

countries and regions involved in the initiative.

Decline in transportation times. The completed and planned BRI transportation projects will shorten the freight times of economies involved in the initiative by up to 12%, and the global shipping times by an average of 3%.

Increase in trade and investment. The newly-built transportation networks due to the BRI will increase trade of economies involved in the initiative by 2.8%-9.7%, and global trade by 1.7%-6.2%; foreign direct investment flowing into low-income countries is expected to increase by 7.6%.

Boosting economic growth. The joint construction of the BRI will increase the real incomes of economies involved in the initiative by up to 3.4% and global incomes by 2.9%. It will help 7.6 million people out of extreme poverty (with an average daily income of less than \$1.9), and help 32 million people get rid of moderate poverty (with an average daily income of less than \$3.2).

II. Remarkable Results Achieved in Carrying Out BRI

In the past eight years, the cause of jointly building the BRI has advanced through explorations. It has developed and improved; and it has grown amid cooperation, becoming a popular international public good. The BRI has been written into important outcome documents, such as UN Security Council resolutions, Forum on China-Africa Cooperation, and Shanghai Cooperation Organization. Its circle of friends has continued to expand and remarkable results have been achieved.

1. *Win-win version of economic globalization*

The joint construction of the BRI has built a platform for deepening international trade and investment cooperation, provided opportunities for coordinated development of relevant countries, and made a positive contribution to promotion of economic globalization.

Scale of trade has grown steadily. The joint construction of the BRI has improved the level of trade facilitation, and the “pie” of trade has become bigger and bigger. From 2013 to 2020, China’s trade in goods with countries involved in the BRI has accumulated to \$9.2 trillion, and the proportion of its trade in goods with those countries to its total foreign trade in 2020 increased by 4.1 percentages from 2013.

The country has seen more than 300 overseas warehouses established in countries and regions involved in the BRI and supported enterprises to build 1,595 international marketing networks. China has actively expanded imports, shared opportunities in the Chinese market with countries involved in the BRI, and made bilateral trade more balanced (Figure 12-1).

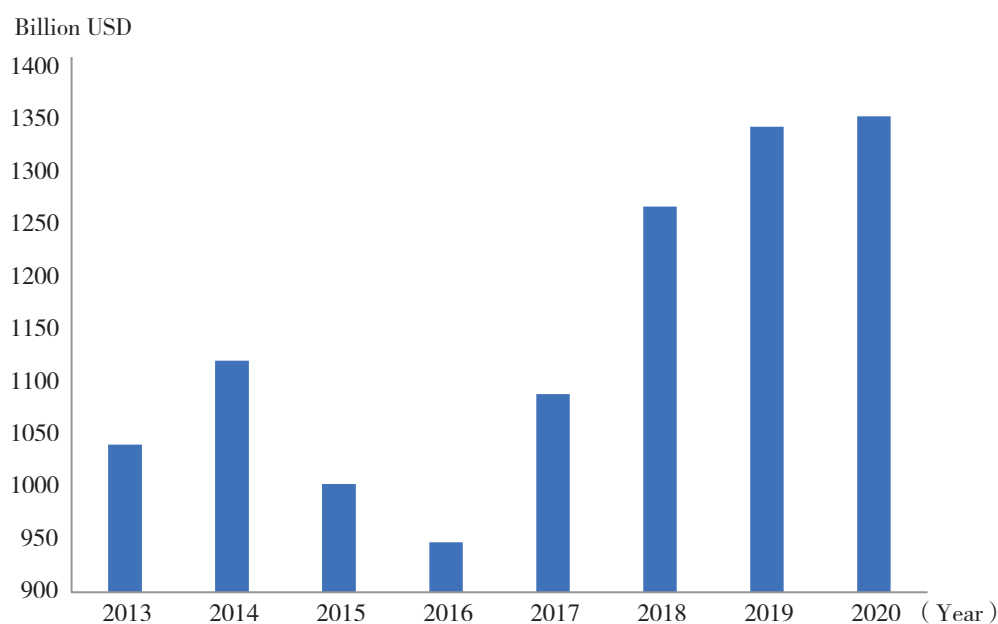


Figure 12-1 China's Trade in Goods with Countries Involved in BRI

Source: Ministry of Commerce of China, General Administration of Customs of China.

Bilateral investment gaining momentum. The investment cooperation between China and countries involved in the BRI has continually deepened, which has promoted development of industrialization. From 2013 to 2020, Chinese companies directly invested \$136 billion in countries involved in the BRI, and investors from countries involved in the BRI established 27,000 foreign-funded enterprises in China, with an actual investment of nearly \$60 billion. Chinese enterprises have invested more than \$37.6 billion in overseas economic and trade cooperation zones of countries involved in the BRI, with taxes and fees paid to host countries amounting to \$3.8 billion, creating 330,000 local jobs (Box 12-2).

Box 12-2 Industrial New Zone Established in Sihanoukville, Cambodia

The Sihanoukville Special Economic Zone is located on the eastern coast of

Sihanoukville, Cambodia, adjacent to Sihanoukville, the largest sea port in Cambodia. Under the joint development of China and Cambodia, the zone has developed from a hilly plain with no roads, water, electricity, or internet to a vibrant new city accommodating hundreds of companies from various countries and tens of thousands of employees.

At present, the industrial output of the special economic zone contributes more than 50% to the economy of Sihanoukville, becoming the local “golden rice bowl”. The living standards of people in the surrounding areas have continually improved, with their annual per capita income reaching \$3,358, which is much higher than the nation’s average level. The zone has actively assumed social responsibilities. It has made efforts to improve the teaching environment and help poor students from the local area. Since 2015, the special economic zone has cooperated with China’s medical aid teams to carry out free medical checks and treatments in the zone for five times, with nearly 8,000 local patients diagnosed and treated. More and more local people are studying, working and living happily in the zone.

Major projects launched. Chinese enterprises have carried out project construction in countries involved in the BRI to inject impetus into local economic development. From 2013 to 2020, the value of newly signed contracts by Chinese enterprises in countries involved in the BRI increased from \$71.9 billion to \$141.5 billion, with an average annual growth rate of 10%; their completed turnover increased from \$65.4 billion to \$91.1 billion, with an average annual growth rate of 4.8% (Table 12-1). The successive launches of major projects have improved the interconnectivity and economic development level of countries involved in the BRI (Box 12-3).

Table 12-1 Projects Contracted with Chinese Enterprises in Countries Involved in BRI in 2013-2020

Year	Number of new contracts	Value of new contracts			Completed turnover		
		Value (\$ billion)	YOY change (%)	YOY change (%)	Value (\$ billion)	YOY change (%)	YOY change (%)
2013	2,999	71.9	-	42	65.4	-	48.0
2014	3,517	86.2	20.0	44	64.3	-2.0	45.0
2015	3,987	92.6	7.0	44	69.3	8.0	45.0
2016	8,158	126.0	36.0	52	76.0	10.0	48.0

(Continued)

Year	Number of new contracts	Value of new contracts			Completed turnover		
		Value (\$ billion)	YOY change (%)	YOY change (%)	Value (\$ billion)	YOY change (%)	YOY change (%)
2017	7,217	144.3	15.0	54	85.5	13.0	51.0
2018	7,721	125.8	-13.0	52	89.3	4.0	53.0
2019	6,944	154.9	23.0	60	98.0	10.0	57.0
2020	—	141.5	-8.7	55	91.1	-6.9	58.0

Source: Ministry of Commerce of China.

Box 12-3 Piraeus Port: Enabling Greece's Economic Growth

The debt crisis broke out in Greece in 2010, and the port of Piraeus (referred to as Piraeus) was hit hard, and its operation encountered serious setbacks. After China COSCO Shipping Corporation Ltd started to take over the management of the port, the company and its local employees rebuilt and expanded the port to improve its operational efficiency, tap the international market, and take advantage of the advantages of the port to launch the China-Europe land-sea express transport and connect it with the rail networks in Greece and Europe; through those measures, the port has reversed its decline and regained its vitality.

In 2019, the Piraeus port's revenue increased by 12.3% to 150 million euros. Its net profit increased by 27.1% to 35.4 million euros. The annual container throughput was more than 6 times that of 2010, once again making the port the largest in the Mediterranean Sea area. In 2020, despite the influence of the novel coronavirus pandemic, the decline in cargo freight at the port is still smaller than that of ports in northern Europe and the Mediterranean Sea area.

Tangible results achieved in assistance in people's livelihood. Since the first Belt and Road Forum for International Cooperation in 2017, China has provided 2 billion yuan in emergency food assistance to developing countries involved in the BRI, made an additional contribution of \$1 billion to the Assistance Fund for South-South Cooperation and launched 100 "Happy Home" projects, 100 poverty alleviation projects and 100 health care and rehabilitation projects in countries involved in the BRI. There have been interesting stories every day related to BRI projects. When

the Ebola epidemic broke out in West Africa, China took the lead in sending medical teams to provide support and assistance to the governments and people of the recipient countries. In the BRI Brightness Initiative, free surgeries have been provided for local cataract patients and become a “gold-lettered signboard”, or most valued program, of China’s foreign aid. After the outbreak of the novel coronavirus pandemic, China and the countries involved in the BRI have helped each other, faced the challenge together, carried out in-depth cooperation in pandemic prevention and control and vaccination, and further solidified people-to-people bonds. In 2020, despite its huge demand for pandemic prevention materials, China still exported 224.2 billion masks, which is equivalent to 40 masks per person in the other parts of world. It also exported 2.3 billion protective suits and 270,000 ventilators, which demonstrated China’s sense of responsibility as a major country.

2. China version of international public good

Under the BRI international cooperation framework, some public goods with international influence have emerged, which have served as solutions and contribution from China to help improve the global economic governance system.

The Belt and Road Forum for International Cooperation. The BRI summit forums were held in May 2017 and April 2019, respectively, in Beijing, and they have become an institutionalized platform for participating countries and international organizations to deepen exchanges, enhance mutual trust, and strengthen links (Figure 12-2). The hosting of the annual China International Import Expo, or CIIE, which was announced at the first BRI summit forum, has been held successfully for three consecutive years, and the fourth CIIE will be held soon, marking the trend that it has

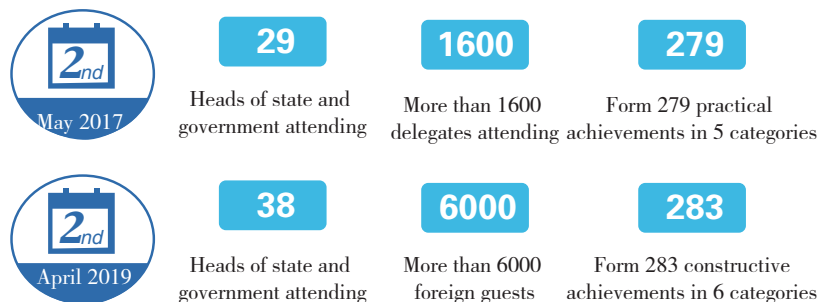


Figure 12-2 Comparison between the Two BRI Summit Forums

Source: www.yidaiyilu.gov.cn.

been held more and more successfully. The second BRI summit forum was attended by heads of State and government of 38 countries, and more than 6,000 representatives from more than 150 countries and 90 international organizations also attended the forum, which resulted in 283 items of practical outcomes in 6 categories.

Asian Infrastructure Investment Bank. The AIIB was officially established in January 2016, when it formally started operation. It provides an important supplement to the international financial system. By the end of 2020, the number of member countries of the Asian Infrastructure Investment Bank had grown to 103, with a total of 108 loan projects approved, and a cumulative approved investment of more than \$22 billion dollars, involving 21 countries and regions and covering such fields as transportation, energy, telecommunications, and urban development. The **Silk Road Fund** actively promotes cooperation with domestic and foreign financial institutions. Its invested industries include infrastructure, resources development, and industrial cooperation, among others, and its investment projects cover many countries involved in the BRI.

3. Guiding version of all-round openness

The joint construction of the BRI focuses on the coordinated opening-up of China's eastern, central and western regions, and promotes the formation of a new pattern of all-round opening-up, which is conducive to deepening China's cooperation with other countries and promoting the construction of an open world economy.

Promote coordinated opening-up of coastal and inland regions. The joint construction of the BRI has opened up China's major international corridors to the West. The China-Europe railway, the new land-sea corridor, and the "Air Silk Road" have promoted the opening-up of China's inland regions and related landlocked countries. By June, 2021, the accumulative number of China-Europe freight trains had exceeded 40,000, reaching 168 cities in 23 countries. In 2020 alone, the freight trains between China and Europe recorded 12,400 trips, delivering a total of 1.135 million TEUs of goods, with a total value of \$50 billion, up by 50%, 56%, 43%, respectively, year-on-year. In the first half of this year, the number of freight trains between China and Europe reached 7,377, delivering 707,000 TEUs of goods, an increase of 43% and 52%, respectively, year-on-year (Figure 10-3). And the number of rail-sea freight trains in the western intermodal land-sea transport corridor reached 4,607 in 2020, up by 105% year-on-year (Box 12-4).

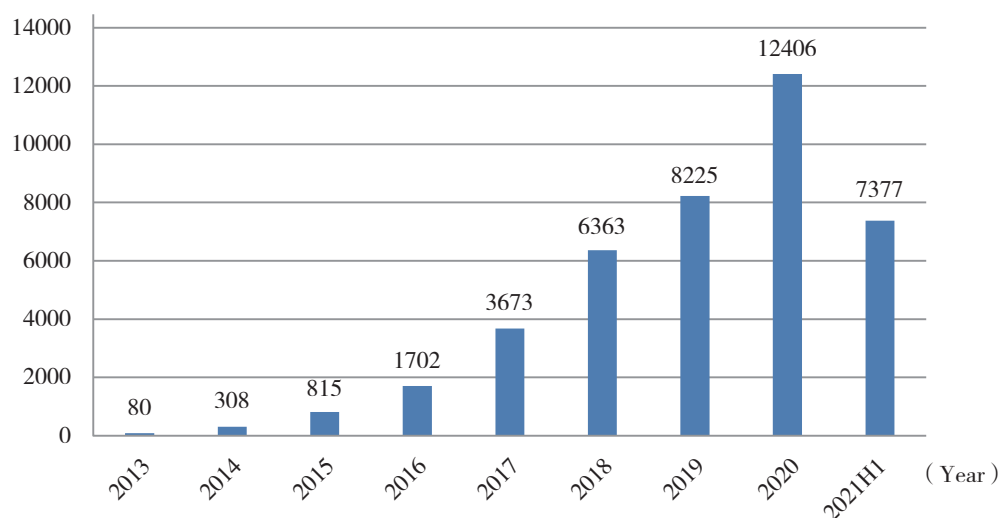


Figure 12-3 Number of China-Europe Freight Trains from 2013 to June, 2021

Source: China State Railway Group.

Box 12-4 Construction of Western Land-Sea New Corridor Accelerates

The new western land-sea corridor is located in the hinterland of China's western region, connected to the Silk Road Economic Belt to the north, and the 21st Century Maritime Silk Road to the south. It is also connected to the Yangtze River Economic Belt and, therefore, has an important strategic position in the layout of coordinated regional development. The 14th Five-Year Plan (2021-05) and the Long-Range Objectives Through the Year 2035 have both set the new western land-sea corridor as one of the major projects oriented to serve the country's major development strategies.

Much headway has been achieved in the construction of the new land-sea corridor. It has provided important support for the economic and social development and opening-up of the western region, and become an important engine for driving the region's economic and social development. During the construction of the new land-sea corridor in the western region, the ports and corridors connecting land transport and sea transport have been continuously improved, and logistics services and operational efficiency have significantly improved, gradually leading to a development pattern featuring two-way economic and trade interaction.

Promoting policy connection and mechanism cooperation in the BRI framework. China has so far signed more than 200 cooperation documents with more than 170 countries and international organizations on the joint construction of the BRI.

It has promoted the implementation of the WTO's Trade Facilitation Agreement and continuously improved the network of free trade zones. The *Regional Comprehensive Economic Partnership Agreement* (RCEP) has been successfully signed by participating countries. China has signed free trade agreements with 13 countries involved in the BRI, and also signed bilateral investment agreements with 56 countries involved in the BRI. It has also signed economic and trade cooperation agreements with the Eurasian Economic Union.

Importance attached to both traditional and emerging markets. In the joint construction of the BRI, China has increasingly opened up to the emerging markets and developing countries. From 2013 to 2020, the ratio of China's trade with ASEAN to its total trade increased from 10.7% to 14.7%; in 2020, ASEAN became China's largest trading partner; the ratio of its trade with central and eastern Europe to its total trade increased from 1.3% to 2.2%; and the share of its trade with Latin American countries to its total trade increased from 6.3% to 6.8% (Figure 12-4). In the past eight years, China's accumulative investment in Africa has amounted to about \$27 billion, which has promoted the development of Africa's industrialization.

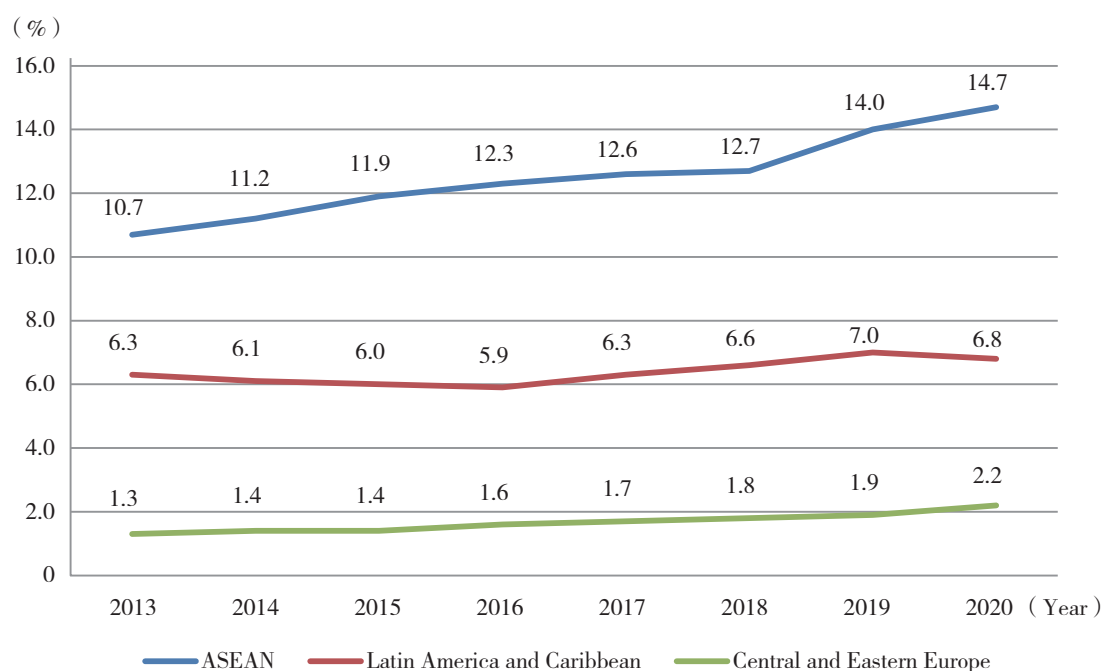


Figure 12-4 Ratio of China's Trade with Emerging Markets to Its Overall Foreign Trade

Sources: Ministry of Commerce of China, National Bureau of Statistics.

4. Cooperation version of high-quality development

Countries involved in the BRI have different resource endowments, and their economies are highly complementary. In the joint construction of the initiative, focus has been put on such concepts as openness, greenness, and integrity; and attention has been paid to improving the independent development capabilities of relevant countries and sustainable development.

Promoting market integration. China and related countries have opened up their markets to each other, which has promoted business exchanges and brought greater markets and opportunities for all participants. China’s mechanical and electrical products, food, and clothing, among others, have crossed the oceans to arrive at overseas markets, and agricultural products, such as milk of Belarus, Kazakh wheat, and Chilean cherries, have become popular among the Chinese people.

Deepening project cooperation. The joint construction of the BRI allows the economic development needs of relevant countries to dovetail with China’s advantageous industries, which has strongly promoted local industrialization, urbanization, and modernization. Kazakhstan’s Kyzylorda special cement plant, invested by Chinese investors, has filled a gap in the country’s special cement production. The Kareta Hydropower Station undertaken by a Chinese company in Guinea has turned West Africa’s “water tower” into an “electric tower”. And the opening of the Mombasa–Nairobi Standard Gauge Railway has promoted the development of related industries in related countries and injected impetus into local economic growth. (Box 12-5).

Box 12-5 Mombasa-Nairobi Railway and the Future of Kenya

The Mombasa-Nairobi Standard Gauge Railway is Kenya’s flagship project that aims to help it realize its national development agenda in 2030. It is the first railway built since its independence. It is one of the railways with the highest standards, the best quality and the best cost-effectiveness on the African continent and, therefore, is called “Centenary Railway” by Kenyans. The railway connects Nairobi, the capital of Kenya, with Mombasa, the largest port in East Africa. It has a total length of 480 kilometers and it takes 4.5 hours at the fastest to travel between the two places. Prior to this, what was linking the two important cities was an old railway built by the British a hundred years ago, with a speed of

only 30 kilometers per hour at the fastest.

Since its launch, the Mombasa-Nairobi Railway has brought tremendous changes to Kenya's economic and social development. The transportation time between the two places has been shortened by 4 hours, logistics costs reduced by 40%, 46,000 jobs created, more than 45,000 local employees trained, and Kenya's economic growth raised by 1.5%. At the same time, the Mombasa-Nairobi Railway was constructed in accordance with high-standard environmental protection requirements, and 14 large-scale wild animal passages were constructed, leading to the harmonious coexistence of the railway and wild animals.

Promoting technological innovation. The exchanges and cooperation between China and countries involved in the BRI have continually deepened in the fields of digital infrastructure, mobile payment, and cross-border e-commerce. The Pakistan-East Africa submarine optical cable will build a digital economic highway for Africa and Central Asia. The Beidou satellite navigation application products provide accurate and comprehensive space-time information services for relevant countries. And a batch of Chinese internet companies have expanded cooperation with local enterprises in Southeast Asia and other places to help local areas improve their e-commerce level.

Promoting sustainable development. The participation of Chinese companies in Pakistan's Sachal wind power and other clean energy projects have made positive contributions to the local green and low-carbon development (Box 12-6). Chinese enterprises have strengthened personnel training, focused on ecological and environmental protection, and actively fulfilled their social responsibilities in countries involved in BRI. They carried out a series of activities, such as donating to schools, building bridges and repairing roads, and improving medical care (Box 12-7).

Box 12-6 Cooperation among China, Italy and Brazil to Provide Sustainable Source of Clean Energy

Chinese companies and Enel, Italy's national power company, have carried out innovative tripartite cooperation, integrating the superior production capacity of Chinese companies and the advanced expertise of Italian companies, plus the advantages of Chinese and European financial institutions. It is a model of "joint

development, benefit sharing, and risk sharing”, which provides Brazil with cost-effective new energy solutions to achieve a win-win situation for all parties.

In January 2016, Chinese financial institutions signed a tripartite cooperation framework agreement with Enel, providing the Italian company and its subsidiary — a green energy company — with a financing insurance line of \$1 billion to support them carrying out their projects in Latin America through Chinese equipment or contractors.

By the end of 2018, Chinese companies had raised \$330 million as financing for a series of Brazil-based renewable energy projects of Enel’s green energy subsidiary. Some of the power-generating projects have started operation after being connected to the local power grids, bringing sustainable source of clean energy to local Brazilians.

Box 12-7 Not Cold again in Dushanbe’s Winter

Tajikistan has abundant hydropower resources but insufficient hydropower generation capacity. It is because, when the rivers are frozen in the dry season, many small hydropower stations can only be temporarily shut down. The Dushanbe No. 2 thermal power plant project undertaken by a Chinese enterprise has met 60% of the electricity demand in Dushanbe, the capital of Tajikistan by providing heating for more than 700,000 local residents in the winter. Since then, days have gone when the local people had to bear the cold and power-deficient winter.

Advanced process standards and environmental protection technology have been adopted in the system design of the project to ensure ultra-clean industrial exhaust emissions. The 200,000-ton hermetic coal storage reduces environmental pollution and the use of plasma ignition technology truly achieves zero fuel consumption.

A large number of professionals have been trained in the No. 2 thermal power plant for the development of Tajikistan’s thermal power industry. During the construction and operation of the project, 150 Tajik technicians went to China for training and their skills have improved; 300 Tajik operational staff have, under the guidance of Chinese experts, have mastered professional knowledge and been able to independently operate power plant operation equipment.