

Belt and Road plan encourages inclusive growth

China-led initiative will continue to promote cooperation in the development strategies of participating economies

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The Belt and Road Initiative will continue to make Chinese and partner economies more competitive, narrowing development gaps between landlocked countries and coastal regions, officials and business leaders have said.

China will work toward building major international corridors and deepen cooperation on streamlining customs clearance in markets related to the Belt and Road Initiative, and expand industrial capacity cooperation with other countries, Premier Li Keqiang said in the annual Government Work Report delivered on March 5.

Under the government plan, China will continue to promote international cooperation on the initiative and complementarity between the development strategies and plans of participating economies.

"Facts have proved that China has become part of international efforts to pursue common development and prosperity for countries and regions that need to gain new growth momentum via what they have and are good at," said Xu Lirong, a deputy to the 13th National People's Congress (NPC) and chairman of China COSCO Shipping Corp.

Xu said container throughput represents 75 percent of Shanghai Port's total business and countries and regions involved in the Belt and Road Initiative account for 35 percent of that throughput. This growth momentum has been encouraging, he said.

Trade among China and countries involved in the initiative amounted to 7.4 trillion yuan (\$1.2 trillion) in 2017, surging 17.8 percent year-on-year, data from the Ministry of Commerce show.

Breakthroughs were also made last year in free trade with countries involved in the initiative, with China signing agreements with Georgia and the Maldives, and officially launching free trade negotiations with Moldova and Mauritius. China has pledged to work for an early conclusion of the Regional Comprehensive Economic Partnership.

Vice-Minister of Commerce Wang Shouwen said the initiative is not an attempt by China to exert its economic and political influence globally.

Zhang Yesui, spokesman for the 13th National People's Congress this year, added: "The Belt and Road Initiative is a proposal for economic cooperation. It focuses on connectivity and aims at achieving win-win outcomes, hoping to create more opportunities for global economic growth and shared prosperity of all countries."

Zhang said the initiative is guided by the principle of pursuing shared benefits through

consultation and collaboration, and all participants are equal partners in this process. It is an open and inclusive platform, it does not exclude or target any country, and it is open to all those who are interested, he said.

"The initiative seeks to reinvigorate trading routes between China and others," said Li Jianhong, a member of the National Committee of the Chinese People's Political Consultative Conference and chairman of China Merchants Group.

"It combines China's unparalleled strength in building infrastructure, manufacturing and service facilities in many of the economies involved in the Silk Road Economic Belt and the 21st Century Maritime Silk Road," Li added.

From a global perspective, Li said bilateral and multilateral projects for infrastructure and production capacity expansion have come to be hallmarks of the initiative.

The launch of a series of big-ticket projects — including the high-speed railway project in Indonesia, port expansion work in Greece and Djibouti, a railway linking China and Thailand, the Karachi expressway and a China-Belarus industrial park — are all examples of the initiative's achievements so far.

Many more such game-changing projects are in the pipeline: China will speed up the construction of railways, highways, telecommunications networks, power grids, ports, industrial cooperation parks and energy infrastructure, as well as help strengthen the rules and standards of countries involved in the initiative, according to the government plan.

Chinese companies are also working with foreign partners such as United Technologies Corp, Emerson Electric, Volvo Construction Equipment and ABB Group to develop infrastructure in various economies covered by the initiative.

German industrial giant Siemens plans to open a Belt and Road Initiative office in Beijing this year to further pursue opportunities generated by the plan.

Cedrik Neike, a board member of Siemens, said the firm will ramp up a companywide effort to continue teaming up with Chinese EPC (engineering, procurement and construction) partners to jointly explore businesses in countries and regions participating in the initiative.

Siemens has joined forces with more than 100 Chinese EPC players in exploring more than 60 overseas markets since 2016. Its partners include China National Petroleum Corp, the country's biggest oil producer, China Petroleum and Chemical Corp, and Power Construction Corp of China.

According to Neike, EPC contracts bagged by Chinese firms are worth around \$125 billion. The German company forecasts the cumula-



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tive potential over the next decade will reach more than \$1 trillion.

Wang Chuanlin, another NPC deputy and general manager of China Tiesiju Civil Engineering Group, said many Chinese companies have already transferred their core business from EPC into new business models such as build-operate-transfer, and public-private partnership for both public and private sectors in markets involved in the initiative.

Fang Qiuchen, president of the China International Contractors Association, which is based in Beijing and helps Chinese construction companies expand overseas, said global cooperation in infrastructure, logistics and production capacity has great potential.

"China's partners, in the early stages of the initiative, are mostly emerging economies and developing economies in the midst of industrialization.

"They are characterized by fast economic growth and enormous potential for future development," Fang said.

China's outbound investment in economies participating in the initiative climbed to \$70 billion between 2014 and 2017, providing more

than 200,000 jobs for local people, according to the Ministry of Commerce.

The National Development and Reform Commission released a document on March 5 that said it will promote the healthy and orderly development of the China-Europe freight train service this year, as well as continue to develop a "digital Silk Road" and set up space information corridors.

The China Securities Regulatory Commission also announced this month that it will allow domestic and overseas companies to issue bonds on onshore stock exchanges to finance projects related to the initiative.

The Shanghai and Shenzhen stock exchanges will carry out a pilot bond program. Government-backed institutions in economies involved in the initiative can also sell bonds in China, according to the country's top securities regulator.

Seven domestic and overseas companies have gained regulatory approval to issue bonds worth a total of 50 billion yuan, and four of them have already raised 3.5 billion yuan through bond issuances, according to the regulator.