The countries along the Belt and Road are already capturing over 75% of the overseas loan commitments made by the China Development Bank and the China Export-Import Bank. “China’s total investment (and its partners’ in the AIIB) in its master plan could exceed USD 1.4 trillion by some estimates, making it 12 times larger than the Marshall Plan, or approximately 15% of China’s GDP” (“China’s New Silk Road: Tactics, Overstretch or Grand Strategy?”, Greater Pacific Capital, p. 2; http://greaterpacificcapital.com/chinas-new-silk-road-tactics-overstretch-or-grand-strategy/)
INTRODUCTION

The Eurasian continent is in turmoil. To the West, the European Union (EU) is still struggling to accommodate the Eastern Enlargement and the aftermath of the financial crisis. Economic growth remains sluggish and unemployment is persistently high. The sustainability of Greek public debt and risks of Grexit remain unresolved issues. In the United Kingdom, 52% of the voters opted for leaving the EU in the referendum of 23 June 2016. The consequences of the migration crisis and Brexit have been shaking the very foundations of the EU and the political stability in several of the 28 EU Member States. Both EU Commission President Jean-Claude Juncker and EU Council President Donald Tusk have recently acknowledged the unprecedented dangers which currently threaten the EU. Future EU enlargements were effectively put on hold, the candidates for EU membership from Southeast Europe, not to mention Turkey, will at best face a longer waiting line and more hurdles. The EU Neighbourhood Policy has essentially failed and is currently under review; Ukraine and Moldova are torn apart.

To the East, the newly (2015) established Eurasian Economic Union (EAEU) of Armenia, Belarus, Kazakhstan, Kyrgyzstan dominated by Russia is based on the earlier Customs Union. The EAEU claims to be modelled on the EU example, potentially aiming at implementing the ‘four freedoms’ (free movement of goods, services, capital and labour) and offering an alternative integration option for countries which either do not aspire (Russia) or do not have a realistic EU accession perspective (the remaining EAEU four). Yet the EAEU is currently also in a deep economic crisis (its GDP shrank in 2015 and will likely decline also this year) and its governance structures have been cumbersome and heavily dominated by Russian geopolitical interests and clumsy behaviour. Whereas the institutional weaknesses of the EAEU could perhaps be blamed on its short time of existence, the economic dominance of Russia in the EAEU, combined with its rising assertiveness, will represent a serious challenge for both the EAEU’s economic and institutional development and the sustainability of its very existence.

The recent conflict between the EU and Russia – not just over Ukraine – represents an additional challenge for the prospects of EU-EAEU relations and for the future of a potential Eurasian integration. In this situation, the emergence of China as a global player and the geo-economic and geopolitical implications of its recent initiatives in Eurasia, most notably its ‘One Belt, One Road’ (or Silk Road) project, add new challenges for both EU and EAEU integration. This note discusses briefly some of the

---

1 For more information see http://www.eurasiancommission.org/en/Pages/default.aspx.
2 Several initiatives have been exploring the prospects and modalities of future EU-EAEU relations and the prospective economic integration, e.g. by IIASA (2015) in Austria; Bertelsmann Stiftung (2016) in Germany; Astana Club (2015) in Kazakhstan.
3 The Silk Road initiative was proposed in 2013 by Chinese President Xi Jinping in Astana, Kazakhstan (Sultangalieva, 2016).
key economic dimensions and illustrates the existing asymmetries which affect competing forms of cooperation cum integration on the Eurasian continent.

**ECONOMIC DIMENSIONS OF COMPETING INTEGRATIONS IN EURASIA**

Until recently, the EU has been expanding (Croatia joined as the 28th Member State in July 2013) and has currently more than 500 million inhabitants and an aggregate GDP of nearly EUR 14.6 trillion. Within the EU, there are 19 countries using the common currency, the euro. In addition, there have been five official candidates waiting for EU membership (Serbia, Macedonia, Montenegro, Albania and Turkey) and other potential membership candidates in the Western Balkans (Bosnia and Herzegovina, Kosovo). Despite all current problems, the EU thus represents an attractive hub as a large and wealthy market. In terms of the distribution of economic potential among individual members, the EU economy is relatively balanced, though the German economy is bigger than that of the United Kingdom, France, Italy or Spain (Figure 1). The combined economic size of the 11 new Members States from Central and Eastern Europe (NMS) is approximately the same as that of the United Kingdom. After Brexit, the EU economy will be even more dominated by Germany – whose economy already now is often viewed as excessively large.

**Figure 1 / Real GDP in the ‘enlarged’ EU and EAEU, in % of total, at PPP, 2015**

![Pie chart showing the distribution of GDP in the 'enlarged' EU and EAEU in 2015.](image)

Note: ‘Enlarged’ EU includes the five EU candidates.
Source: Eurostat, Eurasian Economic Commission and own estimates.

In contrast, the EAEU – which is much smaller (aggregate GDP at PPP some EUR 3 trillion with a population of just 183 million) and poorer than the EU (real per capita GDP of EUR 28,600 in the EU versus EUR 17,000 in the EAEU) – is very much dominated by Russia (86% of EAEU GDP and 80% of its population). Russia’s economic dominance in the EAEU represents both a curse and a blessing: Russia has to try to mitigate its strengths and to at least balance mutually agreed EAEU policies, taking
into account — at least notionally — interests of other EAEU members as well. However, some Russian unilateral decisions (e.g. imposing sanctions on agri-food imports from the West and Ukraine) have been neither welcomed nor supported by other EAEU partners. Both Belarus President Alexander Lukashenko and Kazakh President Nursultan Nazarbayev expressed their disagreement with Russia’s heavy-handed decisions.

Looking at the ‘common’ economic space from ‘Lisbon to Vladivostok’ proposed by various political leaders in the past that is putting economies of both the enlarged EU and the EAEU together, one can see that weights of the individual partners adjust accordingly (Figure 2). Russia’s share in such a super-Eurasian integration project would approximate to that of Germany (about 15%), the EAEU’s share to some 16% and the enlarged EU would account for about 80% of the super-Eurasian economy (all expressed at purchasing power parities – PPP). These shifts in shares of individual economies would obviously affect also the potential decision-making processes in integrated Eurasia. Whether Russia would be content to accept its diminishing role in such an integration arrangement is questionable given its global aspirations.

With China’s invoking the ‘Greater Eurasia’ integration project (super-Eurasia + China) via its ‘Silk Road’ initiative, the shifts in relative economic weights would be even more pronounced: the share of China in

---

4 The latter has not always been the case: the common EAEU customs tariff reflects largely the previous Russian one (e.g. Kazakhstan was obliged to increase its WTO-agreed tariffs after adopting the common EAEU customs schedule). On the other hand, the distribution of seats in the EAEU Commission reflects proportionality in the representation of individual members, contributions to EAEU budgets are proportional to the economic size and customs revenues of EAEU members, etc.

5 At exchange rates, the EAEU share would be much lower owing to undervalued domestic currencies (e.g. the PPP of the Russian rouble and the Kazakh tenge were more than twice as high as the respective exchange rate in 2015).
the combined economy of ‘Greater Eurasia’ would be around 40% (again at PPP),{6} approximately the same as that of the EU (including the United Kingdom). Moreover, while the size of the Chinese economy has been increasing (even if at a slower pace than earlier), those of the other Eurasian integration partners has been recently stagnating (EU) or even shrinking (EAEU).

**Figure 3 / Real GDP in Greater Eurasia (‘Lisbon – Vladivostok – Shanghai’), in % of total, at PPP, 2015**

Source: Eurostat, Eurasian Economic Commission, IMF and own estimates.

**TRADE AND INVESTMENT FLOWS IN EURASIA**

Trade and investment flows between the EU, EAEU (Russia) and China have been grossly imbalanced as well. A schematic illustration of trade flows is provided in Figure 4. The main message is that Russia (EAEU) has been a marginal trading partner for both the EU and even more so for China. At the same time, Russia is heavily dependent on both the EU (50% of Russian exports and 38% of imports in 2015) and China (especially for imports: 19% of Russian imports originated in China in 2015). Russia’s trade with the EU has been declining in both absolute and relative terms, while trade shares with China have been growing (yet trade volumes with China have been falling in absolute terms due to the fall in oil prices and rouble devaluation). The attempted Russian change of pivot from the EU to China since the Ukraine conflict has so far not been very successful and will be arguably difficult even in the medium and long term due to structural, geographic and logistic reasons.\(^7\) Russia is traditionally having large trade surpluses with the EU and rising deficits with China. The size of both depends essentially on the oil price.

---

\(^6\) China’s GDP at PPP stood at 19.4 trillion international $ in 2015, the EU’s GDP at 19.2 trillion $, according to the IMF. In per capita terms, the EU was 2.7 times richer than China (37,800 $ vs 14,100 $ in 2015).

\(^7\) See Havlik (2015) and below.
For the EU, China has been a much more important trading partner than Russia: in 2015, EU imports from China amounted to EUR 350 billion (7.4% of the total), EU imports from Russia to EUR 136 billion (2.9%); EU exports to China were EUR 170 billion (3.5%), those to Russia EUR 74 billion (1.5%). The EU’s trade deficit with China reached EUR 180 billion in 2015 (after EUR 140 billion in 2014), its deficit with Russia was EUR 62 billion (EUR 80 billion in 2014). In addition, there are important structural differences in the commodity composition of EU-Russia (EAEU)-China trade: more than half of EU exports to both China and Russia are machinery, vehicles, aircraft and pharmaceuticals. More than 50% of EU imports from China are made up of electrical and mechanical machinery. Therefore, there is strong evidence for a lot of EU-China intra-industry trade. In contrast, at least 75% of imports from Russia (both of the EU and China) are made up of mineral fuels, an additional 4% of metals (iron, steel and aluminium), wood and fertilisers. These structural features of trade have also implications for the logistics and efficient capacity utilisation of the Silk Road infrastructure (pipelines, rail cargo, sea containers, etc.).

As far as current FDI stocks are concerned, the data are notoriously unreliable and contradictory. According to China Global Investment Tracker, during 2004-2015 China invested USD 30.3 billion in Russia and USD 25.2 billion in Kazakhstan (Sultangalieva, 2016, p. 23). The Russian Central Bank reports Chinese FDI stocks in Russia as of end-2015 at less than USD 2 billion (and less than USD 3 billion as of end-2014). The Eurasian Development Bank reports Chinese investment in Russia at USD 4 billion and in Kazakhstan at USD 23.6 billion. Regardless of the serious data discrepancies, there is no doubt that Chinese investments have been rapidly expanding in both the EAEU and EU, and that Russian investment resources are constrained owing to the crisis related to weak energy prices.

---

8 See www.cbr.ru.

9 In the EU ranging from participation in the privatisation of the Greek port Piraeus to financing the Hinckley Point nuclear power plant in the UK.
The Sino-Russian gas and pipeline deals in Altai and Eastern Siberia of 2014 face numerous (not only financial) obstacles, yet would contribute to meeting China’s environmental goals as well (Paik, 2015).

**SOME CONCLUSIONS**

The Silk Road initiative has strategic implications not only for China but for Russia, the EAEU and the EU as well. Both Russia and China aim to counter the US-led TPP and TTIP trade megadeals; both attempt to counter the US-dominated global economic and geo-strategic policies. As a result of the conflict with the EU, Russia strives to diversify its exports and switch the pivot to China whereas China pursues also regional policies, aiming to develop its own backward and restive western Xinjiang region.

Economic cooperation along the Silk Road is challenged by huge asymmetries and diverging interests (including geopolitics) of individual partners. The EU and China would dominate the ‘Greater Eurasia’ economic space while the EAEU (Russia) would become a ‘junior’ partner, largely confined to play the role of suppliers of energy and raw materials and providing just a transit corridor for EU-China intra-industry trade exchanges. At the moment it is difficult to imagine that Russia would be content to accept such a reduced part in the ambitious Silk Road geopolitical play. The rise of anti-globalisation sentiments in Europe represents another obstacle to the Silk Road construction.

Notwithstanding numerous financial, political, logistic and other challenges, a closer integration of the EU, EAEU, other Eastern Partnership countries and China could boost trade, investment and growth in a Greater Eurasia. But geopolitics matter: a broad Eurasian integration and more cooperation instead of confrontation in the medium and long run – from Lisbon to Vladivostok and Shanghai – would spare Ukraine and other Eastern Partnership countries from making ‘impossible’ either/or choices.

**SELECTED REFERENCES**


---

10 It is illustrative that the USA has been largely hostile to China’s Silk Road initiative (Luft, 2016).


IIASA (2016), ‘Challenges and Opportunities of Economic Integration Within a Wider European and Eurasian Space’, International Institute for Applied Systems Analysis (IIASA), Laxenburg, Austria; [http://www.iiasa.ac.at/web/home/research/eurasian/EconomicIntegration.html](http://www.iiasa.ac.at/web/home/research/eurasian/EconomicIntegration.html).


The editors recommend for further reading*

What is a ‘good society’?

Debating the Consensuses: The Beijing Consensus vs. The Washington Consensus, by Weitseng Chen:
http://www.e-axes.com/content/debating-consensuses-beijing-consensus-vs-washington-consensus

Reframing the world, by Branko Milanovic: http://www.e-axes.com/content/reframing-world

Is Modern Capitalism Sustainable?, by Kenneth Rogoff:
http://www.e-axes.com/content/modern-capitalism-sustainable

The Rise and Fall of General Laws of Capitalism, by Daron Acemoglu and James A. Robinson:
http://www.e-axes.com/content/rise-and-fall-general-laws-capitalism

Migration

From Refugees to Workers: Mapping Labour Market Integration Support Measures for Asylum-Seekers and Refugees in EU Member States, by the Bertelsmann Stiftung (ed.):

Human Capital, Values, and Attitudes of Persons Seeking Refuge in Austria in 2015:
http://journals.plos.org/plosone/article?id=10.1371/journal.pone.0163481

What we can learn from the refugee crisis that doomed the Roman empire:

Economic growth

Romer on what drives economic growth: http://www.e-axes.com/content/economic-growth-1

Summers sees more secular stagnation and rise of authoritarianism:

Gavyn Davies on improved growth prospects:

Russia

On information war between the West and Russia:
http://carnegie.ru/publications/?fa=64620&mkt_tok=eyJpIjoiTW1lX1h1X1d1X1UmtZelV6TkRJeSIsInQiOiJNb3Z5eVhOcG9NenRCOUVXaGe0TkVQZVVMV1hncDFZys2aInQHlvK0dZUnRYNW5GQWlXQ5c3hiZFU2S21YcXBwRkRCTFEzNUnY29La2RmUFwawVld1YXArUTd1a1cL3BMR0tJbUZFPSJ9

Orlova on Putin dealing:
http://www.the-american-interest.com/2016/10/12/putins-crony-gets-his-unfair-share/

Parallel biographies of Putin and Merkel:
http://www.prospectmagazine.co.uk/magazine/moscow-vs-merkiavelli-putin-merkel-russia-germany-europe

More on Russia: http://bostonreview.net/books-ideas smith-charles-clover-black-wind-white-snow

* Recommendation is not necessarily endorsement. The editors are grateful to Vladimir Gligorov for his valuable contribution to this section.
Monthly and quarterly statistics for Central, East and Southeast Europe

The monthly and quarterly statistics cover 20 countries of the CESEE region. The graphical form of presenting statistical data is intended to facilitate the analysis of short-term macroeconomic developments. The set of indicators captures tendencies in the real sector, pictures the situation in the labour market and inflation, reflects fiscal and monetary policy changes, and depicts external sector development.

Baseline data and a variety of other monthly and quarterly statistics, country-specific definitions of indicators and methodological information on particular time series are available in the wiiw Monthly Database under: [http://data.wiiw.ac.at/monthly-database.html](http://data.wiiw.ac.at/monthly-database.html). Users regularly interested in a certain set of indicators may create a personalised query which can then be quickly downloaded for updates each month.

**Conventional signs and abbreviations used**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>per cent</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>LFS</td>
<td>Labour Force Survey</td>
</tr>
<tr>
<td>HICP</td>
<td>Harmonised Index of Consumer Prices (for new EU Member States)</td>
</tr>
<tr>
<td>PPI</td>
<td>Producer Price Index</td>
</tr>
<tr>
<td>M1</td>
<td>Currency outside banks + demand deposits / narrow money (ECB definition)</td>
</tr>
<tr>
<td>M2</td>
<td>M1 + quasi-money / intermediate money (ECB definition)</td>
</tr>
<tr>
<td>p.a.</td>
<td>per annum</td>
</tr>
<tr>
<td>mn</td>
<td>million ($10^6$)</td>
</tr>
<tr>
<td>bn</td>
<td>billion ($10^9$)</td>
</tr>
</tbody>
</table>

The following national currencies are used:

<table>
<thead>
<tr>
<th>Code</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL</td>
<td>Albanian lek</td>
</tr>
<tr>
<td>BAM</td>
<td>Bosnian convertible mark</td>
</tr>
<tr>
<td>BGN</td>
<td>Bulgarian lev</td>
</tr>
<tr>
<td>CZK</td>
<td>Czech koruna</td>
</tr>
<tr>
<td>HRK</td>
<td>Croatian kuna</td>
</tr>
<tr>
<td>EUR</td>
<td>euro – national currency for Montenegro and for the euro-area countries Estonia (from January 2011, euro-fixed before), Latvia (from January 2014, euro-fixed before), Lithuania (from January 2015, euro-fixed before), Slovakia (from January 2009, euro-fixed before) and Slovenia (from January 2007, euro-fixed before).</td>
</tr>
<tr>
<td>HUF</td>
<td>Hungarian forint</td>
</tr>
<tr>
<td>KZT</td>
<td>Kazakh teng</td>
</tr>
<tr>
<td>MKD</td>
<td>Macedonian denar</td>
</tr>
<tr>
<td>PLN</td>
<td>Polish zloty</td>
</tr>
<tr>
<td>RON</td>
<td>Romanian leu</td>
</tr>
<tr>
<td>RSD</td>
<td>Serbian dinar</td>
</tr>
<tr>
<td>RUB</td>
<td>Russian rouble</td>
</tr>
<tr>
<td>TRY</td>
<td>Turkish lira</td>
</tr>
<tr>
<td>UAH</td>
<td>Ukrainian hryvnia</td>
</tr>
</tbody>
</table>

Sources of statistical data: Eurostat, National Statistical Offices, Central Banks and Public Employment Services; wiw estimates.
Online database access

The wiwi databases are accessible via a simple web interface, with only one password needed to access all databases (and all wiwi publications).

You may access the databases here: [http://data.wiiw.ac.at](http://data.wiiw.ac.at).

If you have not yet registered, you can do so here: [http://wiiw.ac.at/register.html](http://wiiw.ac.at/register.html).

New service package available

Starting from January 2014, we offer an additional service package that allows you to access all databases – a Premium Membership, at a price of € 2,300 (instead of € 2,000 as for the Basic Membership). Your usual package will, of course, remain available as well.

For more information on database access for Members and on Membership conditions, please contact Ms. Gabriele Stanek (stanek@wiiw.ac.at), phone: (+43-1) 533 66 10-10.
Albania

Real sector development
annual growth rate in %
- Industry
- Employed persons (LFS)
- Construction

Unit labour costs in industry
annual growth rate in %
- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
in %
- Consumer prices
- Producer prices in industry
- Unemployment rate (LFS)

Fiscal and monetary policy
in %
- General gov. budget balance, cumulated, in % of GDP
- M2, annual growth rate
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
annual growth rate in %
- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/ALL, PPI deflated

External finance
EUR bn
- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
**Bosnia and Herzegovina**

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.*

Source: wiw Monthly Database incorporating Eurostat and national statistics. Baseline data, country-specific definitions and methodological breaks in time series are available under: [http://data.wiw.ac.at/monthly-database.html](http://data.wiw.ac.at/monthly-database.html)
Bulgaria

Real sector development
annual growth rate in %
- Industry, 3-month moving average
- Construction, 3-month moving average
- Employed persons (LFS)

Unit labour costs in industry
annual growth rate in %
- Wages nominal, gross
- Productivity*
- Unit labour costs

Inflation and unemployment
- Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

Fiscal and monetary policy
- General govt. budget balance, cumulated, in % of GDP
- Broad money, annual growth rate
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
annual growth rate in %
- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/BGN, PPI deflated

External finance
UER bn
- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiwi Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiwi.ac.at/monthly-database.html
Croatia

Real sector development
annual growth rate in %

-8 -6 -4 -2 0 2 4 6 8 10
Aug-14 Feb-15 Aug-15 Feb-16 Aug-16

Industry, 3-month moving average
Construction, 3-month moving average
Employed persons (LFS)

Unit labour costs in industry
annual growth rate in %

-8 -6 -4 -2 0 2 4 6 8 10
Aug-14 Feb-15 Aug-15 Feb-16 Aug-16

Wages nominal, gross
Productivity*
Exchange rate
Unit labour costs

Inflation and unemployment
in %

-8 -7 -6 -5 -4 -3 -2 -1 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16
Aug-14 Feb-15 Aug-15 Feb-16 Aug-16

Left scale:
Consumer prices (HICP)
Producer prices in industry
Right scale:
Unemployment rate (LFS)

Fiscal and monetary policy
in %

-2.0 -1.0 0.0 1.0 2.0 3.0 4.0 5.0
Aug-14 Feb-15 Aug-15 Feb-16 Aug-16

Left scale:
General gov. budget balance, cumulated, in % of GDP
Broad money, annual growth rate
Central bank policy rate (p.a.)
Central bank policy rate (p.a.), real, defl. with annual PPI
Right scale:
Current account

External sector development
annual growth rate in %

-8 -7 -6 -5 -4 -3 -2 -1 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16
Aug-14 Feb-15 Aug-15 Feb-16 Aug-16

Exports total, 3-month moving average (EUR based)
Imports total, 3-month moving average (EUR based)
Real exchange rate EUR/HRK, PPI deflated

External finance
EUR bn

-2.0 -1.0 0.0 1.0 2.0 3.0 4.0 5.0
Aug-14 Feb-15 Aug-15 Feb-16 Aug-16

Left scale:
Gross reserves of NB excl. gold
Gross external debt
Right scale:
Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiwi Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiwi.ac.at/monthly-database.html
Czech Republic

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiwi Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Estonia

**Real sector development**

Annual growth rate in %

- Industry, 3-month moving average
- Construction
- Employed persons (LFS)

**Unit labour costs in industry**

Annual growth rate in %

- Wages nominal, gross
- Productivity
- Unit labour costs

**Inflation and unemployment**

Annual growth in %

- Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

**Fiscal and monetary policy**

- General gov. budget balance, cumulated, in % of GDP
- Broad money, annual growth rate
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

**External sector development**

Annual growth rate in %

- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/EUR, PPI deflated

**External finance**

EUR bn

- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiwiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Hungary

Real sector development

Unit labour costs in industry

Inflation and unemployment

Fiscal and monetary policy

External sector development

External finance

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Kazakhstan

Real sector development
annual growth rate in %

- Industry, 3-month moving average
- Employed persons (LFS)

Unit labour costs in industry
annual growth rate in %

- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
annual growth in %

- Consumer prices
- Producer prices in industry
- Unemployment rate (LFS)

Fiscal and monetary policy
in %

- General government budget balance, cumulated, in % of GDP
- Broad money, annual growth rate
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
annual growth rate in %

- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/KZT, PPI deflated

External finance
EUR bn

- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiw.ac.at/monthly-database.html
Latvia

Real sector development
annual growth rate in %

Unit labour costs in industry
annual growth rate in %

Inflation and unemployment
in %

Fiscal and monetary policy
in %

External sector development
annual growth rate in %

External finance
EUR bn

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Lithuania

**Real sector development**
annual growth rate in %
- Industry, 3-month moving average
- Employed persons (LFS)
- Construction

**Unit labour costs in industry**
annual growth rate in %
- Wages nominal, gross
- Exchange rate
- Unit labour costs

**Inflation and unemployment**
in %
- Consumer prices (HICP)
- Producer prices in industry
- Unemployment rate (LFS)

**Fiscal and monetary policy**
in %
- General gov. budget balance, cumulated, in % of GDP
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

**External sector development**
annual growth rate in %
- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/EUR-LTL, PPI deflated

**External finance**
EUR bn
- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Macedonia

Real sector development

Unit labour costs in industry

Inflation and unemployment

Fiscal and monetary policy

External sector development

External finance

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiwi Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Montenegro

Real sector development
annual growth rate in %

Unit labour costs in industry
annual growth rate in %

Inflation and unemployment
in %

Fiscal and monetary policy
in %

External sector development
annual growth rate in %

External finance
EUR bn

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Poland

Real sector development
annual growth rate in %

Unit labour costs in industry
annual growth rate in %

Inflation and unemployment
in %

Fiscal and monetary policy
in %

External sector development
annual growth rate in %

External finance
EUR bn

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Romania

Real sector development
annual growth rate in %

Left scale:
- Industry, 3-month moving average
- Employed persons (LFS)

Right scale:
- Construction, 3-month moving average

Unit labour costs in industry
annual growth rate in %

Wages nominal, gross
Productivity*
Exchange rate
Unit labour costs

Inflation and unemployment
in %

Left scale:
- Consumer prices (HICP)
- Producer prices in industry

Right scale:
- Unemployment rate (LFS)

Fiscal and monetary policy
in %

Left scale:
- General gov. budget balance, cumulated, in % of GDP
- Broad money, annual growth rate

Right scale:
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
annual growth rate in %

Exports total, 3-month moving average (EUR based)
Imports total, 3-month moving average (EUR based)
Real exchange rate EUR/RON, PPI deflated

External finance
EUR bn

Left scale:
- Gross reserves of NB excl. gold
- Gross external debt

Right scale:
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiw.ac.at/monthly-database.html
Russia

Real sector development
annual growth rate in %

- Industry, 3-month moving average
- Construction, 3-month moving average
- Employed persons (LFS)

Unit labour costs in industry
annual growth rate in %

- Wages nominal, manuf., grass
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
in %

- Consumer prices
- Producer prices in industry
- Unemployment rate (LFS)

Fiscal and monetary policy
in %

- General gov. budget balance, cumulated, in % of GDP
- M2, annual growth rate
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
annual growth rate in %

- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/RUB, PPI deflated

External finance
EUR bn

- Gross reserves of NB excl. gold
- Gross external debt
- Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiw.ac.at/monthly-database.html
Serbia

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Slovakia

Real sector development
annual growth rate in %
- Industry, 3-month moving average
- Construction, 3-month moving average
- Employed persons (LFS)

Unit labour costs in industry
annual growth rate in %
- Wages nominal, gross
- Productivity *
- Unit labour costs

Inflation and unemployment
in %
- Left scale:
  - Consumer prices (HICP)
  - Producer prices in industry
  - Unemployment rate (LFS)
- Right scale:

Fiscal and monetary policy
in %
- Left scale:
  - General govt. budget balance, cumulated, in % of GDP
  - Broad money, annual growth rate
  - Central bank policy rate (p.a.), real, defl. with annual PPI
- Right scale:

External sector development
annual growth rate in %
- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/EUR, PPI deflated

External finance
EUR bn
- Left scale:
  - Gross external debt
- Right scale:

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Slovenia

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Turkey

Real sector development
annual growth rate in %
- Industry, 3-month moving average
- Construction
- Employed persons (LFS)

Unit labour costs in industry
annual growth rate in %
- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
in %
- Left scale:
  - Consumer prices (HICP)
  - Producer prices in industry
- Right scale:
  - Unemployment rate (LFS)

Fiscal and monetary policy
in %
- Left scale:
  - General govt. budget balance, cumulated, in % of GDP
  - Broad money, annual growth rate
- Right scale:
  - Central bank policy rate (p.a.)
  - Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
annual growth rate in %
- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/TRY, PPI deflated

External finance
EUR bn
- Left scale:
  - Gross reserves of NB excl. gold
  - Gross external debt
- Right scale:
  - Current account

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.
Baseline data, country-specific definitions and methodological breaks in time series are available under:
http://data.wiiw.ac.at/monthly-database.html
Ukraine

Real sector development
annual growth rate in %

Left scale:
- Industry, 3-month moving average
- Employed persons (LFS)

Right scale:
- Construction, 3-month moving average

Unit labour costs in industry
annual growth rate in %

- Wages nominal, gross
- Productivity*
- Exchange rate
- Unit labour costs

Inflation and unemployment
in %

- Consumer prices
- Producer prices in industry

Fiscal and monetary policy
in %

- General gov. budget balance, cumulated, in % of GDP
- Broad money, annual growth rate
- Central bank policy rate (p.a.)
- Central bank policy rate (p.a.), real, defl. with annual PPI

External sector development
annual growth rate in %

- Exports total, 3-month moving average (EUR based)
- Imports total, 3-month moving average (EUR based)
- Real exchange rate EUR/UAH, PPI deflated

External finance
EUR bn

- Gross reserves of NB excl. gold
- Gross external debt

*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

Source: wiiw Monthly Database incorporating Eurostat and national statistics. Baseline data, country-specific definitions and methodological breaks in time series are available under:

http://data.wiiw.ac.at/monthly-database.html
Index of subjects – October 2015 to October 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>Subject</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Austria</td>
<td>car parts industry</td>
<td>2016/7-8</td>
</tr>
<tr>
<td></td>
<td>FDI in CESEE</td>
<td>2016/9</td>
</tr>
<tr>
<td></td>
<td>position in the EU Strategy for the Danube Region</td>
<td>2016/9</td>
</tr>
<tr>
<td>Belarus</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>China</td>
<td>Silk Road initiative</td>
<td>2016/10</td>
</tr>
<tr>
<td>Croatia</td>
<td>economic market</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Estonia</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Hungary</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td></td>
<td>outmigration of medical doctors</td>
<td>2016/4</td>
</tr>
<tr>
<td>Iran</td>
<td>Silk Road initiative</td>
<td>2016/10</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Latvia</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Lithuania</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Macedonia</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Montenegro</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Poland</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Romania</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Russia</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td></td>
<td>Silk Road initiative</td>
<td>2016/10</td>
</tr>
<tr>
<td></td>
<td>trade collapse</td>
<td>2015/12</td>
</tr>
<tr>
<td>Serbia</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Slovakia</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td></td>
<td>credit growth</td>
<td>2016/5</td>
</tr>
<tr>
<td></td>
<td>elections</td>
<td>2016/3</td>
</tr>
<tr>
<td>Slovenia</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Turkey</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
<tr>
<td>Ukraine</td>
<td>economic situation</td>
<td>2016/7-8</td>
</tr>
</tbody>
</table>

multi-country articles

25 years of transition ................................................................................. 2016/1
Eurasian economic integration ...................................................................... 2015/12
financing constraints, firm growth, M&E investment, innovation ............ 2016/2
fiscal policy .................................................................................................. 2015/11
health and migration .................................................................................... 2016/3
immigrants’ labour market integration, access to education ................. 2016/4
industrial policy ............................................................................................ 2015/10
intra-EU mobility .......................................................................................... 2016/3
non-tariff measures ....................................................................................... 2016/6
public innovation support ............................................................................. 2015/10
refugee crisis .................................................................................................. 2015/10
refugees and labour market integration .................................................... 2016/3
services and manufacturing value chain ................................................... 2015/10
services sector competitiveness Western Balkans .................................... 2016/5
services trade Central Asia .......................................................................... 2016/5
Silk Road .......................................................................................................... 2016/10
trade competitiveness ..................................................................................... 2015/12

and statistical overviews
The *wiiw Monthly Report* summarises wiiw's major research topics and provides current statistics and analyses exclusively to subscribers to the wiiw Service Package. This information is for the subscribers' internal use only and may not be quoted except with the respective author's permission and express authorisation. Unless otherwise indicated, all authors are members of the Vienna Institute's research staff or research associates of wiiw.

Economics editors: Vasily Astrov, Sándor Richter

**IMPRESSUM**

Herausgeber, Verleger, Eigentümer und Hersteller:
Verein „Wiener Institut für Internationale Wirtschaftsvergleiche“ (wiiw),
Wien 6, Rahlgasse 3

ZVR-Zahl: 329995655

Postanschrift: A 1060 Wien, Rahlgasse 3, Tel: [+431] 533 66 10, Telefax: [+431] 533 66 10 50
Internet Homepage: www.wiiw.ac.at

Nachdruck nur auszugsweise und mit genauer Quellenangabe gestattet.
