

The BRI: New Impetus for Global Economy, New Opportunities for Common Development

Jiang Xiheng

China Center for International Knowledge on Development

May 2019



Outline

- Key progress of BRI over 5 years
- The future of BRI: high quality development---
messages from Second Belt and Road Forum for
International Cooperation (BRF)
- A few Cases

Policy coordination



The global level

- *UN2030 Agenda for Sustainable Development*

The regional level

- *Master Plan on ASEAN Connectivity*
- *Agenda 2063 of the African Union*
- *Europe-Asia Connectivity Strategy of EU*
- ...

The country level

- Indonesia: Global Maritime Axis
- Kazakhstan: Bright Road Initiative
- Mongolia: “Steppe Road” Program
- ...

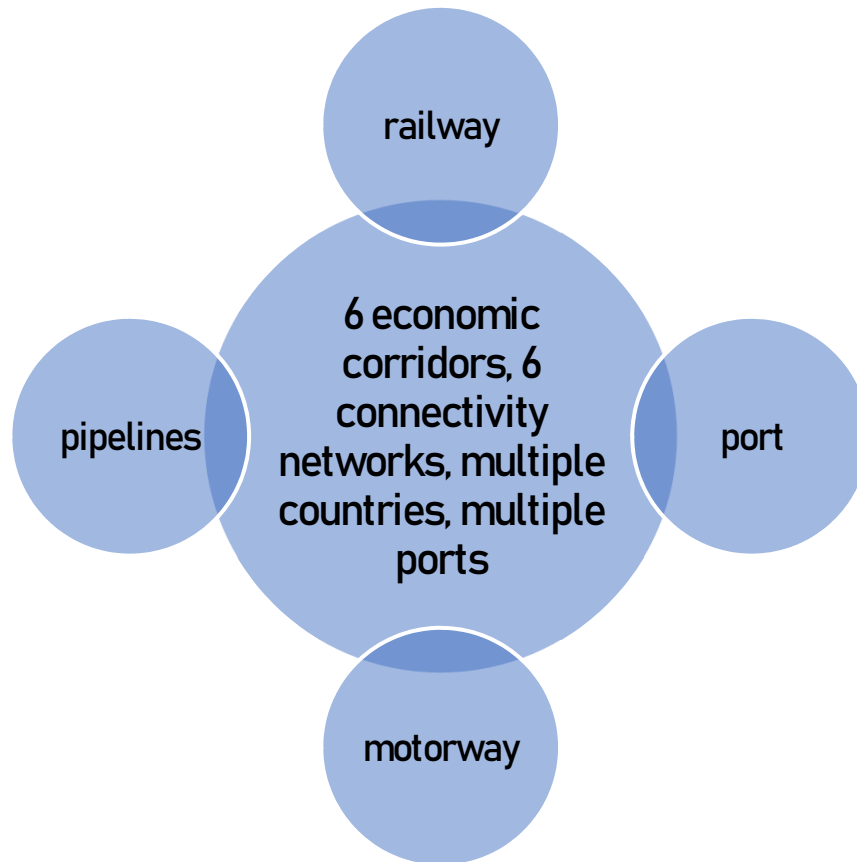
Growing partnership and International cooperation mechanisms



Fledging policy framework—from concepts to concrete policy measures



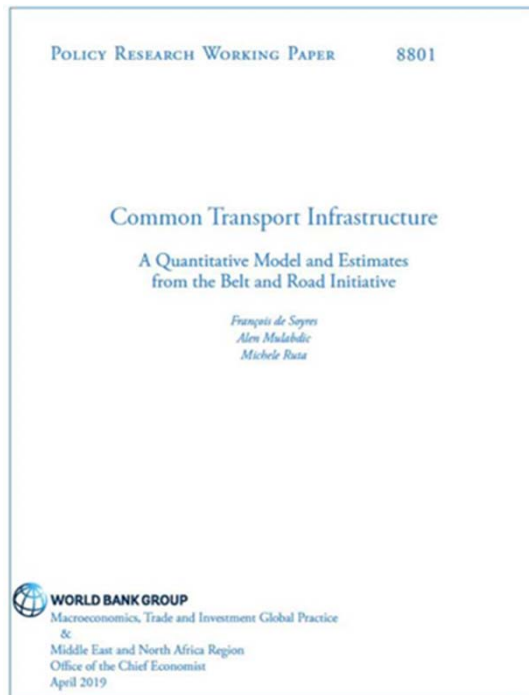
Infrastructure Connectivity



Infrastructure Connectivity-Ports

- Established waterway routes with 600+ major ports in the world
- China has signed 38 bilateral or regional ocean shipment agreements with 47 BRI countries
- Key ports of collaboration
 - Gwadar Port, Pakistan
 - Hambantota Port, Sri Lanka
 - Port of Piraeus, Greece
 - Khalifa Port, United Arab Emirates
 -

GDP Growth Driven by Infrastructure connectivity



- BRI transport infrastructure projects increase GDP for BRI economies by up to 3.35 percent.
- BRI-related transport projects could increase GDP for non-BRI countries by up to 2.61 percent and for the world as a whole by up to 2.87 percent.

——World Bank

Trade

- Goods

- The volume of China's trade in goods with BRI countries had been more than 6000 billion dollars between 2013–2018
- It accounted for 27.4% of China's total trade in goods.

- Services

- The volume of China's trade in services with BRI countries was 97.76 billion dollars in 2017, an annual increase of 18.4%.
- It accounted for 14.1% of the total volume.

Trade

BRI Cooperation will:

- Cut the costs of global trade by 1.1%-2.2%
- Cut the costs of trade along the China-Central Asia-West Asia Economic Corridor by 10.2%
- Contribute to 0.1% + of global growth in 2019
- For 71 participating countries, it will increase trade among these countries by 4.1%.

——World Bank

Investment



FDI from China

- Chinese firms invested US\$90+bn in BRI countries (past 5 yrs.)
- 7.2% (annual growth rate)



FDI from other countries, according to World Bank reports

- Overall increase of 4.97% for BRI countries, with 4.36% increase from BRI countries, 5.75% from non-BRI countries,

Overseas Economic and Trade Cooperation Zones/Industrial Parks

By Aug 2018

- 82 overseas economic and trade cooperation zones
- \$28.9 bn in total
- 3995 enterprises
- Taxes: \$2.01 bn
- Created 244,000 jobs for developing countries

The future of BRI-approaches for high quality development

OPEN

All interested countries are welcome to join in; enhance multilateral cooperation, commit to open economy and inclusive, non-discriminatory global market.

GREEN

Commit to green infrastructure projects, green investment, green financing; enhance collaboration on Paris Agreement

CLEAN

Commit to transparency and clean governance, zero tolerance to corruption

CIKD

The future of BRI—pursue the goals of high-standard, people-oriented and sustainable

HIGH- STANDARD

Transparent, improve people's lives and promote sustainable development.

PEOPLE- ORIENTED

Give priority to poverty alleviation and job creation to jointly deliver true benefits to the people of participating countries.

SUSTAINABLE APPROACH

Ensure the commercial and fiscal sustainability of all projects

CIKD

Second BRF Deliverables

- A total of 283 items of practical deliverables
- Cooperation agreements worth more than 64 billion US dollars were signed at a CEO conference during the forum
- China, together with 33 representatives from government transportation and customs departments, key port enterprises, port authorities and terminal operators from 13 countries jointly set up the Maritime Silk Road Port Cooperation Mechanism

Boosting economic growth & improving people's lives in BRI countries—Case I



The case of COSCO's investment in Piraeus Port, Greece

- TEU: 93rd in 2010 to 32th in 2018
- 700 million euros (including 57 million euros in taxes)
- 3,000 local employees
- 10,000+ related jobs

Boosting economic growth & improving people's lives in BRI countries—Case II

- China-Europe Railway Express

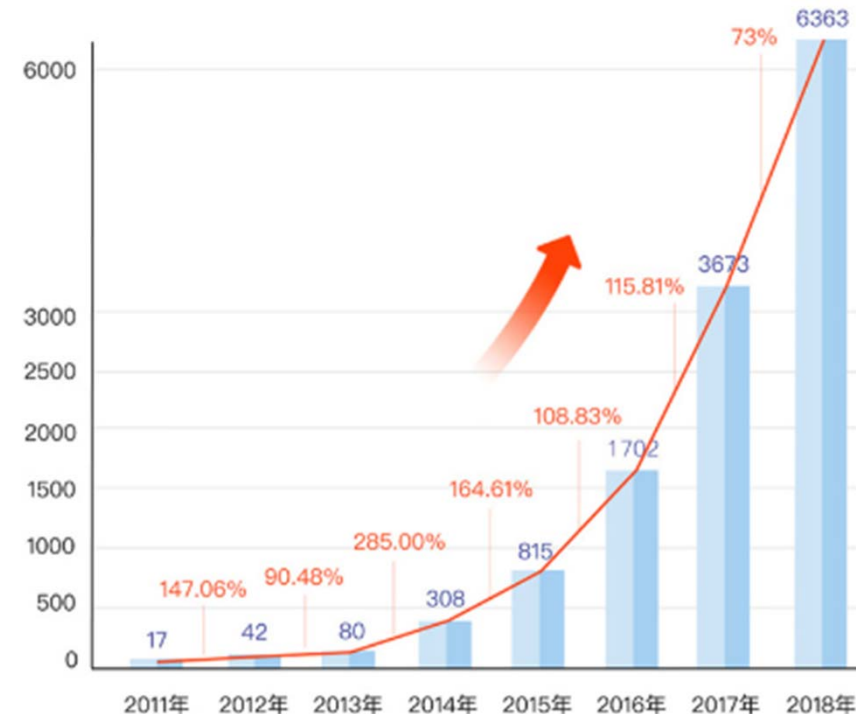
In 2011, the total value of goods transported was \$0.06bn.

In 2018, the total value increased by \$16bn.

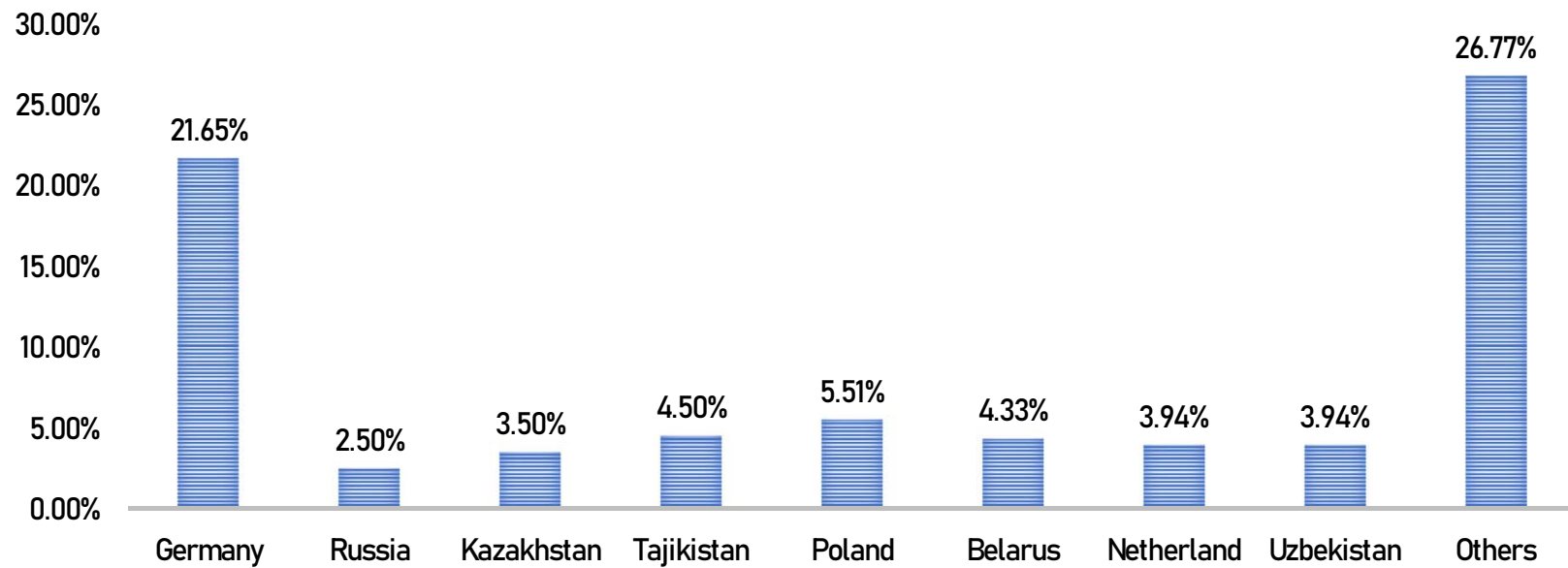
In August 2018, the railway express reached 10,000 trips, and by March 2019 14,000 trips.

43 cities in 15 European countries

CIKD



MAJOR COUNTRIES PROVIDING CHINA-EUROPE RAILWAY EXPRESS SERVICES



Boosting economic growth & improving people's lives in BRI countries—Case II



China-Europe Railway Express freight services in Duisburg of Germany

- The number of Chinese enterprises: 40 in 2014 to 100+ in 2019
- According to the Duisburg City Council: 6,000+ jobs created in logistics sector

Thank You

The logo consists of a solid blue square with the letters "CIKD" in white, bold, sans-serif font centered within it.

CIKD