

One Belt One Road (OBOR) and Sure-Win Businesses

Lawrence Tseung, T.S. Lau, Vanola Chan, et al
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Introduction

- One Belt One Road (OBOR) is a Win-Win Strategy.
- Capital (money) is NOT a scarce resource as it can be printed.
 - So long as the recipients accept and value it.
 - So long as it can be traded for Goods and Services.
 - So long as it can be used as Settlement and Reserve Currency.
- Exchange Rate can be controlled via Forex Trading at own Exchange.
 - China does not need to use its Foreign Currency Reserve to Defend.
 - RMB can slowly appreciate so that it will become default Reserve Currency.
- When a Government pumps in thin-air money to support a business, the business becomes a Sure-Win Business.

One Belt One Road

- A totally voluntary participation
 - No interference in other Nations' Politics
 - An economic engine to generate Economic Growth and Goodwill
 - **When a Nation wants to become rich and remain rich, the best strategy is to help other Nations become rich.**
 - Infrastructure projects are long term and may not generate a profit (or Return On Investment)
 - Government participation is essential
 - May break a project up into long term and short term
 - May break a project up into non-profit and profit
- Every Nation is encouraged to participate.

Reasons behind OBOR

- New Paradigm – Win-win
- China defines Globalization in a new way as it becomes the Number One Economy.
- China has excess production capacity.
 - Basic Infrastructures in China completed.
 - Electricity, water, housing, internet, farms, factories, hospitals available.
 - Building another road or high speed rail within China not as Meaningful.
 - Cutting down means loss of jobs and slowing of GDP growth.
- Use the excess capacity outside China to benefit other Nations.

Where does the Capital (money) come from?

- Money can be printed from thin-air.
- A Nation must increase the money supply for its citizens to become wealthy.
 - The World Community as one entity (Globalization) must also increase the money supply for human beings to become wealthy.
 - US prints money - effectively getting its Banks or Wealthy richer.
- OBOR with China printing money to create more Meaningful Economic Activities for the World.
 - Chinese Companies accept RMB to do infrastructure projects for other Nations. Some foreign companies will do the same?

Sure-Win Businesses

- When a Government awards Company A to build a Road, Company A will receive money. (Assuming that Company A can do the job.)
- Company A likely to achieve Sure-Win.
- Company A awards the food catering of its workers to Company B.
 - Company B likely to achieve Sure-Win.
- Government essentially takes all the risks – floods, earthquakes, terrorist attacks etc.
 - Government can print thin-air money to sustain such a Meaningful Economic Activity.

Introducing many new concepts

- Our World is changing fast.
- Many new concepts need to be mastered.
- The following may seem like disorganized.
- However, if you know how to play GO (AlphaGO beat humans)
 - Each concept takes up a strategy position.
 - Each concept needs careful digestion.
 - They support each other subtly.
- Do not worry if you cannot master them all in this setting.
 - (They will somehow melt in.)
 - Some concepts may not even be discussed...

Some New Concepts – Super Democracy

- Stupid Democracy is:
 - One man one vote.
 - Elect some unqualified person(s) as Representative.
 - Many Representatives destroy good policies just to get name recognition.
 - Policies are overthrown just because they were passed by the other guys.
- Super Democracy is:
 - Policies are thoroughly discussed in **Structured** Internet Forums.
 - Representatives may still be voted but their qualifications will be fully exposed on the Internet.
 - Important policies can still be decided by voters easily via Internet ...

Some New Concepts – Mutual Credits

- Richer Nation A has a Mutual Credit Arrangement with Nation B.
- Nation A gives X amount of Currency A to Nation B. Nation B gives back an equivalent amount of Currency B to Nation A.
- Nation B uses Currency A to buy goods, services or infrastructures from Nation A. No debt is involved.
- Nation A uses Currency B to help Nation B to develop via building hotels, malls, tourist attractions, factories etc. in Special Economic Zones.
- The assumption is that:
 - When Nation B becomes richer, the assets will be more valuable.

Some New Concepts – Relationship Selling

- The West promoted the concept – the lowest cost producer wins.
- A Developing Nation is forced to pay its workers less, pollute its environment more to try to become the lowest cost producer.
- China, with its larger population
 - Willing to play according to that rule,
 - Learn and improve the technology,
 - Becomes Factory of the World.
- With Relationship Selling, China wants Nation X to become rich:
 - Pay more for its products!
 - Reduces its own production (e.g. milk) and purchases from Nation X.

Some New Concepts – Super Silicon Valley Mentality

1. Everything is third class. We strive to make it second or first class. When we pass it onto you, you should treat it as third class. Improve it to second or first class.
2. Either the problem cracks or we crack.
3. We are the Gods, we can change and make any new rule.
4. We shall never hide our failures. They are lessons for all.
5. Anything we do not know now, we shall know it by tomorrow via the Internet.

Some New Concepts – Think out of the box

- Think Tanks are judged on quality and not quantity.
- One top thinker can defeat hundreds of ordinary thinkers.
- Any Idea is third class. Turn it to second or first class.
- World is changing fast, for example
 - Fossil Fuel (gas and oil) was supreme.
 - Shale Gas technology from US changing the picture.
 - Combustible Ice technology from Japan and China may be the next revolution
- Do not dismiss a crazy idea lightly.
 - Let it bake on the Internet (flying saucers, free energy, artificial Intelligence...)

Some New Concepts – Systematic Brain storming

1. Define the topic
2. Proposer presents the proposals.
3. All think of reasons to support the Proposer in the first round.
4. Proposer summarizes.
5. All think on the pitfalls of the proposals.
6. Proposer summarizes.
7. Document and Continue with Internet Forums.

Some New Concepts – Public Investors

- Not only the rich can invest.
- Interested Public may compete using fake money on financial markets.
- Judging will be on results and reasons for trading strategies/tactics.
- Winners will be given real money to invest on behalf of Public.
- If successful after specified time, Winner returns capital and keeps profit.
- If unsuccessful, the experience is documented for all to learn.
- Thus all have a chance. Financial games will be mastered quickly.

Some New Concepts – Economic War

- We are already in the midst of an Economic War.
- The War is not fought in battlefields.
- It is fought daily in the boardrooms, the news media, Internet, financial Markets.
- One never knows who is foe and who is friend.
- The War tries to destroy one's confidence in one's system.
- The existing rules are set by the West with many traps.
 - Lowest cost producer, Return on Investment, democracy, freedom.
- USSR disintegrated because it lost the Economic War.

Some New Concepts - Globalization

- Previously, Globalization means:
 - Drop trade barriers, including financial safeguards.
 - Free competition, lowest cost producer wins.
 - Capital and technology (and jobs) flow to lowest labor cost Nation X.
 - Nation X accepts low pay, pollution and learns technology.
 - Nation X accepts thin-air money from Rich Nations...
- New Globalization means:
 - If a Nation wants to be rich and remain rich, help other Nations rich.
 - No interference in other Nation's politics.
 - Seek win-win.

Some New Concepts – Competition of 2 camps

- One camp can be US et al.
- The other camp can be Russia+China et al.
- Goal of competition is to help Developing Nations rich.
- Target can be GDP, Food Security, Manufacturing Capacity, Innovation, Education etc.
- Process will help Developing Nations no matter which camp wins.
- Much better than Arms Race or Economic War.

Some New Concepts – Meaningful Economic Activities

- Modern Wealth is no longer cattle, gold.
- Modern Wealth is not even the number in the Bank Account.
- Modern Wealth for a Nation is:
 - The quality and quantity of Meaningful Economic Activities (MEA).
 - MEA varies with the state of development of a Nation.
 - What is Meaningful in one Nation may not be meaningful in another.
 - What is Meaningful at one time may not be meaningful at a different time.
- MEA needs to be monitored, refined and promoted on an ongoing basis. Think Tanks and Government should take the lead.

Some New Concepts – build self-confidence

- A Nation will become rich only:
 - If it gains self-confidence.
 - If it plans, works on, achieves success on its projects.
 - If it can help another Nation to succeed on similar projects.
- The OBOR initiative stresses:
 - Plan together
 - Work together
 - Enjoy together
- Ethiopia is a good example in funding its own Renaissance Dam.

One way for Hong Kong to participate

- Think Tank exchanges:
- Hong Kong Government establishes a Mutual Credit Arrangement with say, Pakistan.
- The main activity can be Think Tank Exchanges.
- Pakistan uses Hong Kong Currency to support its Think Tank personal to study or investigate the MTR, the Container Terminals, the Airport, the Stock Market set ups, etc. in Hong Kong.
- Hong Kong uses Pakistan Currency to investigate opportunities in Gwadar, model farms, malls, factories, tourist attractions etc.

Summary

- One Belt One Road is a Win-Win Proposal.
- It will redefine World Structure with a new Paradigm.
- **For a Nation to become rich and remain rich, the best strategy is to help other Nations rich.**
- Capital (money) is not a scarce resource as it can be printed.
- Knowledge has the property that the more you give away, the more you will gain.
- Technology can be mastered.
- No more Colonialism or Imperialism.

Reference

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- Email:
 - LawrenceTseung@yahoo.com
 - Taksang_lau@yahoo.com.hk
 - Vanola8@gmail.com
- Maritime Silk Road Society
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