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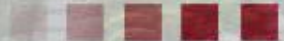
國家發展與戰略研究院  
National Academy of Development and Strategy, RUC

# The Impacts of the Belt and Road on China and World Economy

Liu Yuanchun

Vice President, Renmin University of China

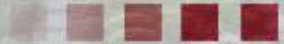
May 5<sup>th</sup>, 2017





## I. The Progress of the Belt and Road Initiative

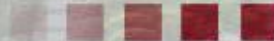
- China proposed the the Belt and Road Initiative.
  - In 2013, Chinese President Xi Jinping proposed jointly building the Silk Road Economic Belt and the 21st-Century Maritime Silk Road.
- The Belt and Road Initiative receives wide international response and is converting from a Chinese initiative to a global consensus.
  - By the end of 2016, more than 50 national and regional organizations have made joint statements on connecting their development strategies with the Belt and Road, and also signed memorandums of understanding and agreements;
  - the UN General Assembly and Shanghai Cooperation Organization have announced their support for the Belt and Road in their statements and resolutions.





## Influences of the Belt and Road on Economic Development of China

- **First, helping China form a more open development idea and reform pattern**
  - To connect their development strategies with the Belt and Road, most provinces of China have taken more active opening-up policies and enhanced cooperation across regions of East, Central and Northwest China, so as to form a more open economy as a whole. Less developed inland areas and western regions of China have also taken active measures to participate in the construction of the Belt and Road.
- **Second, favorable for keeping stable and coordinated development of China's economy**
  - The Belt and Road, through opening up wider westward, has changed the broad Western Region from the tail into the front line. For example, under the framework of the Belt and Road, Xinjiang in Northwest China has become an important traffic hub and commercial, trading, cultural and education center on the Silk Road Economic Belt.
- **Third, promoting the development of China's OFDI and trade**
  - In 2016, China reported total imports and exports of nearly 1 trillion dollars with countries along the Belt and Road, accounting for 26% of China's total foreign trade.
  - In 2016, China output 14.5 billion dollars of FDI to countries along the Belt and Road, accounting for 9% of China's total foreign investment.





## Influences of the Belt and Road on World Economy

- First, providing a new mode or mechanism for international cooperation.
  - China and many countries have worked together to promote regional and inter-regional cooperation by deepening cooperation mechanism and building the economic corridor.
  - For instance, the economic corridors, such as the new Eurasian Continental Bridge, Mongolia and Russia economic corridor and Chinese-Asia-West Economic Corridor, not only connect the most dynamic economies in East Asia and the developed European economic circle together, but also link the Persian Gulf and the Mediterranean trade way.





## Influences of the Belt and Road on World Economy

- Second, promoting the related countries to dock infrastructure, jointly brings forward the international backbone channel construction, and gradually forms a connection between the sub regions of Asia and Asia-Europe-Africa infrastructure network. As shown in table 1, there are 15 projects in South Asia, with a total amount of \$30.7 billion; and 12 projects in Africa, with a total amount of \$30.8 billion.

Table1 The Agreements of Infrastructure Construction Projects Signed during 2013-2016

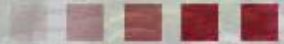
Region	Number of Project	Total Amount (billion USD)
South Asia	15	30.7
Africa	12	30.8
North Asia	4	16.3
Southeast Asia	5	9.7
Central Asia	1	6.7
East Europe	5	14.4
Middle East	6	5.2
<b>TOTAL</b>	<b>48</b>	<b>161.8</b>





## Influences of the Belt and Road on World Economy

- Third, China's infrastructure construction outputs along “Belt and Road Initiative” will help to break down the bottleneck of infrastructure development in some areas and promote regional economic integration.
  - A major railway project with close Chinese participation in Zambia was inaugurated in 2016. It connects Zambia's railway network with Congo, Mozambique, Malawi and other countries.
- Fourth, boosting the development of regional economy and trade. “Belt and Road Initiative” played a positive role in speeding up the process of industrialization, promote upgrading of the industrial structure and enhancing bilateral economic and trade relations.
  - In the first quarter of this year, international trade with countries along the road increased rapidly. Specifically, China's import and export with Russia, Pakistan, Poland, Kazakhstan and India has increased by 37%, 19%, 19%, 69% and 28% respectively.





## Influences of the Belt and Road on World Economy

- Fifth, providing “public goods” to international communities through financial cooperation and the internationalization of the RMB.
  - The Asian Infrastructure Investment Bank is focused on supporting infrastructure construction and promoting interconnection and economic integration. Additionally, China Silk Road Fund, BRICS Development Bank, Asian Financial Cooperation Association, have all contributed to providing financial aid to "the Belt and Road Initiative".
  - The internationalization of RMB has also facilitated the global economic and trade development. The establishment of RMB cross-border payment and clearing system has been accelerated.
- The “Belt and Road ” Initiative is open and inclusive. It should not be a solo of China, but a "chorus" of all the countries.
  - By proposing joint participation, construction and sharing to the countries along the belt and road, we are confident of achieving win-win cooperation and sustainable development, and building a community of shared future for mankind.



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Welcome to Beijing for further discussion.

[rmulyc@vip.sina.com](mailto:rmulyc@vip.sina.com)

**Thank You!**

