**The Belt and Road Initiative**

**Progress, Contributions and Prospects**

**2019**

Office of the Leading Group for Promoting the Belt and Road Initiative



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# Preface

When visiting Kazakhstan and Indonesia in September and October of 2013, Chinese President Xi Jinping raised the initiative of jointly building the Silk Road Economic Belt and the 21st Century Maritime Silk Road (hereinafter referred to as the Belt and Road, or B&R). The Chinese government then set up the Leading Group for Promoting the Belt and Road Initiative with an administrative office under the National Development and Reform Commission. In March 2015, the Chinese government published the “Vision and Actions on Jointly Building Silk Road Eco- nomic Belt and 21st Century Maritime Silk Road”. In May 2017, the first Belt and Road Forum for International Co- operation was convened in Beijing. China also hosted the Boao Forum for Asia annual conferences, the Shanghai Co- operation Organization (SCO) Qingdao Summit, the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC), and the China International Import Expo. Over

the past five years, the Belt and Road Initiative has won positive responses from numerous countries and interna- tional organizations and has attracted worldwide attention. Its influence is growing.

The Belt and Road Initiative originated in China, but it belongs to the world. It is rooted in history, but oriented toward the future. It focuses on Asia, Europe and Africa, but is open to all partners. It spans different countries and regions, different stages of development, different histori- cal traditions, different cultures and religions, and different customs and lifestyles. It is an initiative for peaceful devel- opment and economic cooperation, rather than a geopoliti- cal or military alliance. It is a process of open, inclusive and common development, not an exclusionary bloc or a “China club”. It neither differentiates between countries by ideology nor plays the zero-sum game. Countries are wel- come to join in the initiative if they so will.

The Belt and Road Initiative upholds the principles of extensive consultation, joint contribution, and shared benefits. It follows a Silk Road spirit featuring peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit. It focuses on policy coordination, con- nectivity of infrastructure, unimpeded trade, financial inte-

gration, and closer people-to-people ties. It has turned ideas into actions and vision into reality, and the initiative itself into a public product widely welcomed by the international community.

When presiding over a symposium in August 2018 that marked the fifth anniversary of the Belt and Road Initiative, President Xi said that in advancing the initiative, we should transition from making high-level plans to intensive and meticulous implementation, so as to realize high-quality development, bring benefits to local people, and build a global community of shared future.

# Progress

Since 2013, the Belt and Road Initiative, with policy coordination, connectivity of infrastructure, unimpeded trade, financial integration and closer people-to-people ties as its main goals, has advanced in solid steps. Significant progress has been made, including a number of landmark early results. Participating countries have obtained tangible benefits, and their appreciation of and participation in the initiative is growing.

## Policy coordination

Policy coordination is an important guarantee for this initiative, and an essential precondition for joint actions. Over the past five years or so, China has engaged in thor- ough communication and coordination with participating countries and international organizations, and reached a broad consensus on international cooperation for building the Belt and Road.

* 1. **The Belt and Road Initiative has been incorpo- rated into important documents of international orga- nizations.** The initiative and its core concepts have been written into documents from the United Nations, G20, APEC and other international and regional organizations. In July 2015, the Shanghai Cooperation Organization issued the “Ufa Declaration of the Heads of State of the Shanghai Cooperation Organization”, showing support for the Silk Road Economic Belt initiative. In September 2016, the “G20 Leaders’ Communiqué” adopted at the G20 Hangzhou Summit endorsed an initiative to establish the Global In- frastructure Connectivity Alliance. In November 2016, the 193 UN member states adopted by consensus a resolution, welcoming the Belt and Road Initiative and other economic cooperation initiatives and urging the international commu- nity to ensure a secure environment for these initiatives. In March 2017, the UN Security Council unanimously adopted Resolution 2344, calling on the international community to strengthen regional economic cooperation through the Belt and Road Initiative and other development initiatives, while for the first time enshrining the concept of “a com- munity of shared future for mankind”. In January 2018, the Second Ministerial Meeting of the Forum of China and the

Community of Latin American and Caribbean States (CELAC) was held in Santiago and adopted the “Special Declaration on the Belt and Road Initiative”. In July the same year, the Eighth Ministerial Meeting of the China- Arab States Cooperation Forum (CASCF) was convened in Beijing, which adopted the “Declaration of Action on China- Arab States Belt and Road Cooperation”. In September the FOCAC Beijing Summit adopted the “Beijing Declaration – Toward an Even Stronger China-Africa Community with a Shared Future” and the “Forum on China-Africa Coopera- tion Beijing Action Plan (2019-2021)”.

* 1. **More and more countries and international or- ganizations have signed intergovernmental cooperation agreements on the Belt and Road Initiative.** In the B&R framework, all participating countries and international organizations, based on the principle of seeking com- mon ground while reserving differences, have exchanged views on economic development plans and policies and discussed and agreed economic cooperation plans and measures. By the end of March 2019, the Chinese govern- ment had signed 173 cooperation agreements with 125 countries and 29 international organizations. The Belt and Road has expanded from Asia and Europe to include more

new participants in Africa, Latin America and the South Pacific.

* 1. **Coordination and cooperation in specific fields of the Belt and Road Initiative have progressed steadily.** The Digital Silk Road has become an important part of the Belt and Road Initiative. China has launched the “Belt and Road Digital Economy International Cooperation Initia- tive” with Egypt, Laos, Saudi Arabia, Serbia, Thailand, Turkey, and the United Arab Emirates. It has signed coop- eration agreements with 16 countries to strengthen the con- struction of the Digital Silk Road. China issued the “Action Plan on Belt and Road Standard Connectivity (2018-2020)”. It has signed 85 standardization cooperation agreements with 49 countries and regions. The long-term mechanism for tax cooperation between B&R countries is maturing. China co-organized the Belt and Road Initiative Tax Co- operation Conference (BRITCC) in May 2018, which published the “Astana Proposal by BRITCC Participating Jurisdictions for Enhancing Cooperation in Tax Matters”, signaling that the cooperation network has expanded to 111 countries and regions. China and 49 B&R countries pub- lished the “Joint Statement on Pragmatic Cooperation in the Field of Intellectual Property Among Countries Along

the Belt and Road” in August 2018. In July 2018 China hosted the Forum on the Belt and Road Legal Cooperation, which published the “Statement of the Co-Chairs of the Fo- rum on the Belt and Road Legal Cooperation”. In October 2018 China hosted the Belt and Road Energy Ministerial Conference and 18 countries jointly announced building the B&R energy partnership. In addition, China published the “Vision and Action on Jointly Promoting Agricultural Cooperation on the Belt and Road” in May 2017 and the “Vision for Maritime Cooperation Under the Belt and Road Initiative” in June the same year. China has been a strong proponent of the establishment of international commercial courts and a “one-stop” diversified resolution mechanism for international commercial disputes.

## Infrastructure connectivity

Infrastructure connectivity is high on the B&R agenda. While committed to respecting the sovereignty and secu- rity concerns of all relevant countries, B&R countries have made concerted efforts to build an all-round, multi-level, and composite infrastructure framework centered on rail- ways, roads, shipping, aviation, pipelines, and integrated space information networks. This framework is taking

shape rapidly. It has greatly reduced the transaction costs of products, capital, information, and technologies flow- ing between regions, and effectively promoted the orderly flow and optimal allocation of resources among different regions. Thus it will help achieve mutually beneficial coop- eration and common development.

* 1. **Significant progress has been made in the con- struction of international economic cooperation cor- ridors and passageways.** The six major corridors for international economic cooperation – the New Eurasian Land Bridge, and the China-Mongolia-Russia, China-Central Asia-West Asia, China-Indochina Peninsula, China-Pakistan, and Bangladesh-China-India-Myanmar economic corridors – connect the Asian economic circle with the European eco- nomic circle. They have played an important role in estab- lishing and strengthening connectivity partnerships between participating countries and building an efficient and smooth Eurasian market.

**– New Eurasian Land Bridge.** Over the past five years or so, regional cooperation through the New Eurasian Land Bridge has widened, enhancing partnerships featuring openness, inclusiveness, and mutual benefits to a higher level and driving forward economic and trade exchanges

between Asia and Europe. The “Budapest Guidelines for Cooperation Between China and Central and Eastern Euro- pean Countries” and the “Sofia Guidelines for Cooperation Between China and Central and Eastern European Coun- tries” have been published, showing that steady progress is being made in pragmatic cooperation in the frameworks of the China-EU Connectivity Platform and the Investment Plan for Europe. Construction has started on the Belgrade- Stara Pazova section of the Hungary-Serbia Railway in Serbia. The Western China-Western European International Expressway connecting western China, Kazakhstan, Russia and Western Europe is basically complete.

* **China-Mongolia-Russia Economic Corridor.** China, Mongolia, and Russia have made positive efforts to build a cross-border infrastructure connectivity network consist- ing mainly of railways, roads and border ports. In 2018, the three countries signed the “Memorandum of Under- standing on Establishing a Joint Mechanism for Advancing the China-Mongolia-Russia Economic Corridor”, making further progress in improving the working mechanism of the tripartite cooperation. China’s side of the Tongjiang- Nizhneleninskoye railway bridge was completed in Oc- tober 2018. Construction of the Heihe-Blagoveshchensk

road bridge is progressing smoothly. A Sino-Russian enter- prise consortium has completed preliminary design of the Moscow-Kazan High-Speed Railway. The “Intergovern- mental Agreement on International Road Transport Along the Asian Highway Network” signed and approved by the three countries has entered into force. The China-Mongolia- Russia cross-border terrestrial cable system has been com- pleted.

* + **China-Central Asia-West Asia Economic Corridor.** Over the past five years or so, cooperation has advanced in energy, infrastructure connectivity, economy and trade, and industrial capacity in this corridor’s framework. China has signed bilateral agreements on international road transport with Kazakhstan, Uzbekistan, Turkey, and other countries, as well as China-Pakistan-Kazakhstan-Kyrgyzstan, China- Kazakhstan-Russia, China-Kyrgyzstan-Uzbekistan, and some other multilateral agreements on international road transport, constantly improving infrastructure construction in Central Asia and West Asia. The China-Saudi Arabia Investment Cooperation Forum has promoted industrial complementarity between the Belt and Road Initiative and Saudi Vision 2030, and has concluded cooperation agree- ments worth more than US$28 billion. China and Iran have

drawn on their strengths in various fields and are strength- ening their combined forces in the fields of roads, infra- structure and energy.

* **China-Indochina Peninsula Economic Corridor.** Over the past five years or so, progress has been made in infrastructure connectivity and construction of cross-border economic cooperation zones through this corridor. The Kunming-Bangkok Expressway has been completed, while the China-Laos and China-Thailand railways and some other projects are well underway. Cooperation has started in building the China-Laos Economic Corridor. More intensive efforts have been made to dovetail Thailand’s Eastern Eco- nomic Corridor and the Belt and Road Initiative. Economic cooperation between China and Cambodia, Laos, Myanmar, Viet Nam and Thailand is advancing steadily. Positive roles for the China-ASEAN (10+1) cooperation mechanism, Lancang- Mekong cooperation mechanism, and Greater Mekong Subre- gion (GMS) Economic Cooperation are becoming clearer.
* **China-Pakistan Economic Corridor.** A coopera- tion plan focusing on energy, transportation infrastructure, industrial park cooperation, and Gwadar Port has been implemented in the framework of this corridor. China and Pakistan have established the Joint Cooperation Commit-

tee of the China-Pakistan Economic Corridor, which meets regularly. Smooth progress has been made in a number of projects. Key projects, such as the road to the Gwadar Port, Peshawar-Karachi Motorway (Sukkur-Multan section), Karakoram Highway Phase II (Havelian-Thakot section), Lahore Orange Line Metro, and 1,320MW Coal-Fired Power Plants at Port Qasim have been launched. Some projects have already brought benefits. The China-Pakistan Economic Corridor is open to third parties for cooperation, and more countries have joined or expressed a willingness to participate.

* + **Bangladesh-China-India-Myanmar Economic Cor- ridor.** Over the past five years or so, the four countries have worked together to build this corridor in the framework of joint working groups, and have planned a number of major projects in institutional development, infrastructure connec- tivity, cooperation in trade and industrial parks, cooperation and opening up in the financial market, cultural exchange, and cooperation in enhancing people’s wellbeing. A Joint Com- mittee of the China-Myanmar Economic Corridor has been established. The two countries have also signed an MoU on building the China-Myanmar Economic Corridor, as well as papers on a feasibility study for the Muse-Mandalay Railway,

and the Framework Agreement on the Kyauk Phyu Special Economic Zone Deep-Sea Port Project.

* 1. **Infrastructure connectivity has been remarkably enhanced.** “Access to roads will enable all sectors of the economy to prosper.” Insufficient infrastructure investment is a bottleneck for economic development in developing countries. Accelerating infrastructure connectivity is a key area and core goal of the Belt and Road Initiative.

## Railways

Major progress has been made in building inter-regional and intercontinental railway networks focusing on such cooperation projects as the China-Laos Railway, China- Thailand Railway, Hungary-Serbia Railway, and Jakarta- Bandung High-Speed Railway.

Preliminary research has advanced on the eastern route of the Pan-Asia Railway Network, the upgrade of Pakistan’s Karachi-Peshawar Railway Line (also referred to as Main Line 1 or ML-1), and the China-Kyrgyzstan- Uzbekistan Railway. A pre-feasibility study on a China- Nepal cross-border railway has been completed.

After preliminary work on China Railway Express cargo trains, an international railway operation mechanism with cooperation among multiple countries has been estab-

lished. Railway companies of China, Belarus, Germany, Kazakhstan, Mongolia, Poland, and Russia have signed an agreement on deeper cooperation in China-Europe rail service. By the end of 2018, China-Europe rail service had connected 108 cities in 16 countries in Asia and Europe. A total of 13,000 trains had carried more than 1.1 million TEUs. Among the trains starting from China, 94 percent were fully loaded; and among those arriving in China, 71 percent were fully loaded.

China has cooperated with other B&R countries in cus- toms clearance to make it more convenient and efficient for the operation of the trains. The average inspection rate and customs clearance turnover time have both decreased by 50 percent.

## Roads

Trial operations have been carried out on nonstop trans- port on the China-Mongolia-Russia, China-Kyrgyzstan- Uzbekistan, China-Russia (Dalian-Novosibirsk) and China-Viet Nam roads. In February 2018, regular operation began on the China-Kyrgyzstan-Uzbekistan highway. China- Viet Nam Beilun River Bridge II has been completed and opened to traffic.

China formally joined the Convention on International

Transport of Goods Under Cover of TIR Carnets (TIR Convention). It has signed 18 bilateral and multilateral international transport facilitation agreements with 15 B&R countries, including the “Intergovernmental Agreement of the Shanghai Cooperation Organization Member States on the Facilitation of International Road Transport”. Positive progress has been made in implementing the GMS “Agree- ment for the Facilitation of Cross-Border Transport of Goods and People”.

## Ports

In Pakistan’s Gwadar Port, routes for regular container liners have been opened and supporting facilities in the starting area of the Gwadar Free Trade Zone completed, attracting more than 30 companies into the area. Prelimi- nary work has been completed for Sri Lanka’s Hamban- tota Port Special Economic Zone, including defining the zone’s industrial functions and making conceptual plans. An important transit hub has been completed at the Port of Piraeus in Greece, and Phase III construction is to be completed. Khalifa Port Container Terminal Phase II in the United Arab Emirates officially opened in December 2018. China has signed 38 bilateral and regional shipping agree- ments with 47 B&R countries. China’s Ningbo Shipping

Exchange has made constant efforts to improve the Mari- time Silk Road Freight Index and released the China-CEEC Trade Index (CCTI) and the Ningbo Port Index.

## Air transport

China has signed bilateral intergovernmental air trans- port agreements with 126 countries and regions. It has ex- panded arrangements for air traffic rights with Luxembourg, Russia, Armenia, Indonesia, Cambodia, Bangladesh, Israel, Mongolia, Malaysia, and Egypt. Over the past five years or so, 1,239 new international routes have opened between China and other B&R countries, accounting for 69.1 percent of the total of China’s new international routes over that period.

## Energy facilities

China has signed a large number of cooperation frame- work agreements and MoUs with other B&R countries, and has carried out extensive cooperation in the fields of elec- tricity, oil and gas, nuclear power, new energy, and coal. It works with relevant countries to ensure the safe operation of oil and gas pipeline networks and optimize the configu- ration of energy resources between countries and regions.

The China-Russia crude oil pipeline and the China- Central Asia natural gas pipeline have maintained stable operation. Certain sections of the eastern route of the China-

Russia natural gas pipeline will enter service in December 2019 and the entire eastern route will be completed and enter service in 2024. China-Myanmar oil and gas pipelines have been completed.

## Communication facilities

Significant progress has been made in the construction of China-Myanmar, China-Pakistan, China-Kyrgyzstan, and China-Russia cross-border fiber optic cables for infor- mation transmission. China and the International Telecom- munication Union signed a “Letter of Intent to Strengthen Cooperation on Telecommunications and Information Net- works Within the Framework of the Belt and Road Initia- tive”. China has also signed cooperation agreements with Kyrgyzstan, Tajikistan and Afghanistan on fiber optic ca- bles, which represent the practical launch of the Silk Road Fiber Optic Cable project.

## Unimpeded trade

Unimpeded trade is an important goal of the Belt and Road Initiative. The efforts invested in the initiative have liberalized and facilitated trade and investment in the par- ticipating countries and regions, lowered the costs of trade and business, and released growth potential, enabling the

participants to engage in broader and deeper economic glo- balization.

* 1. **Greater liberalization and facilitation of trade and investment.** China has issued the “Initiative on Promoting Unimpeded Trade Cooperation Along the Belt and Road”, to which 83 countries and international organizations have subscribed. Cooperation in border inspection and quarantine has deepened. Since the first Belt and Road Forum for Inter- national Cooperation in May 2017, China has signed more than 100 cooperation agreements with other B&R countries, granting access to some 50 types of agricultural products and food after inspection and quarantine. Express customs clear- ance services for agricultural products between China and Kazakhstan, Kyrgyzstan, and Tajikistan have reduced the clearance time by 90 percent. China has further expanded sectors accepting foreign investment to create a business en- vironment of high international standards. It has opened 12 pilot free trade zones for global business and experimented with free trade ports to attract investment from participat- ing countries of the Belt and Road Initiative. China’s aver- age tariffs have dropped from 15.3 percent when it joined the World Trade Organization to 7.5 percent today. China has signed or upgraded free trade agreements with ASEAN,

Singapore, Pakistan, Georgia and other countries and regions, and signed an economic and trade cooperation agreement with the Eurasian Economic Union. A network of free trade areas involving China and other B&R countries has taken shape.

* 1. **Expanding trade.** From 2013 to 2018 the value of trade between China and other B&R countries surpassed US$6 trillion, accounting for 27.4 percent of China’s total trade in goods and growing faster than the country’s overall foreign trade. In 2018 the value of trade in goods between China and other B&R countries reached US$1.3 trillion, growing by 16.4 percent year on year. Trade in services be- tween China and other B&R countries has seen steady prog- ress, growing by 18.4 percent from 2016 to reach US$97.76 billion in 2017. The figure accounted for 14.1 percent of China’s total trade in services, 1.6 percentage points higher than in 2016. According to a World Bank study that analyzes the impact of the Belt and Road Initiative on trade in 71 po- tentially participating countries, the initiative increases trade flows among participating countries by up to 4.1 percent.1

1 Suprabha Baniya, Nadia Rocha & Michele Ruta, “Trade Effects of the New Silk Road: A Gravity Analysis” – World Bank Policy Research Work- ing Paper 8694, January 2019.

* 1. **Faster pace of trade model innovation.** New trade models such as cross-border e-commerce are becoming an important driver of trade. In 2018 the total value of retail goods imported and exported through the cross-border e-commerce platform of China Customs reached US$20.3 billion, growing by 50 percent year on year. Exports were US$8.48 billion, growing by 67 percent year on year, and imports were US$11.87 billion, growing by 39.8 percent year on year. As Silk Road e-commerce prospers, China has established cooperation mechanisms for bilateral e-commerce with 17 countries, created agreements on e-commerce cooperation under the BRICS and other mul- tilateral frameworks, and made solid progress in finding overseas partners for Chinese businesses and developing Chinese brands.

## Financial integration

Financial integration is an important pillar of the Belt and Road Initiative. Exploring investment and financing models, international multilateral financial institutions and commercial banks have played an innovative role in ex- panding the channels of diversified financing, providing stable, transparent and quality financial support for the Belt and Road Initiative.

1. **Exploring new models of international invest- ment and financing.** Boasting huge cooperation potential in infrastructure construction and industrial capacity, the Belt and Road Initiative is in urgent need of finance. The sovereign wealth funds and investment funds of the partici- pating countries are playing a bigger part. In recent years the Abu Dhabi Investment Authority of the UAE, China Investment Corporation and other sovereign wealth funds have markedly increased investment in major emerging economies participating in the initiative. The China-EU Joint Investment Fund, which began operation in July 2018 with an injected capital of EUR500 million from the Silk Road Fund and the European Investment Fund, has helped the Belt and Road Initiative to dovetail with the Investment Plan for Europe.
2. **Growing support from multilateral financial co- operation.** China’s Ministry of Finance and its counterparts in 27 countries including Argentina, Russia, Indonesia, the UK, and Singapore have endorsed the “Guiding Principles on Financing the Development of the Belt and Road”. Ac- cording to the Principles, the countries participating in the Belt and Road Initiative support channeling of financial re-

sources to serve the real economy of countries and regions involved, with priority given to such areas as infrastructure connectivity, trade and investment, and industrial coopera- tion, among others. The People’s Bank of China has rolled out joint financing programs with the International Finance Corporation under the World Bank Group, Inter-American Development Bank, African Development Bank, European Bank for Reconstruction and Development, and other mul- tilateral development institutions. By the end of 2018 these institutions had invested in more than 100 programs in over 70 countries and regions. Established in November 2017, the China-CEEC Bank Consortium includes 14 financial institutions from China, Hungary, the Czech Republic, Slovakia, Croatia, and nine other Central and Eastern Eu- ropean countries. In July 2018 the China-Arab States Bank Consortium was founded, followed by the China-Africa Fi- nancial Cooperation Consortium established in September; each was the first multilateral financial cooperation mecha- nism between China and the respective area.

1. **Closer cooperation between financial institutions.** In building the Belt and Road, policy-backed export credit insurance, which has wide coverage, plays a special role in supporting infrastructure and basic industries. The strengths

of commercial banks lie in taking deposits from wider sources, corporate financing, financial products, trade agen- cy, and trust services. By the end of 2018 the China Export & Credit Insurance Corporation had endorsed US$600 bil- lion on export to and investment in the participating coun- tries. Chinese-financed banks, such as the Bank of China, Industrial and Commercial Bank of China, Agricultural Bank of China, and China Construction Bank, have formed extensive agent banking relations with the participating countries. Commerzbank became the first German bank to join the banking mechanism of the Belt and Road Initiative when it signed an MoU on cooperation with the Industrial and Commercial Bank of China.

1. **Improved financial market system.** The initia- tive’s participating countries have made continued efforts to consolidate and improve financial cooperation for long- term benefits and win-win outcomes. With a steady supply of innovative financial products, channels for financing the Belt and Road Initiative have expanded substantially. China has continued to open up its interbank bond market. By the end of 2018 about RMB200 billion of Panda bonds had been issued. The Export-Import Bank of China issued a RMB2 billion green bond for global investors, and the

BRICS New Development Bank issued a RMB3 billion green bond to support the green development of the Belt and Road Initiative. Stock equity, business and technical cooperation between securities and futures exchanges has advanced. The Shanghai Stock Exchange, Deutsche Börse Group, and China Financial Futures Exchange jointly founded the China Europe International Exchange in 2015, and the Shanghai Stock Exchange and Astana International Financial Center Authority of Kazakhstan have signed an agreement to co-invest in building the Astana International Exchange.

1. **Deeper financial connectivity.** Eleven Chinese-funded banks have set up 76 first-grade institutions in 28 B&R coun- tries, and 50 banks from 22 B&R countries have opened 7 corporate banks, 19 branches, and 34 representative offices in China. Two Chinese-funded securities firms have estab- lished joint ventures in Singapore and Laos. China has made bilateral currency swap arrangements with more than 20 B&R countries and Renminbi clearing arrangements with 7 B&R countries, and signed cooperation agreements with the fi- nancial supervision authorities of 35 B&R countries. The Reminbi’s functions as a currency for international payment, investment, trade, and reserve have been strengthened. The

Cross-Border Interbank Payment System (CIPS) now covers some 40 countries and regions involved in the Belt and Road Initiative. The China-IMF Capacity Development Center and the Research Center for the Belt and Road Financial and Economic Development have been founded.

## Closer people-to-people ties

People-to-people ties are the cultural foundation for building the Belt and Road. It is the common dream of all peoples to enjoy a peaceful and prosperous life. Over the past five years or so, the B&R countries have carried out diplomat- ic activities and cultural exchanges of various forms in wide fields, enhancing mutual understanding and recognition and laying a solid cultural foundation for furthering the initiative.

1. **Diverse forms of cultural exchange.** China and other B&R countries have hosted events such as arts fes- tivals, film festivals, music festivals, cultural relics ex- hibitions, and book fairs, and have jointly launched new publishing, radio, film and television programs, as well as translating and introducing each other’s media programs. The Silk Road International League of Theaters, Silk Road International Museum Alliance, Network of Silk Road Arts Festivals, Silk Road International Library Alliance, and

Silk Road International Alliance of Art Museums and Gal- leries have been established. China, CEE countries, ASEAN countries, Russia, Nepal, Greece, Egypt, and South Africa have hosted activities to celebrate the cultures of B&R countries in different years, and developed about a dozen cultural exchange brands such as the “Silk Road Tour” and “Chinese/African Cultures in Focus”. Major cultural festi- vals and expos have been launched such as the Silk Road (Dunhuang) International Cultural Expo, Silk Road Interna- tional Arts Festival, and Maritime Silk Road International Arts Festival, and 17 Chinese culture centers have been set up in B&R countries. China has signed cooperation agree- ments on the protection of cultural heritage with Indonesia, Myanmar, Serbia, Singapore, and Saudi Arabia. Through a combined effort from China, Kazakhstan and Kyrgyzstan, Silk Roads: The Routes Network of Chang’an-Tian Shan Corridor has become a UNESCO World Heritage site. Steady progress has been made in the Belt and Road News Alliance. The Silk Road NGO Cooperation Network, with 310 members, has become an important platform for non- governmental cooperation.

1. **Fruitful results in education and training.** The Chi- nese Government Scholarship – Silk Road Program has been

set up, and China has signed agreements with 24 B&R countries on the mutual recognition of higher education de- grees. In 2017, 38,700 students from other B&R countries studied in China on scholarships provided by the Chinese government, accounting for 66 percent of all students receiv- ing such scholarships. Other B&R scholarships are provided in the Hong Kong and Macao SARs. China has opened 153 Confucius Institutes and 149 Confucius Classrooms in 54 B&R countries. The Chinese Academy of Sciences offers scholarships in Master’s and Doctorate programs to other B&R countries, and runs science and technology training courses which have trained some 5,000 students from other B&R countries.

1. **Expanding cooperation in tourism.** China has held joint year of tourism with many other B&R countries, initiating cooperation mechanisms such as the Silk Road Tourism Promotion Union, Maritime Silk Road Tourism Promotion Alliance, and Tea Road International Tourism Alliance. China has signed mutual visa exemption agree- ments for different types of passport with 57 B&R countries, and concluded 19 agreements or arrangements to stream- line visa application procedures with 15 countries. In 2018 outbound Chinese tourists numbered 150 million, and

inbound foreign tourists numbered 30.54 million. Russia, Myanmar, Viet Nam, Mongolia, Malaysia, the Philippines, and Singapore were the main sources of tourists for China.

1. **Deeper cooperation in health and medicine.** Since the first Belt and Road Forum for International Coopera- tion, China has signed 56 agreements on cooperation in the health sector with countries such as Mongolia and Afghani- stan, international organizations such as the World Health Organization, and NGOs such as the Bill & Melinda Gates Foundation. In August 2017 the Belt and Road High-Level Meeting for Health Cooperation: Towards a Health Silk Road was held in Beijing, which issued the “Beijing Com- muniqué of the Belt and Road Health Cooperation”. China has carried out cooperation on the prevention and control of AIDS, malaria, dengue, flu, and tuberculosis with Lancang- Mekong countries; on the prevention and control of echi- nococcosis, plague and other zoonoses with Central Asian countries; and on the prevention and control of polio with Western Asian countries. China has dispatched ophthalmol- ogy teams to Cambodia, Myanmar, Laos, and Sri Lanka to carry out the “Brightness Action” program, and short- term medical teams to island countries such as Fiji, Tonga, Micronesia, and Vanuatu in the Pacific. It has established

traditional Chinese medicine centers in 35 B&R countries, and 43 international TCM cooperation bases.

1. **Ongoing effort in disaster relief, assistance, and poverty alleviation.** Since the first Belt and Road Forum for International Cooperation, China has provided RMB2 billion in emergency food assistance to developing countries participating in the initiative, injected an additional US$1 bil- lion to the South-South Cooperation Assistance Fund, and implemented 100 Happy Home Projects, 100 Anti-Poverty Projects, and 100 Health Recovery Projects. China has partic- ipated in 8 joint programs for the protection of cultural relics with 6 countries, and 15 joint archeological activities with 12 countries. China has provided Laos and other countries with seismic monitoring equipment to improve their early warning and disaster alleviation capacity. China has initiated 24 cooperation programs with civil society organizations in Cambodia and Nepal, in an effort to improve the lives of local people.

## Industrial cooperation

The Belt and Road Initiative draws investment from diverse sources, encourages third-party market coopera- tion, and aims to build industry, supply, service, and value

chains that benefit all and are shared by all, so as to provide new growth drivers for faster development in the partici- pating countries.

* 1. **Stable growth in China’s direct investment in B&R countries.** From 2013 to 2018 China’s direct investment in B&R countries surpassed US$90 billion, realizing a turnover of US$400 billion in foreign contracted projects in these coun- tries. In 2018 Chinese businesses made a total of US$15.6 billion in non-financial direct investment in B&R countries, growing by 8.9 percent year on year and accounting for 13 percent of China’s total non-financial FDI during the same period. The turnover of foreign contracted projects in B&R countries reached US$89.3 billion, or 53 percent of the total turnover of foreign contracted projects in the same period. Ac- cording to a World Bank study, the transportation network pro- posed by the Belt and Road Initiative can lead to a 4.97-percent increase in total FDI flows to B&R countries, a 4.36-percent increase in FDI flows within B&R countries, a 4.63-percent increase in FDI flows from OECD countries, and a 5.75-percent increase in FDI flows from non-B&R countries.2

2 Maggie Xiaoyang Chen & Chuanhao Lin, “Foreign Investment Across the Belt and Road: Patterns, Determinants and Effects” – World Bank Policy Research Working Paper 8607, October 2018.

* 1. **Steady progress in international cooperation on industrial development and third-party markets.** As faster growth in B&R countries has generated huge mar- ket demands on international industrial cooperation, China has taken active measures to boost market-oriented indus- trial cooperation with relevant countries in all areas, so as to upgrade the industrial structure and raise the level of industries in these countries. Currently China has signed agreements on industrial cooperation with more than 40 countries including Kazakhstan, Egypt, Ethiopia, and Brazil. It has dovetailed industrial cooperation programs with regional organizations such as the ASEAN, African Union, and CELAC. China has signed third-party market cooperation agreements with France, Italy, Spain, Japan, and Portugal.
  2. **Vigorous development in cooperation parks and zones.** Applying market principles and complying with laws, Chinese businesses of all types have joined in the development of cooperation parks and zones in other B&R countries, sharing China’s best practices and the experience it has gained in development zones and indus- trial parks during reform and opening up. In addition to promoting the local economy, these have also created new

sources of tax revenue and jobs in the countries involved. China has established the China-Kazakhstan Khorgos In- ternational Border Cooperation Center, and the China-Laos Mohan-Boten Cross-Border Economic Cooperation Zone; more cross-border economic cooperation zones with other countries are being planned or built.

# Contributions

With a view to building a global community of shared future, the Belt and Road Initiative upholds the principles of extensive consultation, joint contribution, and shared benefits. Through the initiative China has made a construc- tive contribution to the reform of the current global gover- nance system and to economic globalization.

## Extensive consultation: from a Chinese proposal to a global consensus

Extensive consultation means addressing issues that matter to all through consultation. On the basis of equality and free will, this principle emphasizes equal participation and full consultation in the process, so as to reach consen- sus in understanding, achieve convergence for cooperation, and develop a focus for common development.

* **Building international platforms for extensive consultation.** In May 2017, the first Belt and Road Forum

for International Cooperation held in Beijing was a great success. The event was attended by heads of state and gov- ernment of 29 countries as well as more than 1,600 repre- sentatives from over 140 countries and 80-plus international organizations. The forum produced 279 deliverables, in- volving 76 major items in five key areas. All these achieve- ments have now been implemented. The second Belt and Road Forum for International Cooperation will be held in Beijing in April 2019. The forum has become an important platform for participating countries and international or- ganizations, enabling more cooperation, closer ties, more exchanges, and enhanced mutual trust. In November 2018, the first China International Import Expo was held, attracting 172 countries, regions and international organizations and more than 3,600 enterprises from outside China. At the first Hongqiao International Economic Forum held at the expo, over 4,500 participants from governments, businesses, and academic and research institutions engaged in dialogue and exchanges and voiced their opinions. China has also hosted many large-scale expositions such as the Silk Road Interna- tional Exposition and the Investment and Trade Forum for Cooperation between East and West China, the China-ASEAN Expo, the China-Eurasia Expo, the China-Arab States Expo,

the China-South Asia Expo, the China-Northeast Asia Expo, and the Western China International Fair. These events have become important platforms for consultation and coopera- tion between China and other B&R countries.

* **Strengthening the role of multilateral mechanisms in extensive consultation.** The concerted efforts to build the Belt and Road reflect the trends of the times – peace and development. Upholding the principles of consultation on an equal footing, openness, and inclusiveness, they aim to promote mutually beneficial cooperation among B&R countries on the basis of existing international mechanisms. Applying the principles of mutual respect and mutual trust, China actively engages in substantive coordination and cooperation on the Belt and Road Initiative with other par- ticipating countries, fully utilizing existing multilateral co- operation mechanisms such as:
* G20,
* APEC,
* Shanghai Cooperation Organization,
* Asia-Europe Meeting,
* Asia Cooperation Dialogue,
* Conference on Interaction and Confidence-Building Measures in Asia,
  + China-ASEAN (10+1) cooperation mechanism,
  + Lancang-Mekong cooperation mechanism,
  + Greater Mekong Subregion Economic Cooperation,
  + Greater Tumen Initiative,
  + Central Asia Regional Economic Cooperation,
  + Forum on China-Africa Cooperation,
  + China-Arab States Cooperation Forum,
  + China-CELAC Forum,
  + China-CEEC “16+1 cooperation” mechanism,
  + China-Pacific Island Countries Economic Develop- ment and Cooperation Forum,
  + World Economic Forum,
  + Boao Forum for Asia.

**– Establishing a track two mechanism for dialogue.** Through track two channels such as political parties, parlia- ments, think tanks, local authorities, NGOs, business commu- nities, the media, and institutions of higher learning, China and other B&R countries can engage in diverse communica- tion, dialogue, exchange, and cooperation, focusing on joint efforts to build the Belt and Road. China has organized the CPC in Dialogue with World Political Parties High-Level Meeting, during which the CPC had extensive communication

with political parties from other countries on issues of the Belt and Road. China and other relevant countries have joint- ly established the Silk Road Think Tank Association, Silk Road Think Tank Network, and University Alliance of the Silk Road. The UK, Japan, Korea, Singapore, Kazakhstan and other countries have established research institutions on the Belt and Road and held a variety of forums and sympo- siums. Universities in China and other countries have jointly established research centers on the Belt and Road, schools for Belt and Road cooperation and development, and train- ing centers, with the aim of cultivating international talent to build the Belt and Road. Through means such as holding media forums, co-producing documentaries, and arranging joint interviews, Chinese and foreign media have strength- ened cooperation and exchange, improved their international communication capabilities, and helped the international community to access timely information on joint efforts to build the Belt and Road.

## Joint contribution: joining forces to build a har- monious international community

Joint contribution means that all the parties are equal participants, builders and contributors, and share responsi- bilities and risks.

**– Building financing platforms for cooperation.** Since opening in 2016, the Asian Infrastructure Invest- ment Bank (AIIB), which was established in accordance with a proposal from China, has played a role of increasing importance in the international multilateral development system. It has won broad trust and recognition from the international community. As of the end of 2018, the mem- bership of AIIB had grown from the 57 founding members to 93, spread across five continents. It had approved loans of US$7.5 billion and leveraged other investments totaling almost US$40 billion. Its 35 approved projects are distrib- uted over 13 countries including Indonesia, Pakistan, Ta- jikistan, Azerbaijan, Oman, Turkey and Egypt. In fulfilling its own purposes and missions, the bank has become one of the key multilateral platforms for building the Belt and Road, along with other multilateral development banks. In November 2014 the Chinese government pledged US$40 billion to establish a Silk Road Fund, and in May 2017, it announced an additional RMB100 billion contribution to the fund. As of the end of 2018, the contracted investment under the fund had reached about US$11 billion, with ac- tual investment adding up to US$7.7 billion; the fund had also allocated US$2 billion to set up the China-Kazakhstan

Industrial Capacity Cooperation Fund. In 2017, the Chi- nese government established the Public-Private-Partnership mechanism for the Belt and Road, and signed an MoU with the United Nations Economic Commission for Europe, to jointly promote better application of the mechanism in Belt and Road cooperation projects.

* **Actively conducting cooperation in third-party markets.** In our efforts to build the Belt and Road, we are committed to promoting open, inclusive, pragmatic and effective cooperation in third-party markets, so as to help Chinese and foreign enterprises utilize their complemen- tary strengths and achieve a “1+1+1>3” all-win result in which the benefits of three-party cooperation are greater than what the parties can produce separately. In 2018 two successful forums were held: the first Forum on China- Japan Third-Party Market Cooperation and the second meeting of the Steering Committee for China-France Third-Party Cooperation. A batch of cooperation projects such as the Hinkley Point C nuclear power station in the UK were put into effect. China’s CRRC and Germany’s Siemens reached consensus on third-party cooperation in some key projects.

## Shared benefits: ensuring all parties gain real benefits

Shared benefits mean that we take into consideration the interests and concerns of partners of cooperation, seek a convergence of interests with other countries, and expand common ground, so as to ensure that our cooperation is not only mutually beneficial but is beneficial to all parties. The Belt and Road Initiative is not a zero-sum game which results in the win of one party and the loss of the other. Rather, it is meant for mutual benefits and win-win and all-win outcomes.

**– Bringing China’s development achievements to other B&R countries.** For several years now, China has accounted for about 30 percent of world economic growth. Through the rapid expansion of its demand for imports, China propels economic growth in the B&R countries that export goods to China. At the same time, China is making a growing contribution to international trade. China’s imports in goods and services both account for one tenth of the total global value. In 2018, China imported goods worth RMB14.1 trillion, up 12.9 percent from 2017. Its FDI to- taled US$129.83 billion, 4.2 percent higher than 2017, and the percentage of direct investment to other B&R coun- tries grew year by year. Under the cooperation framework

of the Belt and Road Initiative, China supports developing countries such as those in Asia, Africa and Latin America to invest more in infrastructure. As a result, the benefits of world economic development are continuously brought to those countries. According to the quantitative trade model of a World Bank study, the Belt and Road Initiative will in- crease the GDP of East Asian and Pacific developing coun- tries by 2.6-3.9 percent on average.3

* **Improving people’s wellbeing in other B&R countries.** China includes the provision of aid in poverty reduction, agriculture, education, health, environmental protection and other areas into the joint efforts to build the Belt and Road. China has implemented the Program for China-Africa Cooperation on Poverty Reduction and Pub- lic Welfare, and pilot projects of the East Asia Coopera- tion Initiative on Poverty Reduction. It is actively helping countries in the basin of the Mekong River to tackle severe droughts by releasing emergency water supplies. It is also providing technological aid in flood control to Thailand and Myanmar. China signed an MoU with the WHO on health

3 François de Soyres, “The Growth and Welfare Effects of the Belt and Road Initiative on East Asia Pacific Countries”, World Bank Group, Octo- ber 2018 Number 4.

cooperation as part of the Belt and Road Initiative. It has also implemented a program for China-Africa public health cooperation and the China-ASEAN training programs for 100 public health professionals. China has trained sev- eral thousand professionals in public health management and disease prevention and control in cooperation with other B&R countries, and has offered free sight rehabilita- tion surgery to more than 5,200 cataract patients in those countries. Every year, China provides quality medical services to approximately 30,000 patients in neighboring countries. Chinese TCM teams have implemented plans for the rapid eradication of malaria in countries including Cambodia, Comoros, Togo, São Tomé and Príncipe, and Papua New Guinea.

* + **Facilitating the transfer of scientific and technologi- cal innovations to other B&R countries.** China has signed 46 agreements on cooperation in science and technology with other B&R countries, and launched China-ASEAN and China-South Asia science and technology partnership pro- grams. It has built five regional platforms for technological transfer with ASEAN, South Asia, Arab States, Central Asia, and Central and Eastern Europe, and proposed and co- established the Alliance of International Science Organizations

in the Belt and Road Region. A multi-level and diverse exchange mechanism in science and technology and hu- manities has been formed through various means, such as short terms of research in China by young scientists and the training of science and management personnel from other B&R countries. In 2018, China hosted 500 young scientists from such countries to carry out research, and trained more than 1,200 science and management professionals. China actively conducts cooperation with other B&R countries in space technology and makes its BeiDou Navigation Satel- lite System, satellite communication systems and satellite meteorological remote sensing technologies available to them.

* **Promoting green development.** Upholding the Paris Agreement, China actively advocates and encourages the integration of green development into the joint efforts to build the Belt and Road. China has signed an MoU on building green Belt and Road with the United Nations En- vironment Programme, and agreements on cooperation in ecological conservation with over 30 countries along the routes. Since building green Belt and Road has become an important means to implement the United Nations 2030 Agenda for Sustainable Development, more than 100 part-

ners from the relevant countries and regions have estab- lished the International Coalition for Green Development on the Belt and Road. In 2016, under China’s presidency of the G20, green finance became a key agenda item for the first time. A Green Finance Study Group was set up, which released the “G20 Green Finance Synthesis Report”. China has actively implemented the Green Silk Road Envoys Program, and has trained 2,000 people from other B&R countries. It has issued documents such as “Guidance on Promoting Green Belt and Road” and the “Belt and Road Ecological and Environmental Cooperation Plan”, with the aim of fulfilling its responsibilities and standards in build- ing green Belt and Road.

## Vision: building a global community of shared future

The joint efforts to build the Belt and Road reflect hu- manity’s common aspiration for a bright future. More and more members of the international community have identi- fied with the idea of building a global community of shared future advocated by the Belt and Road Initiative. The idea is in harmony with the need for world economic develop- ment and the direction of the progress of world civilization.

The initiative is becoming an important platform for build- ing a global community of shared future.

* **Proposed by China but belonging to the whole world.** The Belt and Road covers different regions at dif- ferent stages of development that have different cultures. It is an open and inclusive platform and a global public prod- uct forged by all parties involved. Directed toward a shared future for humanity, the Belt and Road Initiative upholds its noncompetitive and nonexclusive nature to the fullest ex- tent. It reflects the international community’s demand for a global governance system that is fair, egalitarian, open and inclusive. It is an important public product oriented toward today’s world. As UN Secretary-General António Guterres has pointed out, the Belt and Road Initiative and the United Nation’s Millennium Development Goals share the same grand goals, and both are public goods offered to the world. The Belt and Road Initiative not only promotes internation- al trade and people-to-people exchanges, but also enhances understanding between countries and reduces cultural bar- riers, to ultimately achieve peace, harmony and prosperity.
* **Offering a Chinese approach to reforming the current global governance system.** Our world today faces challenges such as an insufficient drive for growth, an out-

dated governance structure, and imbalanced development. Being open and inclusive and aiming for common develop- ment, the Belt and Road Initiative transcends differences in social systems and cultures, respects the diversity of world civilization and the coexistence of diverse cultures, and emphasizes mutual complementarity and mutual benefit among countries at different levels of economic develop- ment. It focuses on improving conditions and creating op- portunities for development, strengthening the drive for development, and sharing the fruits of development. It propels the interaction between global governance, secu- rity, and development – an attempt to provide an alternative solution to these issues as they have not been addressed ef- fectively in isolation over long periods of time.

* + **Binding together B&R countries to share a common future.** We have only one earth, and all countries share the same planet. To meet the various challenges faced by humanity and work for a bright future in which the whole world enjoys peace, prosperity and development, countries across the globe should share the rough times and the smooth and build an open, inclusive, clean, and beautiful world that enjoys lasting peace, common security, and shared prosper- ity. The concept of a global community of shared future

involves combining interests, seeking common feelings, values, and responsibilities, and sharing the benefits of de- velopment. The Belt and Road Initiative calls for mutual support and assistance and is informed by equality, cultural affinity, and empathy. It upholds the principles of seeking common ground while reserving differences, inclusive- ness, mutual understanding, communication and dialogue, and interactions on an equal footing. We should regard the development of other countries as our own opportunity and promote the convergence of China’s development oppor- tunities with those of its B&R partners and other countries in the wider world, so as to ensure that our development benefits both sides of cooperation and all relevant parties. During its four decades of reform and opening up, China has accumulated a wealth of experience that can be used by other countries. It has no desire to export its ideology and no intention to impose its development model on other countries. It is willing to share its experience with other countries and create a bright future together with its B&R partners under the B&R framework.

# Prospects

Today’s world is in a stage of major developments, transformation and adjustment. Peace, development and cooperation remain the themes of the times. Looking into the future, in pursuing the Belt and Road Initiative, China will face many problems and challenges, as well as unprec- edented opportunities and prospects for development. This is an initiative that involves many parties and requires con- certed efforts. This is an initiative that decides the future and requires unremitting efforts. This is an initiative that benefits humanity and requires careful nurture. We believe that with the passing of time and the synergy of all parties, Belt and Road cooperation will definitely become deep and concrete, steady and extensive. The Belt and Road will become a road of peace, prosperity, opening up, green de- velopment, innovation, connected civilizations, and clean government. It will make economic globalization become more open, inclusive, balanced and beneficial to all.

## A road of peace

The ancient Silk Road thrived in times of peace and declined in times of war. Without a peaceful and stable en- vironment, it would be impossible to pursue the Belt and Road Initiative. The Belt and Road Initiative aims to build a new model of international relations featuring mutual re- spect, fairness, justice and win-win cooperation, and forge partnerships through dialogue rather than confrontation and friendship rather than alliance. All countries should respect each other’s sovereignty, dignity, territorial integrity, devel- opment path, social systems, and core interests, and accom- modate each other’s major concerns.

Peace and security are the prerequisite and guarantee for building the Belt and Road. All countries should fos- ter a vision of common, comprehensive, cooperative and sustainable security, and ensure that a security environ- ment is built by all and for all. All countries should resolve conflicts through political means, and promote mediation in the spirit of justice and fairness. We should intensify counterterrorism efforts by addressing both the symptoms and root causes, and by eliminating poverty, backwardness and social injustice. All countries should resolutely reject the Cold War mentality, zero-sum game and power poli-

tics, and oppose terrorism, separatism and extremism. All countries should offer mutual support on major issues con- cerning core interests such as national sovereignty, territo- rial integrity, national security and stability. All countries should settle disputes through dialogue, resolve differences through discussion, enhance cooperation and mutual trust, and reduce mutual misgivings. All countries need to foster in-depth cooperation in ensuring cyber security, fighting transnational crimes and drug trafficking, combating ter- rorism, separatism and extremism, and enhancing joint law enforcement and public security. These measures will help create a favorable environment for promoting regional economic development and improving the wellbeing of the people.

China is a staunch force in safeguarding regional and world peace and promoting common development. China is committed to peaceful development and an independent foreign policy of peace. We respect the development paths and domestic and foreign policies pursued independently by the people of every country. China will never inter- fere in the internal affairs of any country, never impose its own will on any country, and never place its own interests above the interests of any country. To ensure the smooth

implementation of the Belt and Road Initiative, China will work together with all other countries involved to estab- lish a dispute settlement mechanism, a security risk early- warning and monitoring mechanism, and an emergency response mechanism. In any case of dispute, all parties involved can discuss their interests and concerns through dialogue rather than engage in confrontation. Such dialogue will foster a positive development environment for Belt and Road cooperation, and help all participating countries to build a harmonious world where they respect each other’s core interests and settle disputes by peaceful means.

## A road of prosperity

Development holds the master key to solving all prob- lems. In pursuing the Belt and Road Initiative, we should focus on the fundamental issue of development, release the growth potential of participating countries, and achieve economic integration and coordinated development to the benefit of all participants. The Belt and Road Initiative complies with the trend toward multipolarity, economic globalization, cultural diversity, and IT application, and upholds the global free trade system and an open world economy.

B&R countries have complementary strengths in mar- ket size and resources, showing great potential and broad prospects for cooperation. Fully attending to all parties’ in- terests and concerns, B&R countries should build consen- sus and transform consensus into actions. By strengthening the connectivity of our development strategies, plans, plat- forms and projects, we will achieve more tangible results and leverage our comparative strengths in the interest of our common prosperity and development.

Belt and Road cooperation will continue to prioritize connectivity, focusing on key passageways, points, and projects. China will advance cooperation with other par- ticipating countries in the fields of roads, railways, ports, aviation, aerospace, oil and gas pipelines, power supply, and network communications, to achieve land, maritime, air and cyberspace connectivity. China will build a Belt and Road space information corridor together with other B&R countries. China will enhance mutual benefits in economic and trade cooperation, and expand bilateral and multilateral investment and trade. China will promote deeper industrial cooperation and work for the success of economic, trade and industrial cooperation zones. We will seize the oppor- tunities created by the new industrial revolution to cultivate

new driving forces and new business models to maintain the vitality of the economy. During the second Belt and Road Forum for International Cooperation, China will sign a number of key projects on industrial and investment co- operation with other B&R countries. China will establish a stable and sustainable financial service system that keeps risks under control, and create new models of investment and financing. China will also encourage closer cooperation between government and private capital, build a diverse financing system and a multi-tiered capital market, develop inclusive finance, and improve financial service networks.

## A road of opening up

Opening up brings progress while isolation results in backwardness. For a country to open itself to the outside world, it is like a silk moth breaking free from its cocoon. There will be short-term pains, but one gets a new life af- terwards. The Belt and Road Initiative calls for opening up, which in turn will enable us to achieve both economic growth and balanced development.

In pursing the Belt and Road Initiative, we should seek inclusive development that is beneficial to all, build an open platform of cooperation, and foster an open world

economy. The Belt and Road is an initiative for peaceful development and economic cooperation, rather than a geo- political or military alliance; it is a process of open, inclu- sive and common development, rather than an exclusionary bloc or a “China club”. It neither differentiates countries by ideology, nor plays the zero-sum game. Regardless of its political system, geographical environment, development stage, and cultural background, any country is welcome to join the circle of friends in the Belt and Road Initiative, fol- lowing the principles of extensive consultation, joint contri- bution and shared benefits to achieve win-win cooperation. China upholds and strengthens the multilateral trade system which is rule-based, open, transparent, inclusive and non-discriminative. China promotes liberalization and facilitation of trade and investment by building high- standard free trade areas jointly with other B&R countries, to advance the sound development of economic globaliza- tion. In addition, Belt and Road cooperation also addresses issues such as imbalances in development, difficulties in governance, the digital divide, and income disparity, to pro- vide equal development opportunities to all countries in the

world and share the fruits of development with all peoples. Through the Belt and Road, China will keep opening

its door wider. China is willing to bring new opportunities for common development to all countries, help other coun- tries develop an open economy suited to their own actual conditions, and join our efforts in building a global com- munity of shared future.

## A road of green development

The Belt and Road Initiative pursues the vision of green development and a way of life and work that is green, low-carbon, circular and sustainable. The initiative is committed to strengthening cooperation on environmen- tal protection and defusing environmental risks. It aims to build consensus on green development and increase mutual understanding and mutual support between governments, between enterprises and between peoples of the Belt and Road countries, to fulfill the 2030 Agenda for Sustainable Development.

B&R countries should pursue eco-friendly develop- ment, integrate ecological conservation and green devel- opment into economic and trade cooperation, and form a green development model in which environmental protec- tion and economic and trade cooperation complement each other. We should explore a path of sound development that

ensures growth, better lives, and a good environment. We should carry out cooperation in energy conservation and emissions reduction, and jointly respond to climate change. We should formulate and put in place supporting policies for environmental protection cooperation, and enhance efforts to protect and restore our ecosystems. We should explore and develop green finance, incorporating envi- ronmental protection and ecological conservation into our modern financial system.

China is willing to cooperate on environmental protec- tion with other B&R countries. China will sign cooperation agreements with more countries on building green Belt and Road, expand the International Coalition for Green Development on the Belt and Road, and establish a Co- alition of Sustainable Cities on the Belt and Road. China will build a group of international green industrial coop- eration platforms, including model bases for green indus- trial cooperation, bases for green technology transfer and exchanges, technology demonstration and popularization bases, and science and technology parks. China will build a platform of green supply chains for the Belt and Road Initiative. China will also promote cooperation and ex- changes with other B&R countries on the construction of

national parks, to protect our shared homeland.

## A road of innovation

Innovation is an important force powering develop- ment. In pursuing the Belt and Road Initiative, we need to encourage innovation. Over the past five years or so, China and other B&R countries have been improving the envi- ronment for innovation, pooling resources for innovation, and strengthening cooperation in science and technology innovation. We will continue to spur the full integration of science and technology with industries and finance.

Since the turn of the century, global technology in- novation has intensified and become more active. Another round of the technology revolution and industrial reform is restructuring the global innovation landscape and reshap- ing the global economy. Belt and Road cooperation has provided new opportunities for countries in the primary and middle stages of industrialization to merge properly into global industrial chains and value chains. As various factors and resources for development are shared, flowing and regrouping among B&R countries, each country can leverage their comparative strengths, focusing on studies in cutting-edge technology application and on the research,

development and application of high-tech products, to push forward innovation-driven development. The Belt and Road Initiative will become a new platform for the innova- tion-driven development of participating countries, a driv- ing force for their leapfrog development, and a new engine propelling global economic growth. Through coordinated development and joint response to challenges, the Belt and Road Initiative has enabled different countries and different groups of people to share the fruits of economic globaliza- tion during the development of an open world economy, and the momentum will continue.

The digital economy is a major economic transforma- tion, a successor to the agricultural economy and the in- dustrial economy. The world is experiencing a revolution in technology and industrial reform on a larger scale and at a deeper level. As modern information technology makes continuous breakthroughs and the digital economy thrives, all countries have seen their interests more closely con- nected. All parties involved in the Belt and Road Initiative should pursue innovation-driven development, intensify cooperation in frontier areas such as artificial intelligence, nanotechnology and quantum computing, and promote big data, cloud computing and smart cities, so as to turn

them into a digital Silk Road of the 21st century. China has formed a multi-level and diverse mechanism for technolog- ical and people-to-people exchanges, by offering short-term research visits to China for young scientists and offering training programs for science and management personnel from other B&R countries. Through building national level platforms for joint scientific research, China has enhanced stable and long-term cooperation mechanisms for technolo- gy innovation, to improve the capacity for technology inno- vation of B&R countries. We need to build a Belt and Road coordination network for technology transfer, to facilitate integrated innovation at regional level. Intellectual property is essential to innovation-driven development. B&R coun- tries should respect intellectual property rights, effectively protect and utilize intellectual property, and build a sophis- ticated intellectual property protection system.

## A road of connected civilizations

In pursuing the Belt and Road Initiative, we should ensure that with regard to different civilizations, exchange will replace estrangement, mutual learning will replace clashes, and coexistence will replace a sense of superiority. This will boost mutual understanding, mutual respect and

mutual trust between different countries.

The ancient Silk Road facilitated interactions between countries and between ethnic groups as well as advances in human civilization. The Belt and Road Initiative is rooted in profound civilizations and inclusive cultures. It provides a platform for participating countries to approach each other and enhance mutual learning. It enables deeper ex- changes between peoples from different countries, cultures and historical backgrounds. It allows peoples, regardless of their ethnicities, cultures, social systems and religions, to communicate, blend and connect with each other from a new height, in joint efforts to build a global community of shared future. The Belt and Road Initiative encourages the coun- tries involved to conduct extensive cooperation in education, technology, culture, health, sports, media and tourism. It facilitates exchanges among political parties, youth organi- zations, civil society organizations, think tanks, women’s as- sociations, and local authorities. A development trend toward common prosperity of all civilizations is apparent, highlight- ing harmony without uniformity and unity in diversity.

China, together with other B&R countries and re- lated international organizations, is willing to establish a multi-tiered mechanism for cultural and people-to-people

exchanges, and build more cooperation platforms and chan- nels. We should boost educational cooperation, increase the number of exchange students, and improve the performance of cooperatively run schools. We should develop the Belt and Road Studies Network and the Belt and Road News Alliance. We should cooperate more in protecting histori- cal and cultural heritage, providing foreign aid in cultural relics protection, and promoting joint archaeological activi- ties and exchanges between museums. We should jointly develop tourist products with distinctive Silk Road features. We should enhance exchanges between political parties, NGOs, women and youth to promote inclusive develop- ment. During the second Belt and Road Forum for Inter- national Cooperation, China will launch a cooperation initiative on “Accelerating the Sustainable Development Goals for Children through Shared Development” in B&R countries with the United Nations International Children’s Emergency Fund (UNICEF). Civil society organizations in China will start the “Silk Road Community Building” program to promote cooperation between civil society or- ganizations in all B&R countries to improve people’s lives. China will continue to provide affordable support and as- sistance to other developing countries under the initiative.

## A road of clean government

Clean government is the moral principle and the legal red line that we should never cross in Belt and Road coop- eration. All participating countries should work together to foster a modern business environment which is corruption- free and efficient, strengthen supervision and management and control risk in Belt and Road projects, and create a public resource market which is procedure-based and trans- parent. During the tendering, construction, and operational management of a project, we should abide by related laws and regulations, eliminate power rent-seeking, and estab- lish sound market order. All B&R countries should enhance international exchanges and cooperation in fighting corrup- tion. In accordance with the United Nations Convention Against Corruption and other international conventions and related bilateral treaties, we should create a closer and more convenient network for cooperation on judicial affairs and law enforcement, and facilitate the signing and fulfillment of bilateral extradition treaties and judicial assistance agree- ments. All countries should encourage their enterprises to strengthen self-discipline, establish rule-based managerial systems, foster an enterprise culture that values integrity, monitor corruption risks, and oppose commercial bribery.

Government, enterprises and the international community should work together to form cooperation mechanisms for denying the entry of corrupt officials and returning assets acquired through corruption. The three parties should make concerted efforts to cut chains of corruption and forge lines of defense against corruption.

China is willing to join all other countries in improving the legal systems and mechanisms to fight corruption, im- proving the business environment, and punishing commer- cial bribery. China will improve coordination with other B&R countries in anti-corruption laws and regulations, and enhance practical cooperation against corruption. China will increase anti-corruption training for Chinese enter- prises going global, and tighten up their rule-based busi- ness operation and management. China is willing to work together with other participating countries to build the Belt and Road into a road of clean government.

The tides of world development roll on. The Belt and Road Initiative mirrors the general trend of history. The values and development concepts manifested in the initia- tive fulfill the demands of human society to form a global community of shared future. They meet the expectations of

all peoples in the participating countries to share develop- ment opportunities and live a better life. Undoubtedly, as time moves on, Belt and Road cooperation will show great- er vitality and creativity. With master plans and concrete measures in place, Belt and Road cooperation will reap long-term benefits as we persevere in our efforts toward higher-quality and higher-level development. The Belt and Road Initiative will help build a world of lasting peace, a world of common security and prosperity, an open and inclusive world, and a clean and beautiful world, making a greater contribution to building a global community of shared future.