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It's time for the world to adjust to China's global ambition

It may have become fashionable to talk down China's prospects, but the pace of its expansion remains astonishing

The Danyang-Kunshan Grand Bridge is the world's longest and runs for 164.8km

By Liam Halligan

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What's the longest bridge in the world? It's not San Francisco's Golden Gate, or Saudi Arabia's King Fahd Causeway (as a friend insisted when I asked him) or even one of those really long "over the horizon" ones in Scandinavia.

The world's longest bridge in the world – by far – is the **Danyang-Kunshan Grand Bridge** on the Beijing-to-Shanghai high-speed rail link. Stretching across the Yangtze delta, and completed in 2010, the Danyang-Kunshan is no less than 102 miles long. That's over 29 times the length of Bromford Viaduct near Birmingham, the UK's longest bridge. And it's 116 times longer than the Humber Bridge, our widest single-span crossing.

The world's second-longest bridge is also in China. The Tianjin Grand stretches over 70 miles long, part of the Beijing-to-Shanghai rail link and also completed in 2010. The third-longest bridge is Chinese too. But the Weinan Weihe Grand Bridge is on the Zhengzhou-Xi'an railway and spans just under 50 miles.

No less than nine of the world's 12 longest bridges are in China, all of them built over the last decade or so. The longest bridge in America, the 24-mile Lake Pontchartrain Causeway in Louisiana, was opened in 1956.

It's easy to cite superlatives about China's development. But the pace at which the People's Republic is now building bridges, and the record-smashing scale of its ambition, is quite astonishing.

Since adopting market-based reforms in the late-1970s, **China has grown on average by 9.8pc a year**, compared with 2.5pc in America. Back in 1980, the economy was just one 10th that of the US – and still just half, as recently as 2004.

Last October, though, the International Monetary Fund quietly published estimates showing China's annual GDP at $17.6 trillion (£11.8 trillion), compared with $17.4 trillion in America.

The US remains far richer per head, of course, with the average American commanding an income four times that of their Chinese counterpart. And the IMF's estimates were on a "purchasing power parity" basis, including cross-border variations in living costs. Despite these qualifications, the symbolism remains enormous. While America had been the world's largest economy since 1872, when it overtook Britain, the US no longer holds an unequivocal claim to top spot.

It's fashionable to talk down China.

Certainly, its Communist leaders are grappling with a sagging property market, unsteady exports and cooling domestic investment. China expanded by 7.4pc in 2014, the slowest rate for 24 years. Growth this year could fall below 7pc, amidst rising labour costs.

Yet the growth gulf between China and the West remains vast. Despite enormous “recovery” fanfare, America grew just 2.4pc during the last quarter, only a touch above the sluggish six-year average since the 2008 collapse. The eurozone remains close to recession. And while UK growth could reach 3pc this year, our expansion is far too reliant on rising personal and government debt.

As the Chinese economy keeps out-pacing the West, the country commands ever more geopolitical power – and I’d highlight three very different illustrations of this. Just before his recent Budget, George Osborne, the Chancellor, announced that the UK will become a founder member of the Asian Infrastructure Development Bank (AIIB) – a **China-led financial institution that could one day rival the World Bank**. This drew an extremely barbed response from the US, with a White House official accusing Britain of “constantly accommodating” China.

While this public diplomatic spat between close allies was unusual, what has since happened has been extraordinary. Since Beijing launched the $50bn AIIB last October, US officials have insisted Western countries “could help shape the standards and rules” this institution will adopt “by staying on the outside”.

America is concerned the AIIB will act as an instrument of Chinese foreign policy, as has the US-led World Bank since it was founded in the aftermath of the Second World War.

After the UK defiantly decided to join AIIB, France, Italy and Germany then followed – leaving the US looking isolated. While America views China as a geo-political rival, the two powers now vying for supremacy in the Pacific basin, West European nations are more mindful of its importance as a future trading partner.

These divergent views burst into the open last week, presenting America with a tough dilemma – remain alone outside the AIIB, or be seen to accept the will of the rest of the world. The answer seems to be acceptance. The Washington-based IMF just announced it would, despite earlier opposition, be “delighted” to co-operate with the AIIB. And Japan, America’s staunchest Asian ally, has also indicated it’s now “happy” to work with the Beijing-based institution too. No matter that Japan currently controls the US-backed Asian Development Bank, the precise body the AIIB is hoping to usurp.

The developed nations, whether they like it or not, must significantly increase their trade with China. The UK, with an external deficit now equal to 6pc of GDP, the second-largest in half a century, has lately become far less vocal about Beijing “human rights abuses”. The AIIB, meanwhile, is part of a concerted Chinese attempt to build a Sino-centric global financial system, as an alternative to America’s hegemony.

Along with AIIB, there’s also the New Development Bank – widely known as the “Brics Bank” – jointly founded with Russia, India, Brazil and South Africa and located in Shanghai. Then there’s a planned IMF-style contingent reserve facility, together with a further development bank linked to the Shanghai Co-operation Organisation, a six-country Eurasian political, economic and military grouping dominated by China and Russia.

At last November’s Asia-Pacific Economic Co-operation (APEC) summit, hosted in Beijing, the Chinese also unveiled a $40bn “Silk Road Fund”, to finance a network of railways and airports linking China with Central Asia – another area where the US has long asserted political and military influence.

That Beijing should seek to exercise power across Asia, and beyond, is hardly surprising. China isn’t only the world’s growth engine but also bankroller-in-chief to the US government. The Chinese central bank holds an estimated $1,270bn of US Treasuries, up from just $50bn back in 2001.

Anyone who doubts China’s ambition should look beyond the country’s domestic infrastructure development and witness what’s happening in Central America. In 1914, having completed a task abandoned by the French, the US proudly opened the Panama canal. Representing the biggest engineering project on earth, and securing control of a high share of global trade flows, the 48-mile waterway – linking the Atlantic and Pacific and saving a 9,000-mile detour around South America – marked the start of the US world domination.

Well, with their domestic bridge-building record behind them, the Chinese have now started work on a 170-mile canal that will cut through Lake Nicaragua. This is a direct rival to the Panama transit, and one that will be able to accommodate even larger ships (despite the recent Panama canal upgrade). While there’s scepticism Beijing will hit its 2019 opening target, the chances are high this game-changing canal will be built.

Then, in the background, there’s ongoing Chinese pressure to dilute the reserve currency status of the dollar – an “exorbitant privilege” which allows the US to print “hard currency” to pay back its debts.

Last week Premier Li Keqiang quietly asked the IMF to include the yuan in its “special drawing rights” basket – an act that would make it easier for other countries to store their reserves in the Chinese currency. Mindful of the dollar’s unique “reserve currency” status, Washington is likely to resist.

Yet the shape of the global economy is rapidly changing, a multi-currency reserve system is inevitable and this is a change America must embrace.