

## **Revival of Silk Route: Practicing China's Economic Diplomacy**

Hansamali Yapa<sup>1</sup>

Ancient trade routes have played an important role in promotion economic ties and cultural linkages between nations. China, as one of the major trading partner in the world has established famous silk route to develop trade partnership between Europe, Middle East, Africa and Asia. After re-establishment of new silk route in 2003 which it consists of two most important projects called the ' New Silk Road Economic Belt ' and '21<sup>st</sup> Century Maritime Silk Road' apparently paved the way for practicing China's Economic Diplomacy. China's investment, domestic growth by opening up new trade markets and the strengthening of the Chinese Yuan to become an international currency will improve the economic development and exchange between China and nations in this area are the major initiatives to taken up in recent years. The Silk Road induces developing unity among OBOR partners sharing its cultures by trade and now China is pursuing an insightful plan to revive ancient trading links with its neighbor countries, stretching South to North and East to West. This research paper is addressing new trends, patterns and prospects of OBOR initiatives taken up in the developing nations through building of New Economic Cooperation's. Furthermore, this research paper examines the China's economic behavior in the Silk Road project with implications for the developing nation's special reference to Sri Lanka. Sri Lanka and China have practiced trade relations as a major center in the historical silk route over the last centuries and again China Sri Lanka have unprecedented economic and trade ties with after China's significant influence in Sri Lankan market. The objective of this paper is to find out the impact of beneficial of OBOR projects conducted by host country towards developing economies. The research reveals the trade relations among China Sri Lanka and focus of its effect on our middle income index. The much more consideration goes to new projects executing in Sri Lanka particularly development and impact of port city in Colombo. The Chinese government has invested large amount to develop infrastructure and projects which consider as the Revival of Ancient Silk Route as a mutually beneficial program. Therefore, methodology of the study is derived from the analysis of trade statistics, literature reviews, document analysis and observations. Practical implications of the study are point out the challenges of China's economic diplomacy to overcome US China trade war.

Keywords: China; Economic Diplomacy; Silk Route; Trade war; Revival

<sup>1</sup> Department of International Studies, University of Kelaniya, Sri Lanka