

# Sustainable development is win-win

Chinese firms in Belt, Road projects seek to protect local environments

By CHEN YINGQUN

Chinese companies are increasingly aware of protecting the environment in the countries they invest in along the routes of the Belt and Road Initiative, experts say.

Zhang Xiang, secretary-general of the China International Contractors Association, which has about 1,500 member companies, said that while its members participate in infrastructure projects overseas, more Chinese companies are realizing that they need to invest in a sustainable and green way.

"Many companies realize they need to apply win-win concepts and need to be socially responsible, including ecological environmental protection," she said.

In 2013, in Kazakhstan and Indonesia, President Xi Jinping proposed the Silk Road Economic Belt and the 21st Century Maritime Silk Road — the components of the BRI. The initiative serves as a solution for China

to participate in global opening-up and cooperation, improve global economic governance, promote common development and prosperity and build a community with a shared future for humanity, he said.

China's direct investment in countries along the Belt and Road has grown by about 7 percent annually, reaching \$16.71 billion by the end of 2017, according to the Ministry of Commerce.

Zhang cited member company China Road and Bridge Corp as an example. While building the Mombasa-Nairobi railway, the company developed an environmental management system that is compatible with local laws, to reduce as much as possible its projects' influence on nature.

The railway goes through Tsavo National Park, the biggest wildlife protection area in Kenya. To make sure that the ecological environment would not be affected, the company took three main steps.



Passengers enjoy leisure time on the train. Kenya inaugurated its diesel-powered standard gauge railway from the port city of Mombasa to the capital, Nairobi. SUN RUIBO / XINHUA

First, it designed passages for animals to pass through. For example, to allow big animals such as giraffes to pass under, bridges were designed to be about 7 meters above ground — much higher than the bridges in similar projects.

Second, noise was reduced. To ensure that the wild animals in the park could sleep well, the company decided to stop working when it was getting dark, and it has made sound-proof equipment to reduce noise.

Third, the company has made emergency plans to save animals, rescuing wildlife that has been trapped or hurt due to natural elements.

Gu Xueming, president of the Chinese Academy of International Trade and Economic Cooperation, part of the Ministry of Commerce, said that in 2017, green development

of the investment destination countries became the mainstream understanding of Chinese companies. Last year, four ministries of China even jointly released guidance on how to push forward the green development of the BRI, including environmental protection and dealing with climate change.

Yan Diyong, deputy general manager of China Nonferrous Metal Mining (Group) Co, said the company has planted more than 10,000 trees while investing in a zinc ore project in Mongolia, and has developed water-saving technologies so that 85 percent of the wastewater can be recycled.

Gu said a project aimed at ensuring the sustainable development of Africa, an important region involved in the BRI, was launched recently in Beijing by research institutes from

China, Kenya, Tanzania and the United Kingdom.

The project — the Development Corridors Partnership — will tap experts from the four countries for about four years to look into how to ensure Africa's green development, including helping it deal with climate change.

Meng Han, China representative of the United Nations Environment Programme World Conservation Monitoring Centre, said the China component will focus on how Chinese investors can contribute to the sustainable and climate-resilient development of East Africa's development corridors. The expectation is that what is learned can be brought to other development corridors and more broadly contribute to the sustainable development of Africa.

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such as whether they understand the markets, make the best use of overseas resources, localize their management and operations and seek long-term development in the destination countries.

Shu Wenbin, general manager of Continental Interior Design and Construction, a Beijing company with about 120 employees that specializes in interior design and construction, said that as a medium-sized private company its way to control risks is to partner with overseas design companies for different design stages, since overseas companies have a better understanding of local criteria, or to be a subcontractor for big Chinese companies when investing in countries along the Belt and Road routes.

"For us, it might be a bit difficult and risky to expand business and work overseas by ourselves, in terms of language barriers, understanding of legal regulations and local culture," he said. "But through working with big Chinese companies that have more overseas experience or with local companies, the process would be easier and the results would be more secure."

For many other companies, over-

seas economic and trade cooperation zones are good choices. The Chinese academy's trade and investment cooperation report said overseas economic and trade cooperation zones are important platforms for Chinese companies, since they invest in the countries involved in the BRI.

Overseas economic and trade cooperation zones refer to influential industrial, agricultural or service parks that are jointly built by Chinese companies and overseas companies or governments to attract Chinese companies or other companies to invest in the country, said Wu Changqi, professor of strategic management at the Guanghua School of Management at Peking University.

According to the report, by the end of 2017, Chinese companies had built 75 economic and trade cooperation zones in 24 BRI countries, accounting for 75.8 percent of the total number of overseas cooperation zones built by Chinese companies.

Chinese companies have invested \$25.45 billion in these cooperation zones and attracted 3,879 companies, according to the Ministry of Commerce. These companies in the overseas cooperation zones have created about 21,000 jobs.



A Chinese worker checks trains to be used on an intercity railway in Argentina. XINHUA

"Chinese companies going global are usually unfamiliar with destination countries' political systems, regulations and laws, and languages and cultures," Wu said. "They also face many other difficulties overseas, such as insufficient support facilities. Overseas economic and trade cooperation zones can build platforms and offer support for companies."

Jiang said such zones will save companies the trouble of learning all aspects of the investment destinations. Instead, these zones have

accumulated knowledge about local regulations and resources and experience in dealing with local people, and they can offer services to help Chinese companies more easily locate and invest.

"Industrial zones can also form industry clusters, which are helpful for the industries' development," he said. "China has rich experience in overseas cooperation zones, which could also be good examples for developing countries. With the development of the BRI, the demonstra-

tion effect of cooperation zones will become more and more obvious."

Gu, the president of the Chinese Academy of International Trade and Economic Cooperation, said that cooperation zones have already made a great contribution to the development of countries along the Belt and Road routes.

"For example, a cooperation zone between China and Egypt has helped Egypt's fiberglass manufacturing industry develop from nothing to being the third-largest in the world," he said.

Cooperation zones can also create new drivers for the economic growth of destination countries, Gu said.

He cited the Thai-Chinese Rayong Industrial Zone as an example. It has already attracted 90 companies, including 20 Chinese companies that are ranked among China's top 500.

The zone focuses on auto parts, machinery, building materials, household electrical appliances and electronics. It has a total industrial output value of \$9 billion and has created more than 20,000 jobs for local people, Gu said.

Pan Mengqi contributed to this story.